

## **SCHEDULE OF SERVICES – Company Accounts**

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 company 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.
2. 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.
3. 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 business, 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.
4. We have a professional duty to compile accounts that conform with generally accepted accounting principles. Where we identify that the accounts do not conform with generally accepted accounting principles or standards, we will inform you and suggest amendments be put through the accounts before being finalised. 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.
5. Should you instruct us to carry out any alternative report it will be necessary for us to issue a separate letter of engagement.
6. 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.
7. The intended users of the report are the directors. The report will be addressed to the directors.
8. 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.
9. There are no third parties that we have agreed should be entitled to rely on the work done pursuant to this engagement letter.

10. 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**

11. Where you have instructed us to do so, 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 ad hoc transactions and queries (including telephone conversations); and
- advising on double tax relief if appropriate.

12. Where specialist advice is required, on occasions we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by you.

#### **Changes in the law or practice or in public policy**

13. 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 practice or in public policy or your circumstances.

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

#### **Your responsibilities**

15. 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 company 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.
- (c) Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

17. You are responsible for determining whether, in respect of the year concerned, the company meets the conditions for exemption from an audit set out in section 477, 479A or 480 of the Companies Act 2006.

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

19. To enable us to carry out our work you agree to:
- (a) keep proper accounting records that disclose with reasonable accuracy at any particular time the financial position of the business;
  - (b) make available to us, as and when required, all the company's accounting records and all other relevant records and related information including minutes of management and shareholders' meetings
  - (c) Prepare a record of capital introduced and all financial transactions undertaken by the directors;
  - (d) maintain records of all receipts and payments of cash;
  - (e) maintain records of invoices issued and received;
  - (f) reconcile balances monthly/annually with the bank statements; and
  - (g) prepare details of the following at the year end: stocks and work in progress; fixed assets; amounts owing to suppliers; amounts owing by customers; and accruals and prepayments.
20. As part of our normal procedures we may request you to provide written confirmation of any oral information and explanations given to us during the course of our work.
21. (a) You are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT. If you do not understand what you need to do, please ask us. If you exceed the VAT registration threshold, and wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your 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 you exceed the VAT registration threshold in force at that time. 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.
22. **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 that you should read and consider carefully.**