

SCHEDULE OF SERVICES – Limited Liability Partnerships (LLPS)

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

Recurring compliance work

1. We will prepare the LLP self-assessment tax returns, and the annual partnership statements, together with any supplementary pages required from the information and explanations that the LLP provides to us. In particular, we will allocate the split of profits and other gains between the members on the basis provided to us. After obtaining the written evidence of the approval of the nominated member, we will submit these to HMRC.
2. We will prepare the LLP business accounts in accordance with [FRS 102, FRS 105, generally accepted accounting standards] from the books, accounting records and other information and explanations provided to us by you and/or by others on your behalf.
3. We will complete the writing up of your books and records in so far as they are incomplete when presented to us. These will be from the accounting information and records you supply.
4. We will not be carrying out any audit work as part of this assignment and accordingly will not verify the assets and liabilities of the LLP, nor the items of expenditure and income. To carry out an audit would entail additional work to comply with International Standards on Auditing so that we could report on the truth and fairness of the financial statements. Accordingly, we shall not seek any independent evidence to support the entries in the accounting records, or to prove the existence, ownership or valuation of assets or completeness of income, liabilities or disclosure in the accounts. Nor shall we assess the reasonableness of any estimates or judgements made in the preparation of the accounts. Consequently, our work will not provide any assurance that the accounting records are free from material misstatement, irregularities or error. We would also like to emphasise that we cannot undertake to discover any shortcomings in your systems or irregularities on the part of your employees.
5. We have a professional duty to compile accounts that conform with generally accepted accounting principles. The accounts of an LLP are required to comply with the disclosure requirements of the Limited Liability Partnership Act 2000, Limited Liability Partnership Regulations 2008, Financial Reporting Standards and Companies Act 2006. Where we identify that the accounts do not conform to accepted accounting principles or standards we will inform you and suggest amendments be put through the accounts before being published. We have a professional responsibility not to allow our name to be associated with accounts that may be misleading. In extreme cases, where this matter cannot be resolved, we will withdraw from the engagement and notify you in writing of the reasons.
6. Should you instruct us to carry out any alternative report it will be necessary for us to issue a separate letter of engagement.
7. To ensure that anyone reading the accounts is aware that we have not carried out an audit, we will attach to the accounts a report stating this fact.
8. The intended users of the report are the members. The report will be addressed to the members.

9. Once we have issued our report we have no further responsibility in relation to the accounts for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the annual general meeting that may affect the accounts.
10. There are no third parties that we have agreed should be entitled to rely on the work done pursuant to this engagement letter.
11. We will prepare the income tax and capital gains tax computations based on the LLP's business accounts for inclusion in the partnership tax return.
12. Where instructed by you, we will advise you as members of the LLP as to possible tax return-related claims and elections arising from information supplied by the LLP in the form and manner required by HMRC.
13. If instructed, we will provide each member or their agent with details of the member's allocations from the LLP return based on the partnership statement, to enable members to fill in their self-assessment tax returns. The split of profits and gains between the members will be allocated on the basis provided to us. We will not provide any other information to individual members unless this is authorised and forms part of a separate engagement.
14. If any of the individual members require personal tax advice or require us to prepare a personal tax return and/or wish us to make possible tax return-related claims, please let us know as this will be the subject of a separate engagement letter.
15. Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees, but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.

Ad hoc and advisory work

16. Where instructed by the nominated member we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:
 - advising on the in-year Capital Gains Tax (CGT) reporting requirements on disposals of property, and preparing the in-year return and calculating the CGT due where required [note this work will always result in additional fees]. We will require you to provide information as early as possible in advance of exchange of contracts in order to provide advice on the tax implications, reporting requirements and to quantify the tax bill;
 - advising on ad hoc transactions and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities;
 - advising on double tax relief if appropriate;
 - dealing with any enquiry opened into the partnership tax return or tax affairs by HMRC; and
 - preparing any amended returns that may be required and corresponding with HMRC as necessary.

17. If specialist advice in certain areas is required, we may need to seek this from, or refer you to, appropriate specialists. We will only do this when instructed by the nominated member.

Changes in the law or public policy and practice

18. 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 public policy and practice or your circumstances.

19. We will accept no liability for losses arising from changes in the law or public policy and practice that are first published after the date on which the advice is given.

Your responsibilities

20. You are required by statute to prepare accounts (financial statements) for each financial year, which give a true and fair view of the state of affairs of the LLP and of its profit or loss for that period. In preparing those accounts you must:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent; and
- (c) prepare the accounts on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

21. It is your responsibility to keep proper accounting records that disclose with reasonable accuracy at any particular time the financial position of the LLP. It is also your responsibility to safeguard the assets of the LLP and to take reasonable steps for the prevention of and detection of fraud and other irregularities with an appropriate system of internal controls.

22. You are responsible for determining whether, in respect of the year concerned, the LLP meets the conditions for exemption from an audit set out in the Limited Liability Partnership (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2016.

23. You are also responsible for making available to us, as and when required, all the LLP's accounting records and all other relevant records and related information, including minutes of members' meetings.

24. You will also be responsible for:

- (a) maintaining records of all receipts and payments of cash;
- (b) maintaining records of invoices issued and received;
- (c) reconciling balances [monthly/annually] with the bank statements;
- (d) preparing a record of business mileage for all members undertaken in the year;
- (e) preparing a record of hours per month worked at home for all members if you wish to claim for business use of your home;

- (f) preparing details of any loan interest paid;
- (g) preparing a record of capital introduced by the members;
- (h) advising us via the nominated member of any changes to the profit-sharing arrangements of the LLP; and
- (i) preparing details of the following at the year-end: stocks and work in progress, fixed assets, amounts owing to creditors, amounts owing by customers and accruals and prepayments.

25. The members are legally responsible for:

- (a) ensuring that the partnership self-assessment tax returns are correct and complete;
- (b) filing any returns by the due date; and
- (c) paying tax on time.

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

26. Taxpayers who approve their returns cannot delegate this legal responsibility to others. The nominated member of the LLP agrees to check that returns and partnership statements we have prepared for the LLP are correct and complete before approving them.

27. To enable us to carry out our work you 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 all information necessary for dealing with the LLP's affairs. In particular, you are responsible for advising in writing, via the nominated member, on the members' allocation of profits, losses, other income and allowances; 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 LLP's affairs; and
- (d) to provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider that an LLP member will be non-UK resident in the tax year of disposal, full details of all UK property disposals (residential and non-residential) and disposals of shares in UK property rich companies or UK property rich collective investment vehicles, or such other entities must be advised prior to exchange of contracts or agreement to transfer shares or units. If information is received after this we cannot guarantee that we can provide advice on the amount of capital gains tax due or submit an in-year return within 30 days after the completion date of the disposal.
- (e) to provide us with information in sufficient time for the LLP tax return to be completed and submitted by the due date following the end of the tax year. In order that we can do this we need to receive all relevant information 4 months after the financial year end

28. You will keep us informed of material changes in circumstances that could affect the partnership tax returns or the partnership statements including, by way of example, changes in the members in the LLP. If you are unsure whether the change is material or not, please let us know so that we can assess its significance.
29. Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC. These must be provided in sufficient time to enable us to deal with them as may be necessary within the statutory time limits. It is essential that you let us have copies of any correspondence received because HMRC is not obliged to send us copies of all communications issued to you.
30. (a) You are responsible for monitoring the LLP's monthly turnover to establish whether it 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 it exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of its liability to be VAT registered, we will be pleased to assist in the VAT registration process. You should notify us of your instructions to assist in the 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 VAT registration threshold in force at that time was exceeded. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.

(b) You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers. If you do not understand what you need to consider or action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.
- 31. Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions, which you should read and consider carefully.**