

LIMITED LIABILITY PARTNERSHIP (LLP) ACCOUNTS AND TAXATION

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the accompanying engagement letter (which also details the standard terms and conditions).

Responsibilities of members

- 1.1 As members of the limited liability partnership, you are responsible for preparing financial statements which give a true and fair view and which have been prepared in accordance with the Companies Act 2006 (the Act). As designated members you must not approve the 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 limited liability partnership.
- 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 limited liability partnership will continue in business.
- 1.3 You are responsible for keeping adequate accounting records that set out with reasonable accuracy at any time the financial position of the limited liability partnership and for ensuring that the financial statements comply with UK GAAP and with the Act and give a true and fair view.
- 1.4 You are also 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.
- 1.5 You are also responsible for determining whether, in respect of each financial year, the limited liability partnership meets the conditions for exemption from audit, as set out in Section 477 [or 480] of the Act, and for determining whether the exemption cannot be claimed for that year.
- 1.6 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 to carry out our work. You will make full disclosure to us of all relevant information.
- 1.7 You are responsible for ensuring that the limited liability partnership complies with laws and regulations that apply to its activities, and for preventing non-compliance and detecting any that occurs.
- 1.8 If financial information is published, which includes a report by us or is otherwise connected to us, on the limited liability partnership's website or by other electronic means, you must inform us of the electronic publication and get our consent before it occurs. We have the right to withhold consent to the electronic publication if that information is to be published in an inappropriate manner. You must set up controls to prevent or detect quickly any changes to electronically published information. We are not responsible for reviewing these controls nor for keeping the information under review after it is first published. You are responsible for the maintenance and integrity of electronically published information, and we accept no responsibility for changes made to any information after it is first posted.

Scope of the accountants' work

- 2.1 You have asked us to assist you in the preparation of the financial statements. 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 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.
- 2.2 You have advised us that the limited liability partnership is exempt from an audit of the financial statements. We will not carry out any work to determine whether or not the limited liability partnership is entitled to audit exemption. However, should our work indicate that the limited liability partnership is not entitled to the exemption, we will inform you of this.

- 2.3 Our work will not be an audit of the financial statements in accordance with International Standards of Auditing (UK and Ireland). 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.
- 2.4 Since we will not carried 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.
- 2.5 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 Act and applicable accounting standards. The accounting policies on which the financial statements have been compiled will be disclosed in an accounting policy. We will not compile financial statements where the accounting principles, or accounting policies selected by management are inappropriate.
- 2.6 We have a professional responsibility not to allow our name to be associated with financial statements which 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.
- 2.7 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.
- 2.8 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 for our work or for this report.

Preparation and maintenance of accounting records

Your responsibilities

- 3.1 You have agreed that you or your staff will:
- (a) keep the records of receipts and payments;
 - (b) reconcile the balances monthly with the bank statements;
 - (c) post and balance the purchases and sales ledgers;
 - (d) extract a detailed list of ledger balances;
 - (e) where appropriate prepare details of the annual stocktaking and or the work-in-progress at the accounting date and make available to us the documents and other information from which the statement is compiled.

Our responsibilities

- 3.2 We have agreed, where appropriate, to provide you with closing journals to agree your accounting records to the financial statements.

Taxation

Recurring compliance work

- 4.1 We will prepare the computations and supporting schedules required for preparation of the partnership tax return from accounts, information and explanations provided to us on your behalf. We will prepare the partnership tax self assessment return as agent for the limited liability partnership. After obtaining evidenced approval of an authorised nominated designated member, we will submit it to HM Revenue & Customs (HMRC).

- 4.2 The members will be responsible for preparing and filing their own self assessment tax returns unless they have engaged us to do so – this will be covered in a separate letter of engagement.
- 4.3 We will advise you as to possible tax return related claims and elections arising from information supplied by you.
- 4.4 You will be responsible for all other returns, more particularly: returns of employee expenses and benefits on forms P11D although we will assist you in this task if requested. Your staff will also deal with all returns and other requirements in relation to Value Added Tax and returns for sub-contractors. These matters can be dealt with by us, if so requested by you.

Ad hoc and advisory work

- 5.1 Where you have instructed us to do so, we will also provide such other taxation advisory and ad hoc services as may be agreed between from time to time. These may be the subject of a separate engagement letter, at our option. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
- Dealing with any enquiry opened into the limited liability partnership's tax return by HMRC;
 - Preparing any amended returns, which may be required and corresponding with HMRC as necessary.
- 5.2 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

Changes in the law

- 6.1 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
- 6.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given

Your responsibilities

- 7.1 The Members, on behalf of the limited liability partnership, are legally responsible for:
- (a) Ensuring that all returns are correct and complete;
 - (b) Filing any returns by the due date; and
 - (c) Making payment of tax on time.

Failure to do this may lead to automatic penalties, surcharges and/or interest.

Legal responsibility for approval of the return cannot be delegated to others. You agree to check the returns that we have prepared for the LLP are correct and complete before approving them.

You are no less responsible for errors in unapproved returns, submitted on the basis of information provided to and processed by us, than if you had confirmed your approval of the returns.

- 7.2 To enable us to carry out our work the Members agree:
- (a) That all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
 - (b) To provide full information necessary for dealing with the limited liability partnership's affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
 - (c) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the limited liability partnership's affairs;
 - (d) To provide us with information in sufficient time for the limited liability partnership's returns to be completed and submitted by the due dates. In order that we can do this we need to receive all relevant information by 6 weeks before the return is due. Where feasible we may agree to complete your return within a shorter period;
 - (e) To provide us with information on advances or loans made to members or their associates during an accounting period and any repayments made or write offs authorised at least within three months of the end of the relevant accounting period.

- 7.3 The Members will keep us informed of material changes in circumstances that could affect the tax liabilities of the limited liability partnership. If the Members are unsure whether the change is material or not please let us know so that we can assess the significance.
- 7.4 You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us when form 64-8 has been signed and submitted it is essential that you let us have copies of any correspondence received because HMRC are not obliged to send us copies of all communications issued to you.
- 7.5 The work carried out within this engagement will be in respect of the limited liability partnership's tax affairs. Any work to be carried out for the members on a personal basis will be set out in a separate letter of engagement.
- 7.6 You are responsible for monitoring the monthly turnover to establish whether the limited liability partnership is liable to register for VAT, if it is not already registered. If you do not understand what you need to do, please ask us. If the limited liability partnership exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of the limited liability partnership's liability to be VAT registered we will be pleased to assist in the VAT registration process. You should notify us of your instructions to act in relation to the limited liability partnership's VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which the current VAT registration turnover threshold was exceeded. We will not be responsible if we are not notified in time and a late registration penalty is incurred.

Limitation of liability

Our services as set out above are subject to the limitations on our liability set out in the standard terms and conditions of business in our engagement letter.