



Brayne, Williams & Barnard Limited

Chartered Accountants & Registered Auditors

## **BRAYNE, WILLIAMS & BARNARD LIMITED**

### **TERMS OF ENGAGEMENT**

These Terms of Engagement, together with our Terms of Business, set out the basis on which we will act. In this document, references to 'you' and 'your' mean our client or its directors/officers, as applicable. These Terms of Engagement, and the Terms of Business, supersede any previous versions supplied. They are applicable from the date shown above and will apply until they are amended. If you would like a printed copy of this document, or the Terms of Business, please ask us. Please ensure you have read carefully the sections below that apply to the services supplied to you, along with the Terms of Business – if you are not sure which parts apply to you, please ask. All of our work is subject to our Terms of Business.

#### **1 AUDIT EXEMPT COMPANY - COMPILATION OF STATUTORY FINANCIAL STATEMENTS**

The basis on which we are to compile the statutory financial statements is as follows:

##### **1.1 Responsibilities of the directors**

As directors of the above company, in addition to your general duties specified in sections 170 to 177 of the Companies Act 2006, you are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable you to ensure that the financial statements comply with the Companies Act 2006. You are also responsible for preparing financial statements which give a true and fair view, have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 and regulations made under it.

##### **1.2 In preparing the financial statements, you are required to:**

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

##### **1.3 You also have a responsibility not to approve these financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit and loss of the company.**



- 1.4.1 Your responsibility for preparation of the financial statements extends to the application of exemptions and options on transition to, and application of, new accounting standards. As directors of the company you should also consider the impact of new accounting standards on the business, including the impact on going concern.
- 1.5 You are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 1.6 You are also responsible for determining whether, in respect of the year, the company meets the conditions for exemption from an audit of the accounts set out in section 477 (or 479A or 480) of the Companies Act 2006, and for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in sections 476, 478 and 479 (479B or 481).
- 1.7 You are responsible for ensuring that the company complies with the laws and regulations that apply to its activities, and for preventing non-compliance and for detecting any that occurs.
- 1.8 You have undertaken to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management and shareholders' meetings necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information.
- 1.9 Where you are maintaining the bookkeeping records yourself, you have agreed that your staff will be responsible for:
- keeping the record of receipts and payments;
  - reconciling the balances monthly with the bank statements;
  - keeping posted and balanced the purchase and sales ledgers;
  - preparing a detailed list of ledger balances;
  - if applicable, preparing details of the annual stocktaking suitably priced and extended.



1.10 Where your financial information is to be published, which includes a report by us or is otherwise connected to us, on the company's website or by other electronic means, it is your responsibility to advise us of the intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and our report. We reserve the right to withhold consent to the electronic publication of our report if it, or the financial statements, are to be published in an inappropriate manner. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls nor to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the company's website is your responsibility and we accept no responsibility for changes made to such information after it is first posted.

**1.11 Responsibilities of the accountants**

As the company is totally exempt from audit, we have no statutory responsibilities to the company at all. Our only responsibilities arise from those specifically agreed upon between us in respect of other professional services.

1.12 You have asked us to help you prepare the financial statements in accordance with the requirements of the Companies Act 2006. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations given to us by you. We shall plan our work on the basis that no report on the financial statements is required by statute or regulation for the year, unless you inform us in writing to the contrary. In carrying out our engagement we will make enquiries of management and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews.

1.13 You have advised us that the company is exempt from an audit of the financial statements. We will not check whether this is the case. However, should our work indicate that the company is not entitled to the exemption, we will inform you of this.

1.14 Our work will not be an audit of the financial statements in accordance with the International Standards on Auditing (UK). Consequently, our work will not provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error and cannot be relied on to identify weaknesses in internal controls.



1.15 Since we will not carry out an audit, nor confirm in any way the accuracy or reasonableness of the accounting records maintained by the company, we are unable to provide any assurance as to whether the financial statements that we prepare from those records present a true and fair view. We will, however, advise you on whether your records are adequate for the preparation of financial statements and recommend improvements.

1.16 We have a professional duty to compile financial statements that conform with generally accepted accounting principles from the accounting records and information and explanations given to us.

Furthermore, as directors, you have a duty to prepare financial statements that comply with the Companies Act 2006, regulations made under that Act and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)). Where we identify that the financial statements do not conform to UK GAAP or if the accounting policies adopted are not immediately apparent this will need to be disclosed in the financial statements.

1.17 We also have a professional responsibility not to allow our name to be associated with financial statements which we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial statements. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial statements are misleading, we will withdraw from the engagement.

1.18 As part of our normal procedures, we may request you to provide written confirmation of any information or explanations given by you orally during the course of our work.

#### **1.19 Form of the accountants' report**

We shall report to the Board of Directors, with any modifications that we consider may be necessary, that in accordance with this engagement letter and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the financial statements from the accounting records of the company and from the information and explanations supplied to us. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's Board of Directors, as a body, for the work or for this report.



## **2 COMPANY TAX RETURN**

The basis on which we are to prepare the company tax return is as follows, and assumes that you will make full disclosure to us of all relevant information:

### **2.1 Taxation services**

We shall prepare, in respect of each accounting period of the company, a computation for corporation tax purposes adjusted in accordance with the provisions of the Taxes Acts. We shall also prepare the return form CT600 and subsidiary forms required by self assessment. The self assessment forms together with the supporting corporation tax computations, will be sent to you for written approval and signature prior to submission to the Inspector of Taxes in the required iXBRL format.

2.2 We will convert your accounts in to the required iXBRL format appropriate for the purposes of submission of the accounts to HMRC.

2.3 We shall advise you as to appropriate payments of corporation tax and S455 CTA2010 liabilities (loans to participators).

2.4 If the company is selected for enquiry by the HM Revenue and Customs, we will agree separate terms of engagement. The supplementary engagement terms will include responsibilities and fees as appropriate.

2.5 You will be responsible, unless otherwise agreed, for all other returns, more particularly: returns relating to employee taxes under PAYE, returns of employee expenses and benefits on forms P11D and the returns of income tax deducted at source as required on forms CT61. Your staff will deal with all returns and other requirements in relation to value added tax.

2.6 We shall be pleased to advise you on matters relating to the company's corporation tax liability, the implications or particular business transactions and on other taxation matters which you refer to us, such as national insurance, income tax deducted at source, employee benefits, value added tax and inheritance tax. Such services would also be subject to separate terms of engagement.

## **3 COMPILATION OF UNAUDITED FINANCIAL INFORMATION FOR SOLE TRADERS & PARTNERSHIPS**

The basis on which we are to compile the unaudited financial information is as follows:

### **3.1 Your responsibilities**

You will be responsible for the reliability, accuracy and completeness of the accounting records.



3.2 You have undertaken to make available to us, as and when required, all of your accounting records and related financial information, including any minutes of management meetings, necessary to

carry out our work. You will provide us with all information and explanations relevant to the purpose and compilation of the financial information, and you will disclose to us all relevant information in full.

3.3 You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the financial statements, is accurate and complete. You are also responsible for ensuring that the activities of the business are conducted honestly, and for safeguarding the assets of the business and for taking reasonable steps to prevent and detect fraud and other irregularities.

3.4 You are responsible for ensuring that the business complies with the laws and regulations that apply to its activities, and for preventing non-compliance, and for detecting any that occurs.

### **3.5 Our responsibilities**

You have asked us to help you prepare the financial information required eg. a profit and loss account, balance sheet and relevant notes to enable profits to be calculated such as to meet the requirements of section 25 of the Income Tax (Trading and Other Income) Act 2005 and which provides sufficient and relevant information to enable the completion of a tax return. We will compile the financial information for your approval based on the accounting records maintained by you and the information and explanations given to us by you.

3.6 We shall plan our work on the basis that no report is required by statute or regulation, unless you inform us in writing to the contrary. In carrying out our engagement we will make enquiries of management and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews.

3.7 Our work will not be an audit of the financial information in accordance with International Standards on Auditing (UK). Consequently, our work will not provide any assurance that the accounting records or the financial information are free from material misstatement, whether caused by fraud, other irregularities or error and cannot be relied on to identify weaknesses in internal controls.



- 3.8 Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by you, we are unable to provide any assurance as to whether the financial information that we prepare from those records presents a true and fair view. We will, however, advise you on whether your records are adequate for the preparation of the financial information and recommend improvements.
- 3.9 We have a professional duty to compile financial information that conforms with the generally accepted accounting principles selected by management as being appropriate for the purpose for which the information is prepared. The financial reporting framework on which the information has been compiled, its purpose and limitations will be disclosed in an accounting policy note to the financial information and will be referred to in our accountants' report.
- 3.10 We also have a professional responsibility not to allow our name to be associated with financial information which we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial information may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial information. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial information is misleading, we will withdraw from the engagement.
- 3.11 As part of our normal procedures, we may request you to provide written confirmation of any information or explanations given by you orally during the course of our work.
- 3.12 You will approve and sign the financial information thereby acknowledging responsibility for it, including the appropriateness of the financial reporting framework on which it has been compiled, and for providing us with all information and explanations necessary for its compilation.

### **3.13 Form of our report**

We shall report to you that in accordance with this engagement letter we have compiled, without carrying out an audit, the financial information from the accounting records of the entity and from the information and explanations supplied to us. The report should not be used for any purpose other than as set out in this engagement letter. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the addressee of the report, for our work or for our report.



#### **4 TAXATION AGENTS**

The basis on which we are to prepare your tax returns is as follows, and assumes that you will make full disclosure to us of all relevant information:

##### **4.1 Taxation services**

We shall prepare, in respect of each accounting period, a computation of profits adjusted in accordance with the Taxes Acts. Once they have been approved by you we shall complete the appropriate self assessment schedule.

4.2 We shall prepare on your behalf the necessary self assessment returns including a calculation of your tax liabilities from the information supplied by you. With your agreement we shall obtain some information direct from your bank, building societies etc.

4.3 We shall forward your return (together with copies of all supporting material we propose to submit to HM Revenue & Customs (HMRC) with your return) to you for approval and signature. You are legally responsible for making a correct return in respect of your annual tax liability, and it is essential that we as your agent are supplied with all relevant information. At this stage we shall advise you as to your outstanding tax liabilities and the appropriate payment dates.

4.4 We may also send reminders to you as each payment date approaches.

4.5 It is important to note that HMRC will charge interest on any tax paid late, and in some cases can increase any outstanding liability by imposing surcharges.

4.6 Furthermore, to avoid automatic late filing penalties, which start at £100, the return must normally be submitted to the Inspector by 31 January following the tax year to which the return relates. This date may be extended if there is an HMRC delay in issuing the return to you.

4.7 It is therefore essential that you respond on a timely basis to any requests for further information to enable us to complete your return and submit it to HMRC on time.

4.8 It is your responsibility to ensure that your tax is paid on time and that your return is filed on time.

4.9 With this in mind we may ask you to sign a form 64-8 which authorises HMRC to send us copies of formal notices relevant to your personal tax position. However, to avoid any confusion, please forward to us any correspondence/taxpayer statements that you receive direct from HMRC.





#### **4.10 Enquiries**

We shall respond to any enquiries from HMRC arising from your tax return. However, we shall consult you if it becomes clear that HMRC are opening an in-depth enquiry. They have the power to do this on a purely random basis.

#### **4.11 Record keeping requirements**

Self assessment requires full records supporting a return to be retained until the fifth anniversary of the 31 January following the end of the year assessment concerned. You will be responsible for retaining these records.

#### **4.12 Penalties of up to £3,000 may be imposed for non-compliance with these provisions.**

#### **4.13 Other services**

We shall be pleased to give advice on the tax implications of specific matters which you may refer to us from time to time. Such advice and / or assistance would also be subject to separate terms of engagement.

4.14 You will be responsible for all other returns, particularly including those relating to employees' taxes, PAYE and VAT. We shall, however, be happy to advise in this connection if specifically requested. Such advice and/or assistance would also be subject to separate terms of engagement.

### **5 AUDIT EXEMPT LLP – COMPILATION OF STATUTORY FINANCIAL STATEMENTS**

The basis on which we are to compile the statutory financial statements is as follows:

#### **5.1 Responsibilities of the members**

As members of the limited liability partnership you are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable you to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). You are also responsible for preparing financial statements which give a true and fair view, have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) and regulations made under it.



- 5.2 In preparing the financial statements, you are required to:
- select suitable accounting policies and then apply them consistently;
  - make judgements and estimates that are reasonable and prudent; and
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.
- 5.3 You also have a responsibility not to approve these financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the limited liability partnership.
- 5.3a Your responsibility for preparation of the financial statements extends to the application of exemptions and options on transition to, and application of, new accounting standards. As members of the limited liability partnership you should also consider the impact of new accounting standards on the business, including the impact on going concern.
- 5.4 You are responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 5.5 You are also responsible for determining whether, in respect of the year, the limited liability partnership meets the conditions for exemption from an audit of the accounts set out in section 477 [or 479A or 480] of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), and for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in sections 478 and 479 [479B or 481].
- 5.6 You are responsible for ensuring that the limited liability partnership complies with the laws and regulations that apply to its activities, and for preventing non-compliance and for detecting any that occurs.
- 5.7 You have undertaken to make available to us, as and when required, all the limited liability partnership's accounting records and related financial information, including minutes of management and members' meetings necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information.



5.8 Where you are maintaining the bookkeeping records yourself, you have agreed that your staff will be responsible for:

- keeping the record of receipts and payments;
- reconciling the balances monthly with the bank statements;
- keeping posted and balanced the purchase and sales ledgers;
- preparing a detailed list of ledger balances;
- if applicable, preparing details of the annual stocktaking suitably priced and extended.

5.9 If you wish to publish your financial information, which includes a report by us or is otherwise connected to us, on the limited liability partnership's website or by other electronic means, it is your responsibility to advise us of the intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and our report. We reserve the right to withhold consent to the electronic publication of our report if it, or the financial statements, are to be published in an inappropriate manner. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls nor to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the limited liability partnership's website is your responsibility and we accept no responsibility for changes made to such information after it is first posted.

#### **5.10 Responsibilities of the accountants**

As the limited liability partnership is totally exempt from audit, we have no statutory responsibilities to the limited liability partnership at all. Our only responsibilities arise from those specifically agreed upon between us in respect of other professional services.

5.11 You have asked us to help you prepare the financial statements in accordance with the requirements of the Companies Act 2006 (as applied to LLPs) and with the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations given to us by you. We shall plan our work on the basis that no report on the financial statements is required by statute or regulation for the year, unless you inform us in writing to the contrary. In carrying out our engagement we will make enquiries of management and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews.



- 5.12 You have advised us that the limited liability partnership is exempt from an audit of the financial statements. We will not check whether this is the case. However, should our work indicate that the limited liability partnership is not entitled to the exemption, we will inform you of this.
- 5.13 Our work will not be an audit of the financial statements in accordance with the International Standards on Auditing (UK). Consequently, our work will not provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error and cannot be relied on to identify weaknesses in internal controls.
- 5.14 Since we will not carry out an audit, nor confirm in any way the accuracy or reasonableness of the accounting records maintained by the limited liability partnership, we are unable to provide any assurance as to whether the financial statements that we prepare from those records present a true and fair view. We will, however, advise you on whether your records are adequate for the preparation of financial statements and recommend improvements.
- 5.15 We have a professional duty to compile financial statements that conform with generally accepted accounting principles from the accounting records and information and explanations given to us. Furthermore, as members, you have a duty to prepare financial statements that comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)), including the Statement of Recommended Practice: Accounting by Limited Liability Partnerships. Where we identify that the financial statements do not conform to UK GAAP or if the accounting policies adopted are not immediately apparent this will need to be disclosed in the financial statements.
- 5.16 We also have a professional responsibility not to allow our name to be associated with financial statements which we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial statements. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial statements are misleading, we will withdraw from the engagement.



5.17 As part of our normal procedures, we may request you to provide written confirmation of any information or explanations given by you orally during the course of our work.

#### **5.18 Form of the accountants' report**

We shall report to the members, with any modifications that we consider may be necessary, that in accordance with this engagement letter and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the financial statements from the accounting records of the limited liability partnership and from the information and explanations supplied to us. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members, as a body, for the work or for this report.

#### **5.19 Taxation services**

We shall prepare the limited liability partnership's self assessment tax returns and the annual partnership statements, together with any supplementary pages required, from the information and explanations that you provide to us.

5.20 We will also prepare the income tax and capital gains tax computations based on the limited liability partnership's financial statements for inclusion in the limited liability partnership's tax returns.

5.21 Once we have obtained the approval and signature of the member who is responsible for dealing with the limited liability partnership's tax affairs we will submit the limited liability partnership's returns to HM Revenue & Customs (HMRC).

5.22 The work undertaken within this aspect of our engagement will be in respect of the limited liability partnership's tax affairs. We have no responsibilities in respect of the personal tax affairs of the limited liability partnership's members, these will be subject to their individual letters of engagement.

5.23 If instructed we will provide each member with details of the member's allocations from the return to enable members to fill in their self assessment tax returns.

5.24 Where we undertake taxation work on behalf of the individual members of the limited liability partnership you must agree to keep us informed of relevant changes in circumstances that could affect the members' tax liabilities, for example, keep us informed of changes in membership. Any work to be undertaken on behalf of the individual members will be set out in separate terms of engagement.



### 5.25 Your responsibilities

As members of the limited liability partnership you are responsible for:

- ensuring that the limited liability partnership's self assessment tax returns are correct and complete; and
- filing any returns by the due date.

Failure to do this may lead to automatic penalties.

5.26 To enable us to undertake our work you agree:

- that all returns are to be prepared on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- to provide all information necessary for dealing with the limited liability partnership's tax affairs; and
- to provide us with information in sufficient time for the limited liability partnership's tax return to be completed and submitted by the due date.

### 5.27 Enquiries

We shall respond to any enquiries from HMRC arising from the limited liability partnership's tax return. We shall consult you if it becomes clear that HMRC are opening an enquiry. HMRC have the power to do this on a purely random basis.

### 5.28 Other services

We shall be pleased to give advice on the tax implications of specific matters which you may refer to us from time to time. Such advice and / or assistance would also be subject to separate terms of engagement.

5.29 You will be responsible for all other returns, particularly including those relating to employees' taxes, PAYE and VAT. We shall, however, be happy to advise in this connection if specifically requested. Such advice and / or assistance would also be subject to separate terms of engagement.



## 6 ADDITIONAL SERVICES

The basis on which we are to supply other services is as follows:

### 6.1 Regular Accounting Systems

We will set up the software appropriate to your business. If the software that you choose is Xero, we will provide 1 hour's initial training free of charge. Where you buy Xero through us, we will also provide you with ongoing support.

### 6.2 Accounting Support Services:

- If we are instructed to provide accounting support, we will process your accounting entries into the accounting system
- Prepare regular bank reconciliations
- Maintain your various control accounts in a reconciled form
- Provided we receive the data in a timely manner, and we are instructed to do so, we will prepare your Management Accounts.

### 6.3 VAT Returns

If we are instructed to prepare your VAT returns, we shall provide the following services: We will prepare your VAT return workings from original records and information supplied by you to the extent necessary to prepare your VAT return. We will produce the VAT return from those workings. We will advise you of the VAT due and, at your authorisation, we will set up a direct debit for the VAT payment. We will submit your VAT return and you have authorised us to submit this electronically. If we are instructed, and if required, we will submit your EC sales list based on the information you supply.

- 6.4 It remains your responsibility for making correct VAT returns and for ensuring payment of VAT is made on time. If VAT returns are submitted late or payment is made late, penalties or interest may be charged. You should ensure, therefore, that you supply us with your information for your VAT return on a timely basis.
- 6.5 If we are instructed to only review your VAT returns, it is on the basis that you have made the entries in your accounting system yourself. If the volume of these entries is large, it is extremely unlikely that we will be able to check every entry to the supporting documentation and we will therefore approach this on a sample basis.
- 6.6 VAT invoices and associated appropriate documentation must be held by you for all costs claimed.
- 6.7 Records need to be held for 6 years after the accounting period end (which is therefore effectively 7 years).
- 6.8 On request, we shall provide consultancy advice on VAT matters (such as specific transactions which are contemplated) as and when requested to do so by the tax payer. Please advise us in



good time of any proposed transactions. Tax legislation changes frequently and we would recommend that you ask us to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken.

- 6.9 In all respects, please keep us apprised of any changes in your business or your services as these may affect what is required to be submitted.

## **7 Company Secretarial Services**

If you would like us to act as Company Secretary, this service will be supplied via our company BWB Secretaries Limited.

- 7.1 If you instruct us to act as your Registered Office, we will also complete your confirmation statement, obtain your authorisation of it, and then submit it electronically to Companies House. If you instruct us to submit your confirmation statement only, we will complete it, obtain your authorisation and then submit electronically to Companies House.

- 7.2 If you instruct us to perform any of these three services above, we will maintain your statutory books – these will be maintained electronically. We will prepare for your approval any changes in officers of the company or the registered office. With respect to share transactions, we will prepare paperwork for your approval – depending on the complexity of the transaction, we may quote you a separate fee.

Where we act as Company Secretary or Registered Office, we will prepare dividend vouchers as required.

- 7.3 We will forward any documents or mail sent to, or served on, us as your registered office within 24 hours, unless this is clearly junk mail. All documents will be submitted to Companies House electronically, unless paper form is the only option. You will keep us informed at all times of any matters affecting the company's statutory affairs and we take no responsibility whatsoever of any losses suffered as a result of directors' fiduciary duties.

## **8 Payroll Services**

If we are instructed to run your payroll, we will do this from information supplied by you – we will provide monthly payslips and monthly reports, we will inform you of the amounts due to your employees and HMRC, we will submit Real Time Information (RTI) to HMRC and we will supply a P60 at the end of the year and will send a final RTI submission to HMRC. If there is any further information required to be submitted, e.g. CIS deducted or suffered, it is your responsibility to





supply that to us to include. We will expect to receive the payroll information at least 3 full working days in advance to ensure that your payroll has been completed by your deadlines – it remains the responsibility of the employer to maintain payroll records. If any additional work is required, due to incomplete or incorrect information, we reserve the right to make additional charges.

## **9 Pension Services**

If we are instructed to complete your pension administration, we shall do this in line with your directives. We shall complete the necessary monthly pension administration, including the following if necessary:

- Uploading new joiners;
- Uploading monthly contributions;
- Setting up and processing the monthly direct debit;
- Dealing with any opt-ins;
- Dealing with any opt-outs within the time frames specified;
- Refunding any payments after processing opt-outs – ensuring that the refunds are processed through the payroll;
- Advising you of the amount to be collected by direct debit each month.

In order for us to complete the above tasks, it is your responsibility to provide accurate personal information for your employees in a timely manner. Incorrect personal information may lead to complications with the pension provider. We cannot take responsibility for errors due to incorrect supply of personal information. Where additional work is required in order to correct inaccuracies, we reserve the right to make additional charges. It remains your responsibility for making correct returns, including the Declaration of Compliance, and for making payments on time.

If you have not instructed us to complete your pension administration, you will be responsible for any monthly returns and for the completion of your Declaration of Compliance with The Pension Regulator.

## **10 PIIDs**

If we are instructed to prepare your forms P11d and related forms (returns of expenses and benefits in kind of employees), we will produce these based on information you supply. We will obtain your approval of the forms – these need to be checked carefully to ensure that all benefits and expenses are correctly included. It is your responsibility to supply us with correct information in a timely manner – if forms are filed late, you may be subject to penalties. It is also your responsibility to make any payments due on time as late payments may be subject to penalties and interest.



## 11 Making payments on your behalf

If instructed to, we will assist you by setting up payments on your bank system and, in certain circumstances, we may assist you in authorising them. The latter will be on strict parameters as laid out by you.

Where possible, we will set all suppliers up on your banking system as templates. On receipt from you of properly approved or authorised invoices, we will set up the supplier payments for your approval. In all cases, we will rely on you or your staff to verify any changes in supplier bank details. Our recommendation in this instance is that the supplier is telephoned on a telephone number known by you to be correct, or on a number from an old purchase invoice, to verify the change in bank details. If we notice that a supplier's bank account has changed from that shown on the bank system template, and you have not specifically advised us that you have verified the change, we will flag this to you and ask you to undertake the verification process as set out above. These steps are put in place to minimise the risk of fraud and are very important. We will rely on you and your team to follow the recommendations as we have set out and you acknowledge that we accept no responsibility if you do not follow our recommendations.

If your banking system does not have the function to set up templates, we will check the current supplier payment to details used on an earlier invoice. If we notice a change in details, we will flag to you as laid out above.

If instructed to do so, we can set up direct debits for you with HMRC for VAT, PAYE or corporation tax. We would do this at your authorisation. Once set up, we will provide you with the confirmation documentation.

In all instances, we will take every care possible in setting up the payments but it remains your responsibility to check that all payments are correct and the authorisation thereof remains, therefore, your or your team's ultimate responsibility.