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## Schedules of Services and Standard Terms of Business

Updated

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Standard terms of business

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## 1. PREPARATION OF STATUTORY FINANCIAL STATEMENTS IN COMPLIANCE WITH THE COMPANIES ACT 2006

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 1.1. RESPONSIBILITIES AND SCOPE FOR FINANCIAL STATEMENTS PREPARATION SERVICES

##### 1.2. Your responsibilities as directors and or members

- 1.2.1. As directors or members]of the company and or 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 directors and or 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 or loss of the company limited liability partnership.
- 1.2.2. For companies where appropriate You have instructed us to prepare abridged accounts under The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 as amended by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015. As directors you are responsible for obtaining the necessary consents from all shareholders and members] and for delivering the required statement to the registrar.
- 1.2.3. For LLPs where appropriate You have instructed us to prepare abridged accounts under The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by The Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016. As designated members, you are responsible for obtaining the necessary consents from all members and for delivering the required statement to the registrar.
- 1.2.4. In preparing the financial statements, you are required to:
  - a) select suitable accounting policies and then apply them consistently;
  - b) make judgements and estimates that are reasonable and prudent; and
  - c) prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the [company] [limited liability partnership] will continue in business.



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- 1.2.5. You are responsible for keeping adequate accounting records that set out with reasonable accuracy at any time the company's or limited liability partnership's financial position, and for ensuring that the financial statements comply with applicable accounting standards and with the Companies Act 2006 and give a true and fair view. By approving the financial statements you will be acknowledging this responsibility.
- 1.2.6. You are also responsible for safeguarding the assets of the company and or limited liability partnership and hence for taking reasonable steps to prevent and detect fraud and other irregularities.
- 1.2.7. If audit exemption is being taken you are also responsible for deciding whether, in each financial year, the company and or limited liability partnership meets the conditions for exemption from an audit, as set out in section 477, 479A or 480 of the Companies Act 2006, and for deciding whether the exemption can be claimed that year.
- 1.2.8. You are responsible for ensuring that the company and or limited liability partnership complies with the laws and regulations that apply to its activities, and for preventing non-compliance and detecting any that occurs.
- 1.2.9. You have undertaken to make available to us, as and when required, all the company's and or limited liability partnership's accounting records and related financial information and explanations, including minutes of management and shareholders', directors' and members' meetings, that we need to do our work. This is required to be confirmed in the directors' report along with an acknowledgement that the financial statements have been prepared on an appropriate accounting basis.
- 1.2.10. If financial information is published — on the company's and or limited liability partnership's website or by other electronic means — which includes a report by us or otherwise associated with us, you must inform us of the electronic publication and get our consent before it occurs and ensure that it presents the financial information and accountants report properly. We have the right to withhold consent to the electronic publication of [our report or] the financial statements if they are to be published in an inappropriate manner.
- 1.2.11. It is your responsibility to set up controls to prevent or detect quickly any changes to electronically published information. We are not responsible for reviewing these controls or 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.

### **1.3. Our responsibilities as accountants**

You have asked us to help you prepare the financial statements in accordance with the requirements of the Companies Act 2006, and for preparing accounts for filing with the Registrar of Companies as well as to enable profits to be calculated to meet the requirements of current tax legislation and to provide sufficient and relevant information to complete a tax return. We will compile the financial statements for your approval based on the accounting records that you maintain, the information and explanations that you give us and in accordance with FRS102 Section 1A.



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- 1.3.1. We will 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.. 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. If an assurance or agreed-upon-procedures engagement is to be undertaken, full details of what is to be undertaken and the result of that work need to be agreed in writing.
- 1.3.2. Non-audit clients You have told us that the company and or limited liability partnership is exempt from an audit of the financial statements. We will not check whether this is the case. However, if we find that the company and or limited liability partnership is not entitled to the exemption, we will inform you.
- 1.3.3. Non-audit clients Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK), so we will not be able to provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error, or to identify weaknesses in internal controls.
- 1.3.4. Non-audit clients Since we will not carry out an audit, or confirm in any way the accuracy or reasonableness of the accounting records, we cannot provide any assurance whether the financial statements that we prepare from those records will present a true and fair view.
- 1.3.5. We will advise you on whether your records are adequate for preparation of the financial statements and recommend improvements on anything we come across during the course of our work.
- 1.3.6. 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. The accounting policies on which the financial statements have been compiled will be disclosed in the notes to the financial statements and will be referred to in our accountants' report. We will not compile financial statements if the accounting principles, or the accounting policies selected by management, are inappropriate.
- 1.3.7. 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, if 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 the adjustments and/or disclosures that we consider appropriate are not made, or if we are not provided with appropriate information and, as a result, we consider that the financial statements is misleading, we will withdraw from the engagement.
- 1.3.8. Non-audit clients As part of our normal procedures, we may ask you to confirm in writing any information or explanations given to us orally during our work.



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1.3.9. Where appropriate, You have instructed us to convert the financial statements into the iXBRL (inline eXtensible Business Reporting Language) format which is required by HMRC. We will use professional software to create the tagged financial statements and you therefore agree that we can process any standard data tags without your prior approval, only referring back to you for any non-standard or judgemental areas. It remains your legal responsibility to provide the information in the iXBRL format and we will therefore issue a tagging report for your approval.]

## **1.4. Form of the accountants' report.**

1.5. The accountants' report helps users derive comfort from the involvement of chartered accountants who are subject to the ethical and other guidance issued by ICAEW in relation to the preparation of the financial information or statements. It also helps prevent users from deriving unwarranted assurance from the financial information or statements where no audit or assurance work has been performed and no opinion is expressed by the accountants.

1.5.1. We will report to the Board of Directors and or members as appropriate that, in accordance with this engagement letter and to assist you to fulfil your responsibilities, we have not carried out an audit but have compiled the financial statements from the accounting records 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 and or [the members for our work or for this report. If you wish to share this report with third parties, before doing so, you must discuss this with us, receive our consent and follow any stipulated conditions.



## 2. PREPARATION OF NON-STATUTORY FINANCIAL STATEMENTS IN COMPLIANCE WITH A FINANCIAL REPORTING FRAMEWORK

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 2.1. RESPONSIBILITIES AND SCOPE FOR FINANCIAL STATEMENTS PREPARATION SERVICES

##### 2.2. Your responsibility for the preparation of financial statements

2.2.1. You have undertaken to make available to us, as and when required, all the accounting records and related financial information, including minutes of management meetings, which we need to do our work. You will provide us with all information and explanations relevant to the purpose and compilation of the financial statements, and you will disclose to us all relevant information in full.

2.2.2. 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.

2.2.3. You will approve and sign the financial statements to acknowledge responsibility for them, including the appropriateness of the accounting basis, and acknowledge responsibility for providing us with all information and explanations necessary for their compilation.

2.2.4. 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 detecting any that occurs.

##### 2.3. Our responsibilities as accountants

2.3.1. You have asked us to help you prepare the financial statements which comply with applicable accounting standards to enable profits to be calculated to meet the requirements of current tax legislation and to provide sufficient and relevant information to complete a tax return. We will compile the financial statements for your approval based on the accounting records [that you maintain] and the information and explanations you give us.



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- 2.3.2. We will 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. 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. If an assurance or agreed-upon-procedures engagement is to be undertaken, full details of what is to be undertaken and the result of that work need to be agreed in writing.
- 2.3.3. Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK) so we will not be able to provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error, or to identify weaknesses in internal controls.
- 2.3.4. Since we will not carry out an audit, or confirm in any way the accuracy or reasonableness of the accounting records, we cannot provide any assurance whether the financial statements we prepare from those records will present a true and fair view.
- 2.3.5. We will advise you whether your records are adequate for preparation of the financial statements and recommend improvements on anything we come across during the course of our work.
- 2.3.6. 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. The accounting policies on which the financial statements have been compiled will be disclosed in the notes to the financial statements [and will be referred to in our accountants' report]. We will not compile financial statements if the accounting principles, or the accounting policies selected by management are inappropriate.
- 2.3.7. We also have a professional responsibility not to allow our name to be associated with financial information statements which we believe may be misleading. Therefore, although we are not required to search for such matters, if 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. If adjustments and/or disclosures that we consider appropriate are not made or if 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.
- 2.3.8. As part of our normal procedures we may ask you to confirm in writing any information or explanations given to us orally during our work.
- 2.3.9. Where appropriate, You have instructed us to convert the financial statements into the iXBRL (inline eXtensible Business Reporting Language) format which is required by HMRC. We will use professional software to create the tagged financial statements and you therefore agree that we can process any standard data tags without your prior approval, only referring back to you for any non-standard or judgemental areas. It remains your legal responsibility to provide the information in the iXBRL format and we will therefore issue a tagging report for your approval.





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## **2.4. Form of the accountants' report.**

2.4.1. The accountants' report helps users derive comfort from the involvement of chartered accountants who are subject to the ethical and other guidance issued by ICAEW in relation to the preparation of the financial information or statements. It also helps prevent users from deriving unwarranted assurance from the financial information or statements where no audit or assurance work has been performed and no opinion is expressed by the accountants.

2.4.2. We will report to you as appropriate that, in accordance with this engagement letter, we have not carried out an audit but have compiled the financial statements from the accounting records 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 you for our work or for this report. If you wish to share this report with third parties, before doing so, you must discuss this with us, receive our consent and follow any stipulated conditions.



## 3. ACTING AS AN AUTHORISED SIGNATORY ON THE CLIENT'S BANK ACCOUNTS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business

#### 3.1. Your responsibility for the provision of information

- 3.1.1. You have undertaken to make available to us, a list of persons authorised to approve payments up to pre-set limits and inform us immediately if there are any changes to these persons or the authorised limits.
- 3.1.2. You will provide us with all information and explanations relevant to enabling us to determine that the payment requested is for a bona fide purpose and to enable us to determine whether it is of a business or personal nature.
- 3.1.3. To provide sufficient information in a timely manner to enable us to make the payment by the due date of the transaction
- 3.1.4. You are responsible for ensuring that, to the best of your knowledge and belief, financial information provided by you, whether used by the business or for the accounting records, 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.
- 3.1.5. 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.
- 3.1.6. We would draw your attention to section 15 of our standard terms of business dealing with The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007.

#### 3.2. Our responsibilities

- 3.2.1. Only to make payments in accordance with instructions from yourself and appropriately authorised persons within their pre-set authorisation limit.
- 3.2.2. To check all payments against appropriate supporting documentation.
- 3.2.3. Ensure that the bank payment approval process has been set up so that 2 senior persons at Gelfand Rennert & Feldman Limited must each approve the payment, one of those persons being a company director.
- 3.2.4. To make payments promptly following receipt of instructions and appropriate supporting documentation. We will normally include payments within a weekly payment run. Subject to the availability of 2 signatories urgent payment requests received within normal office working hours will normally be processed within 24 hours.
- 3.2.5. Record all payments in the accounting records.
- 3.2.6. Perform a monthly reconciliations of the bank accounts;
- 3.2.7. To provide listings of all bank receipts and payments and supporting documents within 15 days of receiving a written request from you.



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### **3.3. Limitations on our liability**

- 3.3.1. Our services as set out above are subject to the limitations on our liability set out in the engagement letter and in paragraph 16 of our standard terms of business. These are important provisions which you should read and consider carefully
- 3.3.2. The service is provided on an execution only basis. By making the payment in accordance with your instructions we are not providing any advice in respect of the transaction and accept no liability for any losses arising from the transaction.
- 3.3.3. We accept no liability for any losses for failure to make payments by their due date if we did not receive all the required information in accordance with the above paragraphs.
- 3.3.4. Whilst we will undertake a review of all payments to ensure that they appear reasonable within the context of your overall financial affairs we, the owners of the firm and the staff cannot be held responsible for any loss arising where payments have been made in accordance with instructions received, the supporting documentation and within the pre-set authorisation limits.



## 4. FINANCIAL MANAGEMENT INCLUDING THE PREPARATION AND MAINTENANCE OF ACCOUNTING RECORDS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 4.1. RESPONSIBILITIES AND SCOPE FOR ACCOUNTING SERVICES

##### 4.1.1. Your responsibility for the provision of information

- 4.1.2. You have undertaken to make available to us, as and when required, all the accounting records and related financial information, including minutes of management meetings, which we need to do our work. You will provide us with all information and explanations relevant to the purpose, preparation and maintenance of the accounting records, and you will disclose to us all relevant information in full.
- 4.1.3. You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the accounting records, 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.
- 4.1.4. 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 detecting any that occurs.

#### 4.2. Financial management including preparation and maintenance of accounting records

##### 4.2.1. Our responsibilities

- 4.2.2. We have agreed to carry out the following accounting and other services on your behalf:
- 4.2.3. Financial management of the business, company or partnership
  - a) Track income as it falls due
  - b) Raise sales invoices and collect your income into your bank accounts
  - c) Set up purchase invoice and payment approval processes
  - d) Review purchase invoices, check to budgets (where available), obtain authorisation and post Purchase invoices to ledger
  - e) Review cashflow and discuss any foreseeable funding shortfalls
  - f) Insurance
    - 1..1.1. Where requested we will coordinate with qualified insurance brokers, obtain quotes and review the insurance agent's requirements with you and pass on your instructions.
    - 1..1.2. We however are unable to advise you as to whether a particular insurance policy meets your specific requirements. We would draw your attention to section 23.6 of our standard terms.



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- 4.2.4. Preparation and maintenance of accounting records of the business, company or partnership
- a. Write up and maintain computerised accounting records using an appropriate computerised accounting package. We currently recommend using Quick Books desktop or Quick Books Online depending on the circumstances of the business.
  - b. Complete the postings to the nominal ledger.
  - c. Keep the records of sales, receipts, purchases and payments.
  - d. Prepare monthly reconciliations of the bank, credit card and cash control accounts
  - e. Post and balance the purchases and sales ledgers
  - f. Extract and review a detailed list of ledger balances at each month end
  - g. Where specifically agreed preparing statements of management commission entitlements on royalty income and accounting for the statements semi annually
  - h. Incorporate the results of any stocktake into the ledgers
  - i. Maintain a fixed asset register including calculating and posting depreciation in accordance with the agreed accounting policy
  - j. Calculate and post prepayments at each period end
  - k. Post accruals and deferred income at each period end

## **4.2.5. Your responsibilities**

- 4.2.6. You have agreed that you and your staff will:
- a. If relevant prepare details of the annual stocktaking, suitably priced and extended in a form which will enable us to verify the prices readily by reference to suppliers' invoices and or provide us with a copy of the valuation report produced by your independent stocktakers; and
  - b. prepare details of work-in-progress at the accounting date and make available to us the documents and other information from which the statement is compiled.
  - c. Provide detail of costs to be accrued at each period end
  - d. Provide detail of costs to be deferred at each period end



## 5. VAT RETURNS (MAKING TAX DIGITAL (MTD) FOR VAT)

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 5.1. RESPONSIBILITIES AND SCOPE FOR VAT RETURN SERVICES

##### 5.1.1. Initial registration

- 5.1.2. Where applicable We will sign you up for MTD for VAT. By instructing us to sign up on your behalf you are agreeing to HMRC's terms of use. This may result in changes that may include changes to deadlines. You will complete HMRC's sign up process to enable submission of your VAT return]
- 5.1.3. Where applicable you will need to authorise us as an agent on the HMRC portal using your Business Tax Account. This is completed online and you will need your relevant official gateway ID. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.]

##### 5.2. Recurring compliance work

- 5.2.1. We will prepare your MTD for VAT returns on the basis. Set out in the engagement letter
- 5.2.2. We will keep all accounting records to meet the digital record keeping requirements of MTD for VAT. You must ensure that the data provided to us is complete and accurate
- 5.2.3. If it is agreed that you will keep the digital accounting records we will not check the digital accounting records which you keep to meet the requirements of MTD for VAT and which you provide to us for preparation of the MTD for VAT returns. You may be required to provide us with your data digitally and we will tell you if/ when that is the case. If your software is incompatible with ours we will agree with you an appropriate solution which might include the use of alternative third party functionally compatible software and/or a spreadsheet(s) which satisfy the statutory requirement for digital linkage. Where your digital records are incompatible with our software we may require an additional fee. You must also provide us with confirmation that your digital records are complete and accurate.
- 5.2.4. Based on the information you provide to us, we will tell you how much VAT you should pay and when. Where appropriate, we will initiate repayment claims if tax has been overpaid. We will advise on the interest and penalty implications if UK VAT is paid late.
- 5.2.5. Where appropriate, we will calculate the partial exemption annual adjustment
- 5.2.6. Where appropriate, we will calculate the annual Capital Goods Scheme adjustment. We are not responsible for considering or applying for any of the exemptions from MTD for VAT. However, if you feel that you are eligible for exemption, please let us know. We are happy to discuss this and may correspond to HMRC on your behalf if needed, or we can guide you on whom you should contact for this. This may be subject to an additional fee. See guidance on exemptions and relaxations included in the ICAEW MTD and VAT page and VAT Notice 700/22 for further guidance
- 5.2.7. We will advise you of any relaxations applicable in relation to the digital records of supplies made and received. See guidance on exemptions and relaxations included in the ICAEW MTD and VAT page and VAT Notice 700/22 for further guidance



- 5.2.8. We will submit the MTD for VAT return data online to HMRC on the basis of the data provided by you
- 5.2.9. We will agree with you any supplementary information to be submitted on a voluntary basis with the MTD for VAT returns prior to submission.
- 5.2.10. Where you are invoice (accruals) accounting for income tax, we will perform an annual reconciliation of VAT outputs to turnover
- 5.2.11. 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.

### 5.3. Ad hoc and advisory services

- 5.3.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:
- a) reconciling VAT outputs with turnover
  - b) advising on ad hoc transactions
  - c) reviewing and advising on a suitable partial exemption method to use in preparing the return;
  - d) dealing with all communications relating to your MTD for VAT returns including Intrastat returns, EC Sales List returns, MOSS returns] etc addressed to us by HMRC or passed to us by you;
  - e) making recommendations to you about the use of cash accounting, annual accounting, flat-rate and other suitable methods of accounting for VAT;
  - f) making recommendations to you about the use of VAT MOSS (mini one-stop shop) if you supply digital services to consumers in the EU; and
  - g) providing you with advice on VAT Excise Duty, Customs Duty, Landfill Tax, [Insurance Premium Tax, Aggregates Levy, Climate Change Levy etc.
  - h) work required to rectify the position where your software is incompatible with our software
  - i) reviewing your record keeping processes and providing advice on potential improvements to enable compliance with the MTD for VAT requirements, including digital links for the transfer of data between different software.
- 5.3.2. Where the advice is provided in writing, the information provided and the query raised will be set out with our response to you.
- 5.3.3. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

### 5.4. Changes in the law, in practice or in public policy



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- 5.4.1. 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, practice or public policy or in your circumstances.
- 5.4.2. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

## **5.5. Your responsibilities**

- 5.5.1. You are legally responsible for:
  - a) ensuring that your returns are correct and complete and in an appropriate digital format and capture the appropriate level of data;
  - b) ensuring your record keeping is compliant with the new requirements for the digital recording and transfer of data
  - c) filing any returns by the due date; and
  - d) paying VAT on time.
- 5.5.2. Failure to do any of these may lead to penalties, surcharges and/or interest.
- 5.5.3. Legal responsibility for approval of the return cannot be delegated to others. You agree to check the returns that we have prepared for you are correct and complete before approving them.
- 5.5.4. You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 5.5.5. Where we are keeping your digital accounts records, you are responsible for providing us with the following information required for us to prepare the records:
  - a) Access to your accounting records
  - b) Sale invoices
  - c) Purchase invoices
  - d) Bank statements
  - e) Details of bank and cash payments
  - f) Details of bank and cash receipts
  - g) Stock and work-in-progress details
  - h) Private use adjustments]
- 5.5.6. Where you have agreed to maintain the accounting records you will also provide the following:
  - i) A record of the amounts owed to the business
  - j) A record of amounts owed by the business
  - k) A list of accruals
  - l) A list of prepayments
- 5.5.7. To enable us to carry out our work, you agree:
  - m) that all returns are to be made on the basis of full disclosure;





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- n) that you are responsible for ensuring that the information provided is, to the best of your knowledge, accurate and complete and that all digital links are in the manner prescribed; the returns are prepared and or reviewed solely on the basis of the information provided by you and we accept no responsibility for any liabilities arising due to inaccuracies, omissions or breakdowns in digital links concerning the information that you provide which may lead to a misdeclaration on which penalties and interest may arise;
  - o) to authorise us to approach such third parties, as may be appropriate, for information we consider necessary to deal with the returns; and
  - p) to provide us with all the records relevant to the preparation of your returns as soon as possible after the return period ends; we would ordinarily need a minimum of 7 days before submission to complete our work. If the records are provided later or are incomplete or unclear, thereby delaying the preparation and or review and submission of the return, we accept no responsibility for any 'default surcharge' penalty that may arise; if feasible, we may agree to complete your return within a shorter period but may charge an additional fee for so doing.
  - q) to inform us that you have made the tax payment based on your calculated return
- 5.5.8. You will keep us informed of material changes in circumstances that could affect your VAT obligations. If you are unsure whether the change is material or not please tell us so that we can assess its significance.
- 5.5.9. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC has the authority to communicate with us when form 64-8 or online authorisation has been submitted, 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.
- 5.5.10. You are responsible for bringing to our attention any errors, omissions or inaccuracies in your VAT returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.
- 5.5.11. If a mistake arises, e.g. owing to a software error, or if HMRC commits an error(s) in processing a client's VAT returns under Making Tax Digital for VAT you should consider the need to issue a new engagement letter covering the work required to deal with the error. The following advice is included in the Dealing with Irregularities helpsheet in the application of Professional Conduct in Relation to Taxation:

*"On occasions it may be apparent that an error committed by HMRC has meant that the client has not paid tax actually due or he has been incorrectly repaid tax. Correcting such mistakes may cause expense to a member and thereby to their clients. A member should bear in mind that, in some circumstances, clients or agents may be able to claim for additional professional costs incurred and compensation from HMRC. See HMRC's complaints factsheet."*

- 5.5.12. If you are involved with any other business which is not registered for VAT, 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



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the UK VAT registration threshold, and you wish us to assist you in notifying HMRC of your liability to be VAT registered, you must give us clear instructions to assist you in the VAT registration process. You should notify us of your instructions in good time to enable the VAT registration application form to be submitted within the statutory time limit of one month following the month in which you exceeded 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. The same applies for equivalent non-UK taxes.

- 5.5.13. If you provide digital services to consumers in the EU, you are responsible either for registering for VAT in that member state, or for registering for VAT Mini One Stop Shop (MOSS) in the UK.
- 5.5.14. If EC Sales Lists need to be completed, you are responsible for obtaining all of your customers' VAT registration numbers in other member states and to check with HMRC any numbers that you are not completely satisfied with.



## 6. PREPARATION OF MANAGEMENT ACCOUNTS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

**6.1.** The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the preparation of your management accounts and to clarify our respective responsibilities in respect of that work.

### **6.2. Your responsibilities**

**6.2.1.** Unless we have also agreed to carry out a bookkeeping service (see schedule 5.), we understand that you have agreed that your staff will be responsible for all the day-to-day accounting work, which includes:

- (a) maintaining records of all receipts and payments of cash;
- (b) reconciling cash book balances monthly/quarterly with the bank statements;
- (c) posting and balance the purchase and sales ledgers; and
- (d) extracting a detailed list of ledger balances.

You will also provide estimates of any stocks at the end of each period.

**6.2.2.** You agree to make your accounting records and related financial information available to us in line with the requests we make. You recognise that a failure to do so could have an impact on the price or the speed of our work.

**6.2.3.** Even if we have not directly requested it, you agree to disclose to us in full any information that is relevant to the management accounts.

**6.2.4.** You will approve and sign the management accounts thereby acknowledging responsibility for them, including providing us with all information and explanations necessary for their preparation.

**6.2.5.** We have a professional responsibility to not allow our name to be associated with accounts that we believe may be misleading. We are not required to search for such matters, but if we become aware that information in the management accounts may be misleading we will discuss this with you so that appropriate adjustments or disclosures can be made. Where the adjustments or disclosures we consider appropriate are not made and we consider that the accounts remain misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time spent preparing and discussing the accounts with you as well as time spent on any other work that is not completed as part of our resignation.

**6.2.6.** The management accounts are prepared solely for the confidential use of yourselves and, if relevant, the third party named in engagement letter, and solely for the purpose as stated in engagement letter. They may not be relied upon by yourselves or, if relevant, the third party for any other purpose whatsoever. The management accounts must not be recited or referred to in whole or in part in any other document. The management accounts must not be made available, copied or recited to any other party without our express written permission. We, your accountants, neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on the management accounts.



6.2.7. You are responsible for the following general business and financial matters:

- a. ensuring that, to the best of your knowledge and belief, financial information used by your business or for the management accounts is accurate and complete;
- b. ensuring that the activities of your business are being conducted honestly;
- c. safeguarding the assets of your business and taking reasonable steps for the prevention and detection of fraud; and
- d. ensuring your business complies with the laws and regulations that apply to its activities, as well as preventing non-compliance and detecting any that occurs.

### **6.3. If relevant, further responsibilities for company directors/designated members**

6.3.1. You are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company/LLP and for ensuring that the financial statements comply with the Companies Act 2006 and applicable accounting standards. You are also responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

6.3.2. You are responsible for safeguarding the assets of the company/LLP and hence for taking reasonable steps to ensure the entity's activities are conducted honestly for the prevention and detection of fraud and other irregularities.

6.3.3. You are responsible for ensuring that the company/LLP complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

### **6.4. Our responsibilities as accountants**

6.4.1. We understand that you require us to prepare the management accounts of your business for the period ended as stated in engagement letter, and for subsequent periods.

6.4.2. This involves us in completing the writing up of your books and records, insofar as they are incomplete when presented to us, from the information and explanations supplied to us and preparing draft accounts therefrom for your approval.

6.4.3. You understand that we will not be carrying out an audit and accordingly will neither verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would require additional work to comply with International Standards on Auditing (UK) so that we could report on the truth and fairness of the financial statements.

6.4.4. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter in preparing your accounts.

6.4.5. The accounts are not suitable for submission to HMRC with your tax return, or, if relevant, to Companies House.

6.4.6. To ensure that anyone reading the management accounts is aware of the scope of our work and the fact that we have not carried out an audit, we will annex to the projections a short report explaining these facts. If you wish, or are asked, to provide a copy of the management accounts to a third party you must seek our consent before you do this. You are not entitled to disclose our work to a third party without our express permission. We may grant consent subject to certain conditions; however, in every situation where we grant consent, then this report must remain attached to any copy shown to the third party.



## 7. CASHFLOW/PROFIT FORECASTS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 7.1.1. Cash Flow Forecasts

7.1.2. The purpose of this schedule to our engagement letter is to set out the basis on which we are to prepare a cash flow forecast to assist you in monitoring the on-going trading position of your business or the purpose set out in our engagement letter..

#### 7.2. Your responsibilities

7.2.1. You agree to make available to us the information we need to prepare the forecast. You agree to make full disclosure to us of all relevant information that may affect the forecast.

7.2.2. You will approve and sign the forecast to acknowledge responsibility for it and the estimates and assumptions on which it is based.

7.2.3. Our report is prepared solely for the confidential use of you and any identified third party named in our engagement letter , and solely for the purpose set out above. You or the identified third party may not rely upon it for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party. We neither owe nor accept any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

7.2.4. You are responsible for the following general business and financial matters:

- a) ensuring that, to the best of your knowledge and belief, financial information used by your business or for the management accounts is accurate and complete;
- b) ensuring that the activities of your business are being conducted honestly;
- c) safeguarding the assets of your business and taking reasonable steps for the prevention and detection of fraud; and
- d) ensuring your business complies with the laws and regulations that apply to its activities, as well as preventing non-compliance and detecting any that occurs.

#### 7.3. Our responsibilities

7.3.1. We agree to prepare a cash flow forecast ('the forecast') for the purpose stated above. The forecast will be for the exclusive use of you and the bank and must not be shown to any other party without our prior written consent.

7.3.2. We will draw up the forecast from information and explanations provided by you. Our work will be limited to compiling the forecast from the information we are provided with and then presenting it in an appropriate manner.

7.3.3. We will work with you to draw up any estimates or assumptions that are necessary, but these will be based upon information provided by you. Therefore you will remain responsible for any estimates and assumptions.



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- 7.3.4. Since the forecast relates to expected future events, the actual results will almost inevitably differ from the forecast. Those differences may be significant. We will take due care to translate the information and explanations we are provided with into a meaningful forecast based on your assumptions. However we cannot accept responsibility for any loss occasioned to any person acting or refraining from action as a result of any material or statements included in, or omitted from, the forecast.
- 7.3.5. Our work will not constitute an audit of the figures and information in the forecast. We will not express any opinion on the forecast. Our report will not extend to any accounts of your business taken as a whole.
- 7.3.6. We will include a report in the forecast. This report will set out the scope of the work and point out that we have not carried out an audit but have compiled the forecast from the accounting records and information and explanations supplied to us.
- 7.3.7. We would like to emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees. However we will advise you if we come across anything of this nature in the course of preparing the forecast.
- 7.3.8. We have a professional responsibility not to allow our name to be associated with accounting work 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 information in the forecast may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the forecast. 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 forecast remains misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time spent preparing and discussing the forecast with you as well as time spent on any other work that is not completed as part of our resignation.



## 8. CLOUD BASED SERVICES

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

### 8.1. IT SECURITY REQUIREMENTS

#### 8.1.1. Your responsibilities

8.1.2. To support the delivery of these cloud based services, it is important to ensure that appropriate IT security measures are in place.

8.1.3. You are responsible for:

- a) providing us with a list of approved users
- b) ensuring that all usernames, passwords and any additional authentication measures required for access are kept secure and not shared with unauthorised individuals
- c) ensuring that you have appropriate security measures in place to prevent and/or detect viruses, trojans, malware or any other malicious code
- d) any internet link (eg through your internet service provider) to permit you to connect to the service
- e) compliance with the service providers terms, if applicable.
- f) If any of your staff authorised for access leaves or is no longer authorised, you must remove access using your administrative console or alternatively you are responsible for notifying us to remove any access. You must give us sufficient notice to be able to make the change on your behalf if you are not able to do this directly.

#### 8.1.4. Our responsibilities

8.1.5. We are responsible for:

- a) ensuring only our authorised staff are provided access
- b) ensuring that all usernames, passwords and any additional authentication measures required for access are kept secure and not shared with unauthorised individuals
- c) having appropriate security measures in place to prevent and/or detect viruses, trojans, malware or any other malicious code
- d) compliance with the service providers terms, if applicable.



## 8.2. CLOUD BASED ACCOUNTING SOFTWARE

### 8.2.1. Provider

8.2.2. Where we are providing cloud-based accounting software the accounting software that will be hosted in the cloud is Quick Books Online. This software and the associated hosting will be supplied by Intuit UK Limited.

8.2.3. The contact details for this provider are:

Intuit Limited  
Attention: Intuit Data Protection Administration,  
Cardinal Place, 80 Victoria Street, London,  
United Kingdom, SW1E 5JL

8.2.4. Support page [https://help.quickbooks.intuit.com/en\\_GB/contact](https://help.quickbooks.intuit.com/en_GB/contact)

8.2.5. The main servers used by the supplier are based in the USA. Further details can be found at <https://quickbooks.intuit.com/uk/gdpr>

8.2.6. If you wish to stop this service you must give notice in accordance with the suppliers terms.

### 8.2.7. Our responsibilities

8.2.8. Where separately billed we will send you an invoice each month per our agreed payment schedule for the services provided.

8.2.9. When you stop the service, giving notice as per 8.2.6 above we will work with the supplier to obtain a backup of your data as at the end of the notice period.

8.2.10. We are not responsible for any failure to deliver the service due to errors in transmission, internet outages, supplier infrastructure issues or any other failure that results in unavailability of the service. We are also not liable for any loss or corruption of data if you have breached the suppliers terms.

### 8.2.11. Excluded work

8.2.11.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct us to do so, we will provide other ad hoc services as may be agreed between us from time to time. These may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

8.2.11.2. assisting you in the selection of specific accounting software relevant to your needs

8.2.11.3. review of existing software for suitability to your business needs

8.2.11.4. training for your staff in the use of the accounting software





## 8.2.12. Your responsibilities

8.2.13. Where billed separately you shall pay the fee each month when it is due per our agreed payment schedule. If you do not make payment, then we will issue a written warning. 30 days after the warning we will stop the service until fees due have been paid or an alternative arrangement has been made.

8.2.14. Where we are responsible for the maintenance of your accounting records please also refer to our schedule of services Financial management including the preparation and maintenance of accounting records

## 8.3. CLIENT PORTALS

### 8.3.1. Client portal

8.3.2. We will provide a free portal service called One Click to allow secure exchange of files between us, and for on demand access to shared documents. This portal service supplier we use Wolters Kluwer (UK) Limited]

8.3.3. The contact details for this provider are:

is Wolters Kluwer (UK) Limited.

The address: 145 London Road, Kingston Upon Thames, Surrey KT2 6SR.

Their telephone number(s): 08445618181

Location of server: Microsoft Azure European Datacentre (Dublin or Amsterdam)

### 8.3.4. Our responsibilities

8.3.5. We will provide a free voluntary client portal service to allow the secure exchange of documents between the firm and its client, as well as ongoing client access to certain documents (which may include confidential documents) created or maintained by the firm.

8.3.6. We undertake to ensure the Cloud Supplier has signed a confidentiality agreement with the firm to ensure compliance with the relevant clauses in the firm's standard terms of business concerning our fees, confidentiality, internet communication, the Data Protection Act 1998 and general limitation of liability.

8.3.7. We will keep all passwords and login details secure, and only disclose to staff that require access.

8.3.8. The firm cannot be held liable for any failures to deliver services due to transmission errors or unavailability of telecoms networks, or due to the failure or unavailability of any Cloud Supplier infrastructure. We are also not liable for any loss of or corruption to your data or if the service is interrupted due to your breach of Cloud Supplier terms. However, we will liaise with them to help ensure that normal service is resumed as soon as possible.

8.3.9. On receiving notification of the decision to cease using our services, we will immediately cancel all user access to your portal and discuss with you the way ahead.

8.3.9.1. The firm reserves the right to modify these terms and conditions under which the portal is offered, and will provide you with due notice before implementation.



## **8.3.10. Your responsibilities**

8.3.10.1. You have agreed that you and or your staff will:

- a) Control which files are uploaded to the portal
- b) Remove files from the portal when they are no longer needed
- c) Not provide access to any other third parties
- d) If you need to send/process personal data, you will provide us with appropriate contractual assurances that you have secured consents to do so.

8.3.10.2. You will be obliged to keep all passwords and login details secure and not to share with others.

8.3.10.3. You undertake to use the system for acceptable use, which includes:

- a) not to transmit any viruses, Trojans, keyloggers or other harmful code;
- b) not to transmit any unlawful information or content;
- c) not to allow access to the service to any third party; and
- d) not to use the software to provide services to other parties.

8.3.10.4. You are responsible for:

- a) ensuring that your network and systems meet any necessary performance requirements;
- b) maintaining your network and telecommunication links; and
- c) compliance with applicable Cloud Supplier terms, if applicable.

8.3.10.5. If one of your staff who has access to the portal leaves, you are responsible for asking the firm to remove their user id and password.

8.3.11. You must notify us immediately if you wish to stop using the services of the firm so that we can disable access in a timely manner.



## 9. CORPORATION TAX

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 9.1. RESPONSIBILITIES AND SCOPE FOR CORPORATION TAX SERVICES

##### 9.1.1. Recurring compliance work

- 9.1.2. For the purpose of the delivery of the company's tax return, we will use commercial software to apply XBRL tags to items in the accounts as we consider appropriate for the purposes of submission of the accounts in iXBRL via the relevant official gateway for tax purposes.
- 9.1.3. We will, to the extent we consider necessary, manually amend or apply tags if the software has not applied automatic tagging or if we consider any automatic tagging to have been inappropriate.
- 9.1.4. We will provide you with detailed information about the tagging applied for your approval if requested to do so
- 9.1.5. We will prepare the company's corporate tax self-assessment (CTSA) return. After obtaining your evidenced approval and signature, we will submit it to HM Revenue & Customs (HMRC). We shall not accept liability for any financial penalty or loss or other damage arising from any rejection of the iXBRL return by HMRC or otherwise as a result of incorrect or inappropriate tagging by yourselves
- 9.1.6. We will prepare the corporation tax computation and supporting schedules required for preparation of the company tax return from accounts, information and explanations provided to us on your behalf.
- 9.1.7. We will tell you how much tax the company should pay and when. Where appropriate, we will initiate repayment claims when tax has been overpaid. We will advise on the interest and penalty implications if corporation tax is paid late.
- 9.1.8. We will inform you if instalment payments of corporation tax are due for an accounting period, and the dates they are payable. By the date agreed, we will calculate the quarterly instalments which should be made on the basis of information supplied by you.]
- 9.1.9. We will advise you on possible tax-return-related claims and elections arising from information supplied by you. If instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- 9.1.10. The work carried out within this engagement will be in respect of the company's tax affairs. Any work to be carried out for the directors on a personal basis will be set out in a separate letter of engagement.



## 9.2. Excluded, ad hoc and advisory work

9.2.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- a) advising you on ad hoc transactions (for example the sale or purchase of assets);
- b) advising you when corporation tax is due on loans by the company to directors or shareholders or their associates, and calculating the payments due or the amount repayable when the loans are repaid;
- c) advising you on and preparing enhanced expenditure claims and reliefs, including those relating to research and development;
- d) advising you on, and preparing analyses of, expenditure and detailed capital allowance claims for renovation of buildings;
- e) preparation and submission of a group allocation allowance statement,
- f) preparation and submission of a corporate interest restriction return,
- g) assistance with country-by-country reporting notifications, senior accounting officer reporting obligations, and the company tax strategy document,
- h) dealing with any enquiry, information request, inspection, compliance check or other intervention opened into the company's corporate tax affairs by HMRC; and
- i) preparing any amended returns which may be required, calculating any related tax liabilities and corresponding with HMRC as necessary.

9.2.2. For personal service companies, or where you are engaging with a personal service company. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- a) helping you determine deemed employment status under IR35 rules for work undertaken for clients by the company (subject to 9.2.3 below)
- b) where deemed employment status under the IR35 rules applies to work undertaken for clients by the company, calculating the deemed employment payment where deemed employment status under the IR35 rules applies to work undertaken for clients by the company and accounting through payroll to HMRC for the tax and NIC etc;
- c) where the off-payroll working rules apply and your company pays deemed employees' personal service companies, accounting via payroll for tax and NIC etc on the payments;
- d) where you have contractors working for you via their own personal service companies, helping you to determine whether you are "small" under the off-payroll working rules and, if you are large or medium sized, helping you to determine the deemed employment status of those contractors (subject to section 9.2.3 below) and assist you



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in preparing employment status determination statements to give to labour supply agencies and those contractors;]

- 9.2.3. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.
- 9.2.4. Changes in the law, in practice or in public policy
- 9.2.5. 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, practice, public policy or in your circumstances.
- 9.2.6. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

### **9.3. Your responsibilities**

- 9.3.1. Even though you are engaging us to help you meet your corporation tax obligations, the directors on behalf of the company are legally responsible for:
  - a) ensuring that the CTSA return (including XBRL tags and iXBRL file) and any other returns submitted are correct and complete;
  - b) filing any returns by the due date; and
  - c) paying tax on time.
- 9.3.2. Failure to do any of the above may lead to penalties and/or interest.
- 9.3.3. Legal responsibility for approval of the return cannot be delegated to others. You agree to check that returns that we have prepared for the company are correct and complete before approving them.
- 9.3.4. You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 9.3.5. To enable us to carry out our work, you agree:
  - a) to provide us with approved accounts for the company [prepared by you or by others in an iXBRL format; you accept full responsibility for the existence, accuracy, consistency and completeness of XBRL tagging within the accounts; we will not carry out any procedures to check the existence, accuracy, consistency and completeness of the iXBRL file]; Include when client provides pre-tagged accounts; omit when practitioner tags the accounts;
  - b) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
  - c) to provide full information necessary for dealing with the company's affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
  - d) to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with the company's affairs;
  - e) to provide us within 8 months of the accounting period end with information in sufficient time for the company's CTSA return to be completed and submitted by the due date following the end of the tax year; if feasible, we may agree to complete your return within a shorter period but may charge an additional fee for so doing;



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- f) to provide information on matters affecting the company's tax liability for the accounting period in respect of which instalments are due at least four weeks before the due date of each instalment; this information should include details of trading profits and other taxable
  - g) activities up to the date the information is provided, together with estimates to the end of the accounting period; and
  - h) to provide us with information on advances or loans made to directors, shareholders or their associates during an accounting period and any repayments made or write-offs authorised within three months of the end of the relevant accounting period.
- 9.3.5.1. You will keep us informed of material changes in circumstances that could affect the tax liabilities of the company. If the directors are unsure whether the change is material, please tell us so that we can assess its significance.
- 9.3.5.2. HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 9.3.5.3. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC, in sufficient 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 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.
- 9.3.5.4. You are responsible for monitoring the monthly turnover to establish whether the company 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 company turnover exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of the company's obligation 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 company'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.]
- 9.3.5.5. If you provide digital services to consumers in the EU, you are responsible for either registering for VAT in that member state or for registering for VAT Mini One Stop Shop (MOSS) in the UK.
- 9.3.5.6. You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of yourself and your workers and of any contractors who may be treated as deemed employees under the off-payroll working rules. If you do not understand what you need to consider or what 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.

## **9.4. Groups and consortia**

- 9.4.1. In relation to groups and consortia of which your company is a member, and in respect of which you have instructed us to act, if instructed, we will provide the following additional services:
- 9.4.2. we will advise on the tax treatment of intra-group payments of dividends, interest and royalties and similar liabilities.
- 9.4.3. in respect of dividends, interest, and royalties received, we will advise on the applicability of the relevant double-tax treaty to the withholding tax rate, and assist with obtaining a UK



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certificate of tax residence. For dividends, if relevant, we will make any necessary election to tax the dividends in the UK in order to obtain treaty relief.

9.4.4. We will deal with all communications relating to elections addressed to us by HMRC.

9.4.5. If instructed, in respect of claims for group and consortium relief:

- a) we will advise as required on claims for group and consortium relief and the interaction with other reliefs;
- b) we will prepare and submit to HMRC appropriate claims;
- c) we will adjust corporation tax computations and returns to reflect the surrender and receipt of group and consortium reliefs;
- d) we will prepare and submit to HMRC necessary documentation regarding the allocation of losses via group relief and the annual loss allowance
- e) we will advise on arrangements for the payment of tax and the surrender and set-off of tax refunds within the group; and
- f) we will advise on claiming eligible unrelieved foreign tax (EUFT) or the surrender of any amount of EUFT.]

9.4.6. If instructed, in respect of intragroup payments of interest:

- a) we will advise on withholding tax obligations;
- b) for cross-border payments we will prepare and submit to HMRC applications to account for no or a reduced amount of withholding tax under the EU Interest and Royalty directive and double-tax treaties, as applicable;
- c) where withholding tax is due, we will complete form CT61 and advise on payment; and
- d) we will adjust corporation tax computations and returns to reflect interest payments and associated withholding tax, if any.

9.4.7. If instructed, in respect of intragroup payments of royalties and similar liabilities:

- a) we will advise on withholding tax obligations;
- b) where withholding tax is due, we will complete form CT61 and advise on payment;
- c) we will adjust corporation tax computations and returns to reflect royalty and similar payments and associated withholding tax, if any, and make such additional disclosures in form CT600-H as are appropriate.

## **9.4.8. Your responsibilities**

9.4.8.1. If a parent company is required to prepare both individual and group accounts and it is required to file both of these as part of its online company tax return, you accept full responsibility for the existence, accuracy, consistency and completeness of XBRL tagging within the accounts and to file the individual accounts as an iXBRL document with the relevant XBRL tags embedded.

9.4.8.2. Where applicable, we will need to be authorised to contact other group member accountants to ensure that all necessary information and explanations are available. It is the responsibility of the parent company directors to ensure that such information and explanations are correct and complete.



## 10. PERSONAL TAX – INDIVIDUALS, SOLE TRADERS AND COUPLES

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

### 10.1. RESPONSIBILITY AND SCOPE FOR PERSONAL TAX SERVICES

#### 10.2. Recurring compliance work

10.2.1. We will prepare your self-assessment tax returns including if you have been treated as a deemed employee under the IR35/off-payroll working rules]together with any supplementary pages required from the information and explanations that you provide to us. After obtaining your evidenced approval, we will submit your returns to HM Revenue & Customs (HMRC).

10.2.2. We will prepare your business accounts in accordance with generally accepted accounting practice or the cash-basis election where made from the books, accounting records and other information and explanations provided to us by you or by others on your behalf.

10.2.3. We will compute your property letting income and expenditure in accordance with the accruals election that you have made from the books, accounting records and other information and explanations provided to us by you or by others on your behalf.

10.2.4. We will calculate your income tax, national insurance contributions (NIC) and any capital gains tax liabilities to be included on your self assessment return and tell you how much you should pay and when. We will advise on the interest and penalty implications if tax or NIC is paid late. We will also check HMRC's calculation of your tax and NIC liabilities and initiate repayment claims if tax or NIC have been overpaid.

10.2.5. We will advise you on possible tax-return-related claims and elections arising from information supplied by you, other than as regards tax credits and universal credit (see below). If instructed by you, we will make such claims and elections in the form and manner required by HMRC.

10.2.6. We will review PAYE notices of coding provided to us and advise accordingly.

#### 10.3. Excluded, ad hoc and advisory work

10.3.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- a) advising on the extraction of cash/dividends from your personal service company if you have been treated as a deemed employee under the IR35/off-payroll working rules
- b) 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
- c) advising on ad hoc transactions (for example pre-sale advice on the sale of assets);





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- d) advising on preparing business accounts on the cash basis and/or property letting income and expenditure computations on the accruals basis and helping you to make the requisite election(s);
  - e) dealing with any enquiry opened into your tax return by HMRC;
  - f) preparing any amended returns which may be required and corresponding with HMRC as necessary;
  - g) advising on the rules relating to and assisting with registration for VAT or equivalent non-UK taxes; and
  - h) advising on tax credits and universal credit; these are, in effect, social security benefits, and your entitlement or otherwise will depend not only on your own circumstances but also on those of your household; we would require all relevant information to advise in this area.
- 10.3.2. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

## **10.4. Changes in the law, in practice or in public policy**

- 10.4.1. 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 in the law, practice, public policy or in your circumstances.
- 10.4.2. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

## **10.5. Your responsibilities**

- 10.5.1. You are legally responsible for:
- a) ensuring that your self-assessment tax returns are correct and complete;
  - b) filing any returns by the due date; and paying tax on time.
- 10.5.2. Failure to do any of the above may lead to penalties and/or interest.
- 10.5.3. Legal responsibility for approval of the return cannot be delegated to others. You agree to check that returns that we have prepared for you are correct and complete before approving them.
- 10.5.4. You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 10.5.5. 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 your 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 provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of all UK property disposals, including disposals of shares in property rich companies, must be advised prior to exchange of contracts on any property disposal. 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 of the disposal;



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- d) to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with your affairs; and
  - e) to provide us with information in sufficient time for your tax return to be completed and submitted by 31 January following the end of the tax year; to do this, we need to receive all relevant information by 31 October.; if feasible, we may agree to complete your return within a shorter period but may charge an additional for so doing.
- 10.5.6. You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material, please tell us so that we can assess its significance.
- 10.5.7. HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 10.5.8. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC, in sufficient 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 submitted, it is still 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.
- 10.5.9. 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 UK VAT registration threshold and you 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, as a result, incur a late registration penalty. The same applies for equivalent non-UK taxes.
- 10.5.10. [If you provide digital services to consumers in the EU, you are responsible either for registering for VAT in that member state, or for registering for VAT Mini One Stop Shop (MOSS) in the UK.
- 10.5.11. You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers including domestic staff. If your business is not small, you are responsible for assessing the tax status under the off-payroll working rules of any contractors providing services to your business and for employment taxes if they are deemed employees. If you do not understand what you need to consider or what 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.
- 10.6. You and your[spouse or partner where services are provided to a couple – where applicable**
- 10.6.1. We will advise you and your spouse/[partner on the basis that you are a family unit. You both agree that, in all matters relating to your or your [spouse's/partner's tax and financial affairs, we may deal directly with either of you and we may discuss with either of you the tax liabilities and/or financial affairs of the other. If you wish to make any change to these arrangements at any time, please let us know.



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10.6.2. In order for us to act for you as a couple in respect of a joint claim, you undertake that all instructions, information or explanations that either of you gives us will be on behalf of both of you, unless you specifically tell us otherwise. Similarly, if one of you signs a document, it will be on behalf of you both unless you instruct us to the contrary. If a conflict of interest should arise between you in relation to any matter to do with your joint claim or entitlement, we reserve the right to cease acting for both of you, or to advise one or other of you to obtain independent advice.



## 11. PARTNERSHIP INCLUDING LIMITED LIABILITY PARTNERSHIP TAX RETURNS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 11.1. RESPONSIBILITIES AND SCOPE FOR PARTNERSHIP TAX RETURN SERVICES

##### 11.1.1. Recurring compliance work

11.1.2. We will prepare the partnership self-assessment tax returns and the annual partnership statements, together with any supplementary pages required, from the information and explanations that the partnership or LLP provides to us. After obtaining your evidenced approval, we will submit these to HM Revenue & Customs (HMRC).

11.1.3. We will prepare the partnership or LLP business accounts in accordance with FRS102 Section 1A from the books, accounting records and other information and explanations provided to us by you and/or by others on your behalf.

11.1.4. We will prepare the income and capital gains computations based on the partnership's or LLP's business accounts for inclusion in the partnership tax return.

11.1.5. If instructed by you, we will advise you as partners or members on possible partnership tax-return-related claims and elections arising from information supplied by the partnership or LLP in the form and manner required by HMRC.

11.1.6. If instructed, we will provide each partner, member or their agent with details of the partner's , members allocations from the return based on the partnership statement to enable partners and members to fill in their self-assessment tax returns.

11.1.7. The work carried out within this engagement will be in respect of the partnership's or LLP's tax affairs. Any work to be carried out for the individual partners or members (for example submitting their own tax returns or making related claims and elections) will be set out in a separate letter of engagement.

##### 11.2. Excluded, ad hoc and advisory work

11.2.1. The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- a) advising on ad hoc transactions (for example the sale or purchase of assets)
- b) advising on preparing accounts on the cash basis and helping you to make the requisite election;
- c) dealing with any enquiry opened into the partnership tax return by HMRC; and
- d) preparing any amended returns which may be required and corresponding with HMRC as necessary.

11.2.2. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

##### 11.3. Changes in the law, in practice or in public policy



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11.3.1. 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, practice, public policy or in your circumstances.

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

## **11.4. Your responsibilities**

11.4.1. The partners or fellow 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.

11.4.2. Failure to do any of the above may lead to penalties and/or interest.

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

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

11.4.5. 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 partnership 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 partnership affairs; and
- d) to provide us with information in sufficient time for the partnership tax returns to be completed and submitted by the 31 January following the end of the tax year; to do this, we need to receive all relevant information by 31 October if feasible, we may agree to complete your returns within a shorter period but may charge an additional fee for so doing.

11.4.6. You will keep us informed of material changes in circumstances that could affect the tax liabilities of the partners including, by way of example, changes in the partners in the partnership and profit shares. If you are unsure whether the change is material, please tell us so that we can assess its significance.

11.4.7. HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.

11.4.8. You will forward to us letters and other communications received from HMRC, in sufficient 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 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.



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- 11.4.9. You are responsible for monitoring the partnership's or LLP's monthly turnover to establish whether the 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 turnover exceeds the UK VAT registration threshold, and you wish us to assist in notifying HMRC of the partnership's obligation 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. The same applies for equivalent non-UK taxes.
- 11.4.10. If you provide digital services to consumers in the EU, you are responsible either for registering for VAT in that member state, or for registering for VAT Mini One Stop Shop (MOSS) in the UK.
- 11.4.11. You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers. If your business is not small, you are responsible for assessing the tax status under the off-payroll working rules of any contractors providing services to your business and for employment taxes if they are deemed employees. If you do not understand what you need to consider or what 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.



## 12. BENEFITS-IN-KIND RETURNS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

### 12.1. RESPONSIBILITIES AND SCOPE FOR BENEFITS-IN-KIND RETURN SERVICES

#### 12.2. Recurring compliance work

12.2.1. We will prepare forms P11D as may be required for each employee including directors based on the accounts, information and explanations provided to us on your behalf.

12.2.2. We will prepare form P11D(b) to include the Class 1A NIC on benefits-in-kind and expenses, both on forms P11D and included in payroll.

12.2.3. We will submit the forms P11D for any benefits/employees for whom benefits are provided but not payrolled with the form P11D(b) after the form P11D(b) has been approved by you.

12.2.4. We will prepare and send to you the P11D information for you to forward to your employees and directors by the statutory due date of 6 July following the end of the tax year.

12.2.5. We will calculate your Class 1A NIC liability on the benefits and expenses both returned in forms P11D and included in payroll that you are obliged to pay HMRC by the due date, and send payment instructions to you.

#### 12.3. Excluded, ad hoc and advisory work

12.3.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- assisting you with calculating the values for tax and NIC of benefits-in-kind provided to employees, including when provided by way of salary sacrifice and other optional remuneration arrangements;
- dealing with any compliance check or enquiry by HMRC into the benefits-in-kind returns submitted;
- preparing any amended returns which may be required and corresponding with HMRC as necessary;
- advising on PAYE settlement agreements and/or approved expenses scale rates; and
- conducting PAYE and benefits and expenses health checks.

If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

#### 12.4. Changes in the law, in practice or in public policy

12.4.1. 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, practice, public policy or in your circumstances.



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

### 12.4.3. Your responsibilities

12.4.3.1. Even though you are engaging us to help you meet your end-of-year benefits-in-kind return obligations, you are legally responsible for:

12.4.3.2. ensuring that your declaration on form P11D(b) is true to the best of your knowledge and belief and therefore that [the entries on the related forms P11D] [and amounts of benefits-in-kind and expenses in the payroll] are correct and complete;

- filing any returns by the due date after the end of the tax year; and
- making payment of Class 1A NIC on time.

12.4.3.3. Failure to do any of the above may lead to penalties and/or interest.

12.4.3.4. You will approve the benefit in kind returns.

12.4.3.5. The approver of the return cannot delegate this legal responsibility to others. The approver agrees to check that the forms that we have prepared for you are correct and complete before approving them.

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

12.4.5. To enable us to carry out our work, you agree:

- that all returns are to be made on the basis of full disclosure;
- to provide full information necessary for dealing with your benefits-in-kind; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- to notify us by 15 May after the end of the tax year of all transactions or events which may need to be reflected in the forms P11D for the period, including details of all employees during the year and details of their remuneration packages;
- to authorise us to approach such third parties as may be appropriate that we consider necessary to deal with completing the benefits-in-kind returns; and
- to approve the returns 30 June so they can be submitted on or before the filing deadline of 6 July after the end of the tax year.

12.4.6. If we do not hear from you by the above deadline, subject to any other agreement between us, we will take your silence as your approval for us to submit the returns.

12.4.7. If the information required to complete the benefits-in-kind returns set out above is received later than 15 May above after the end of the tax year, we will still endeavour to process the information onto the BiK returns to meet the submission date but we will not be liable for any costs or other losses arising if submission is late. In such circumstances, we may charge an additional fee.

12.4.8. You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us when form 64-8 has been submitted, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in most cases, will not do so.





## 13. PAYROLL SERVICES

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

## RESPONSIBILITIES AND SCOPE FOR PAYROLL SERVICES

### 13.1. Recurring compliance work

- 13.1.1. We will prepare your UK payroll for each payroll period to meet UK employment tax requirements, specifically:
- 13.1.2. calculating the pay as you earn (PAYE) income tax deductions, including at the Scottish and Welsh rates of income tax, if applicable;
- 13.1.3. calculating the employees' national insurance contributions (NIC) deductions;
- 13.1.4. calculating the employer's NIC liabilities;
- 13.1.5. calculating statutory payments, for example, statutory sick pay and/or statutory maternity pay;
- 13.1.6. calculating reclaims of statutory payments, for example, maternity payments
- 13.1.7. calculating employee and employer pension contributions for employees who are members of workplace pension schemes (including those who are auto-enrolled) on the basis of the information that you provide to us;
- 13.1.8. calculating other statutory and non-statutory deductions including employment allowance, apprenticeship levy if applicable] and
- 13.1.9. submitting information online to HMRC under Real Time Information (RTI) for PAYE.

### 13.2. Ancillary payroll services

- 13.2.1. Before the time of payment through the payroll or due date, we will prepare and send to you the following documents for delivering information to HMRC:
- 13.2.2. payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals;
- 13.2.3. Full Payment Submission (FPS) for taxable pay and where applicable payrolled benefits-in-kind and expenses for each employee;
- 13.2.4. a payslip for each employee; (this will be available to each employee's portal via our payroll software)
- 13.2.5. a form P45 for each leaver; (to be available to the employee's portal via our payroll software)
- 13.2.6. a report showing your PAYE and NIC liability, student loan repayments, apprenticeship levy – if applicable and due date for payment; and
- 13.2.7. a workplace pension contributions report showing i) any employee and employer pension contributions payable in respect of each employee to the respective workplace pension



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scheme(s) of which they are members and the due date(s) for payment; ii) any employee pension contribution refunds payable to any employee; and iii) any employer pension contribution refunds due to you for any employee who has ceased membership of the scheme(s).

- 13.2.8. We will submit FPS online to HMRC [after the data to be included therein has been approved/on the basis of the data provided] by you. (FPS must normally reach HMRC on or before the contractual payday, ie, the date that employees are entitled to be paid) but we will file it for you on, or before, the actual day that monies change hands if you have made us aware of that date in order to be compliant with PAY regulations. You must ensure the data provided to us is complete and accurate and your attention is drawn to your legal responsibilities as set out below.
- 13.2.9. For each tax month we will prepare, if appropriate, an Employer Payment Summary (EPS) from the information and explanations that you provide to us. (Examples of EPS data include statutory payments, employment allowance, construction industry scheme deductions, apprenticeship levy allowance allocated to that PAYE scheme and apprenticeship levy payable to date – if applicable and confirmation that no payments were, or will be, made to employees during that tax month or for future tax months.)
- 13.2.10. We will submit the EPS online to HMRC [after the data to be included therein has been approved/on the basis of the data provided] by you. (the EPS must reach HMRC by the 19th of the month following the tax month to which it relates.) You must ensure that the data provided to us is complete and accurate and your attention is drawn to your legal responsibilities as set out below.

### **13.3. At the end of the tax year we will:**

- 13.3.1. prepare the final FPS (or EPS) and submit this to HMRC [after the data to be included therein has been approved/on the basis of the data provided] by you; (the due date for submitting final FPS is on or before the last actual payday of the tax year (however as made clear above we will still require to know the contractual pay day too as that is held within the FPS), failing which, the final EPS for the year must reach HMRC by 19 April following the end of the tax year;) you must ensure that the data provided to us is complete and accurate and your attention is drawn to your legal responsibilities as set out below;
- 13.3.1.1. prepare and send to you Form P60 for each employee on the payroll at the year-end so you can give them to employees by the statutory due date of 31 May following the end of the tax year; P60's to employees will be available in the individual employee's portal from our software
- 13.3.2. If applicable, prepare and send to you a statement for every employee for whom benefits-in-kind have been payrolled identifying every benefit provided to each employee during the tax year and the cash equivalent of each benefit treated as PAYE income so you can give them to employees by the statutory due date of 31 May following the end of the tax year;
- 13.3.3. give you details of the Class 1A NIC on payrolled benefits-in-kind which will need to be accounted for on form P11D(b) and the due date for payment
- 13.3.4. give you details of the Class 1A NIC on expenses accounted for in the payroll which will need to be accounted for on form P11D(b) and the due date for payment
- 13.3.5. We will deal with any online secure messages sent to us by HMRC in respect of your payroll, for example, tax code number notifications, student loan repayment notices, and generic notification notices that you receive in your PAYE online account should be forwarded to us for action.
- 13.3.6. We will submit national insurance number (NINO) verification requests as appropriate to verify or obtain a NINO for a new employee.



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13.3.7. Any enquiries from individual employees regarding their pay or other payroll details will be referred back to you.

## **13.4. Excluded, ad hoc and advisory work**

13.4.1. The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. Where appropriate, we will agree with you a separate fee for any such work you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

13.4.2. work in connection with employee workplace pension schemes other than that detailed above or elsewhere in these schedules including helping with setting up and administering workplace pension schemes, including referring you to appropriate specialists where necessary;

13.4.3. agreeing with you which employer-provided benefits-in-kind will be processed through the payroll and for which employees, processing through the payroll cash equivalent notional amounts on employee benefits-in-kind, notifying HMRC of in-year changes, advising you on the payment of associated Class 1A NIC, preparing and submitting return P11D(b) and notifications to employees.

13.4.4. preparing and submitting returns P11D and P11D(b) for employee benefits-in-kind and expenses and advising on the payment of associated Class 1A NIC (such work, if undertaken, is covered in a separate schedule of services);

13.4.5. dealing with any compliance check or enquiry by HMRC into the payroll data submitted and corresponding with HMRC as necessary;

13.4.6. preparing and submitting any amended returns or data for previous tax years;

13.4.7. assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors;

13.4.8. conducting PAYE, and benefits and expenses health checks;

13.4.9. helping you to allocate apprenticeship levy allowance across your different PAYE schemes/group companies/connected charities; and

- advising on ad hoc transactions, for example, termination payments to employees.
- If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

## **13.5. Changes in the law, in practice or in public policy**

13.5.1. 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, practice, public policy or in your circumstances.

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

## **13.6. Your responsibilities**



13.6.1. Even though you are engaging us to help you meet your payroll obligations, you are legally responsible for:

- ensuring that the data in your payroll submissions is correct and complete;
- complying with auto-enrolment obligations;
- making any submissions by the due date; and
- paying tax and NIC on time.

13.6.2. Failure to do any of the above may lead to penalties and/or interest.

13.6.3. Employers cannot delegate these legal responsibilities to others.

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

13.6.5. To enable us to carry out our work, you agree:

- that all information required to be delivered online is submitted on the basis of full disclosure;
- to provide full information necessary for dealing with your payroll affairs and workplace pension scheme contributions and refunds; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- to agree with us the name(s) of the person(s) authorised by you to notify us of changes in employees and in rates of pay and other information relevant to the services provided under this schedule; we will process the changes only if notified by that/those individual(s);
- to advise us in writing of changes of payroll pay dates;
- to notify us at least 5 working days [or such other period as agreed with us] before the payroll pay date of all transactions or events which may need to be reflected in the payroll for the period, including details of:
  - all new employees (including full names, address, date of birth, gender, national insurance number, their start date and starter form) and details of their remuneration package [including benefits-in-kind to be payrolled]; - new starter employment forms will be sent to you for completion by new employee and returned to us
  - for employees whose benefits-in-kind are being payrolled, their names, the identity of the benefits-in-kind, and the cash equivalent amounts to be included in payroll;
  - for employees who are active pension scheme members, name of pension scheme, pensionable pay, employee and employer contribution rates, dates from/to which contributions and qualifying earnings payable;
- names and dates of birth of all apprentices aged under 25;
- names and dates of birth of all employees aged under 21;
- all changes to remuneration packages including benefits-in-kind to be payrolled
- employee expenses which need to be included in payroll to account for either income tax or Class 1 NIC or both;
- expenses for each employee if the expense is to be reimbursed gross through payroll as an addition to net pay;



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- information necessary to enable us to calculate statutory payments, ie, statutory sick pay, statutory maternity pay, statutory adoption pay, statutory paternity pay, statutory shared parental pay, statutory parental bereavement pay;
- irregular and/or ad hoc payments and the dates to be paid; and
- all leavers, their annual salary before any salary sacrifices, how often paid, unworked notice period, contractual payment in lieu of notice (PILON), date of termination of employment, age, number of years' service, the last payment prior to termination and when paid, and the components parts of the termination package, including statutory redundancy pay, compensation for loss of office, any bonus payable on termination and any payments made after the leaving date.
- to notify us within 5] working days [or such other period as agreed with us] of your receiving or becoming aware of any opt-out notices or any other requests to cease membership of a scheme, so that we can cease to calculate any relevant pension contributions and process any required refunds;
- to register with HMRC in advance of the tax year, to notify which benefits-in-kind are to be payrolled for which employees(as agents, we cannot do this);
- to keep us informed of changes in circumstances that could affect the payroll; if you are unsure whether a change is material, please tell us so we can assess its significance;
- to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with your payroll; [and]
- to approve:
  - in-year and final FPS by at least 5 working days before contractual pay dates so that they can be submitted on or before payday, or as agreed with us;
  - in-year and final EPS by at least 5 days before the 19th of the month following the tax month;
  - revised year to date FPS for an earlier year/earlier year updates (EYU) within 5 days of notifying you of the data therein.

13.6.6.If we do not hear from you by the above deadlines, subject to any other agreement between us, we will take your silence as your approval for us to submit the return.

13.6.7.If the information required to complete the payroll services set out above is received later than the dates specified above or agreed with us, we will still endeavour to process the payroll and returns to meet the filing deadlines; but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances. We may charge an additional fee for work carried out in a shorter time period.

13.6.8.If you require us to make a correction after the FPS or EPS has been submitted, you will let us know as soon as possible and, ideally, before the next payroll run. This will be subject to a separate fee £125 plus VAT.

13.6.9.We will request from HMRC an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.

13.6.10. You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us when the authorisation code has been applied for, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in



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most cases, will not do so. You should also keep a note of any telephone communication you have with HMRC's tax credits helpline or DWP's universal credits helpline, including the date and time of the call, and the name of the helpline operator(s).

## **13.7. Auto enrolment**

### **13.7.1. Preparing for Auto enrolment**

#### **13.7.1.1. Your responsibilities**

- You will register for auto enrolment with 'the Pensions Regulator'.
- As stated in Key Facts, either you will identify and appoint an appropriate pension provider or we will assist in identifying a suitable pension provider.
- You will be responsible for paying the initial contribution.
- You will review the assessment of the workforce and accept responsibility for the completeness and accuracy of the assessment.
- You will be responsible for making all the necessary communications with the workforce in accordance with the requirements and timescales of auto enrolment both at set up and on an on-going basis.
- You will be responsible for ensuring that each employee has given permission for data to be shared for the purpose of auto enrolment in accordance with the requirements of the Data Protection Act.

#### **13.7.1.2. Our responsibilities as accountants**

- You have instructed us to assist you in preparing for the auto-enrolment regime for workplace pensions, and to assist you in setting up the required records to facilitate the required reviews.
- We will assist you in determining your 'staging date' for auto enrolment and also advise as to whether the postponement facility should be used.
- We will introduce you to an Independent Financial Advisor (IFA) for advice regarding the set-up of your pension scheme.
- We will assist you in identifying categories of worker; eligible jobholders, non-eligible jobholders and entitled workers.
- We will design and assist you with the set-up of the system and records required for auto-enrolment based on the information you supply to us.
- Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

### **13.7.2. Ongoing work for auto-enrolment**

13.7.2.1. Were we have agreed to work on auto-enrolment on workplace pensions if applicable, whilst we accept no responsibility for errors or omissions that arise as a result of incorrect data supplied to us, we will:

- deduct from each payroll period the pension contributions as instructed by you;
- pay over the pensions contributions deducted and your employer pension contributions to your pension provider;
- maintain and preserve the records required for auto-enrolment based on the information you supply to us;
- maintain information and records that will highlight when the triennial enrolment processes must occur. We will inform you in advance of this date so that you can



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make the necessary communications with the staff member and so that the firm can re-enrol as required;

- assist you in monitoring the status of these employees to determine whether 'non-eligible' or 'entitled workers' become 'eligible workers' and thus require auto enrolment. This review will take place at the start of each payroll period;
- ensure that new staff are incorporated into the scheme in accordance with your instructions; and
- process any opt-out and opt-in requests and ensure that repayments are made to employees in accordance with your instructions.

13.7.3. The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation ad hoc and advisory services linked to your payroll as may be agreed from time to time. These services may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:

- work in connection with workplace pension schemes other than that detailed above;
- agreeing with you which employer-provided benefits-in-kind will be processed through the payroll and for which employees, processing through the payroll cash equivalent notional amounts on employee benefits-in-kind, notifying HMRC of in-year changes, advising you on the payment of associated Class 1A NIC, preparing and submitting return P11D(b) and notifications to employees;
- preparing and submitting returns P11D and P11D(b) for employee benefits-in-kind and expenses and advising on the payment of associated Class 1A NIC (such work, if undertaken, is covered in a separate schedule of services, see 6.5);
- dealing with any compliance check or enquiry by HMRC into the payroll data submitted;
- preparing and submitting any amended returns or data for previous tax years, and corresponding with HMRC as necessary;
- assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors (such work, if undertaken, is covered in separate schedules of services, see 6.6 to 6.8);
- conducting PAYE and benefit and expenses health checks; and
- assisting you in connection with the Apprenticeship Levy, including determining whether you are liable to pay this, and assisting with the allocation of the Apprenticeship Levy allowance between PAYE schemes or between connected companies or charities.

13.7.4. Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.



## 14. SPECIALIST OR AD HOC TAXATION SERVICES

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

### 14.1. RESPONSIBILITIES AND SCOPE IN RELATION TO SPECIALIST OR AD HOC TAXATION.

14.1.1. We will provide ad hoc tax advisory services as requested by you from time to time

14.1.2. Our services may include telephone conversations, attendance at meetings and written advice, as and when requested by you.

14.1.3. We will not provide any other tax services unless covered by a separate engagement letter or another schedule to this letter.

14.1.4. If additional or specialist expertise is required, we may need to seek this from, or refer you to, a specialist.

### 14.2. Changes in the law, in practice or in public policy

14.2.1. 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, practice, public policy or in your circumstances.

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

### 14.3. Your responsibilities

14.3.1. You agree to provide full information necessary for us to advise in relation to your affairs. We will rely on the information and documents being true, correct and complete and will not audit the information or those documents.

14.3.2. If you require tax advice in relation to a proposed transaction, we recommend that you instruct us sufficiently in advance so that we have time to give properly considered advice before the transaction takes place.

14.3.3. You authorise us to approach such third parties as may be appropriate, for information that we consider necessary to provide the advice.

14.3.4. You will keep us informed of material changes in your circumstances that could affect the tax advisory services we are providing. If you are unsure whether the change is material, please let us know so that we can assess its significance.

14.3.5. 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 your turnover exceeds the UK VAT registration threshold, and you wish us to assist you in notifying HMRC of your obligation 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 exceeded 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. The same applies for equivalent non-UK taxes.





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- 14.3.6. If you provide digital services to consumers in the EU, you are responsible either for registering for VAT in that member state, or for registering for VAT Mini One Stop Shop (MOSS) in the UK.
- 14.3.7. You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers and of any contractors who are treated as deemed employees under the off-payroll working rules. If you do not understand what you need to consider or what 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.
- 14.3.8. If applicable HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 14.3.9. If applicable You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC has the authority to communicate with us when form 64-8 has been submitted, it is essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of communications issued to you and, in most cases, will not do so. You should also keep a note of any telephone communication you have with HMRC's tax credits helpline, including the date and time of the call, and the name of the helpline operator(s).



## 15. TAX INVESTIGATIONS

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 15.1. RESPONSIBILITIES AND SCOPE FOR TAX INVESTIGATION SERVICES

- 15.1.1. Where instructed by you we will act on your behalf in the matter of matters under investigation by HMRC.
- 15.1.2. Where required, we will prepare a report on your behalf giving full disclosure of your tax affairs and, once agreed by you, submit it to HMRC.
- 15.1.3. We will negotiate with HMRC on any question of taxation, interest and penalties. The outcome of some income tax enquiries may be related to, or impact on, claims to tax credits and universal credit. We will not address the tax credits and universal credit issues unless we have explicitly agreed to do so.
- 15.1.4. We must make it clear that if, at any time, we consider that:
- a) you are not cooperating with us and/or answering our enquiries fully and frankly; or
  - b) you are unwilling to make full disclosure or you refuse to do so;
- we will immediately cease to act and inform HMRC of that fact (albeit not the reasons for ceasing to act). In that event, any fees you have already paid will not be reimbursed and you will remain liable for any unbilled costs.
- 15.1.5. If specialist advice is required in connection with the investigation, we may need to seek this from, or refer you to, appropriate specialists.
- 15.1.6. If applicable HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.

#### 15.2. Your responsibilities

- 15.2.1. To enable us to carry out our work in relation to the investigation you agree:
- 15.2.2. that all information to be given to HMRC in the course of the investigation is to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- c) to provide full information necessary for dealing with the investigation;
  - d) to authorise us to communicate with such third parties as may be appropriate, and that we consider necessary to deal with the investigation;
  - e) to provide information promptly to enable us to deal with the investigation expeditiously and to act in your interests in order to qualify for such reduction as may be appropriate for the cause of the error and the level of disclosure if there are tax liabilities or penalties for earlier years;



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- f) to forward to us on receipt, copies of all HMRC correspondence, statements of account, PAYE coding notices, notices of assessment, letters and other communications received from HMRC as may be relevant to the investigation to enable us to deal with them as may be necessary immediately upon receipt; although HMRC have the authority to communicate with us when form 64-8 has been 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;
- g) to keep us informed about significant changes in your circumstances if they are likely to affect the outcome of the investigation; if you are unsure whether the change is material, please let us know so that we can assess its significance or otherwise; and
- h) to notify us immediately of any insurance cover you have for enquiries into your tax returns by HMRC.



## 16. COMPANY SECRETARIAL SERVICES

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

#### 16.1. Your responsibilities

16.1.1. A private company or limited liability partnership is required to file accounts at Companies House within nine months of the period end. The company/LLP will be liable to a fine if it fails to do so. Where we have agreed to file the accounts on your behalf we accept no responsibility for fines or regulatory action taken against the directors/members where the statutory financial statements are not available for filing.

16.1.2. Where the entity applies the small company/LLP regime, based on the accounts prepared for members, you agree we will file the minimum accounting information at Companies House unless you inform us otherwise in writing.

16.1.3. In addition, you are required to complete the annual confirmation statement confirming various information held by Companies House about the company/LLP. For us to complete this confirmation on your behalf, you need to supply us with the relevant details, including:

- a) the names, dates of birth and contact details for each director, and secretary if applicable, or changes thereto;
- b) the address of the registered office, or changes thereto; and
- c) if relevant, details of the shareholders.

16.1.4. From 6 April 2016, under Schedule 1A to the Companies Act 2006, the company/LLP is required to maintain a register of People with Significant Control (the PSC register). In essence, these are individuals (or companies) that directly or indirectly hold more than 25% of the shares/voting rights, or can appoint or remove a majority of directors. For us to maintain the PSC register, you need to supply us with written confirmation from the individual/company concerned that they are a PSC, what conditions for being a PSC are met, from which date if after 6 April 2016, together with other relevant information depending on whether they are an individual or a company.

#### 16.2. Our responsibilities

16.2.1. We have agreed to act as your agent and to:

- a) submit online the financial statements to the Registrar of Companies and, if requested, HMRC;
- b) complete online the company's annual confirmation statement;
- c) complete online any other changes required by law to be filed at Companies House, provided that such changes can be filed online and that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House within one week of the change or event;
- d) maintain the statutory books, including the new Register of People with Significant Control required from 6 April 2016; and
- e) act as your registered office.



## 17. ROYALTY ADMINISTRATION AND ROYALTY STATEMENT PREPARATION SERVICES

### SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

### 17.1. ROYALTY ADMINISTRATION SERVICES

#### 17.1.1. The limited nature of the service

17.1.1.1. The service is limited to updating and maintaining a central database of your royalty income generated from your activities in the entertainment industry so that you can:

- Have a summary of royalties received from each source over time
- Identify late or missing royalty statements
- Have sufficient information to consider whether it is worth conducting a formal royalty audit (either a desktop review or full audit)

17.1.1.2. The service does not include a review of the detailed make up of each statement and does not constitute a royalty audit and therefore cannot identify all income that may be owed to you.

#### 17.1.2. Your responsibility for the provision of information

17.1.2.1. You have undertaken to make available to us, as and when required, all contracts, royalty statements and related financial information, including log on codes to various online systems run by your publisher, record company, PRS, PPL etc which we need to do our work. You will provide us with all information and explanations relevant to the purpose of administering your royalties.

17.1.2.2. 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.

### 17.2. ROYALTY STATEMENT PREPARATION SERVICES

17.2.1. The service is limited to processing incoming royalty statements via industry standard royalty accounting software or bespoke built systems, determined on a job-by-job basis to generate the following types of statements on the required reporting cycle where appropriate:

- Records royalty accounting to artists and other third parties
- Publishing royalty accounting to writers or other third parties
- Mechanical accounting to MCPS for record labels, where required
- Digital Mechanical accounting to North American societies for record labels, where required
- Splitting of any incoming statements for any other ongoing royalty or commission entitlements

17.2.2. Statements will be delivered to all royaltors by email.



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17.2.3. Assistance with initial queries from royaltyors will be provided where required, in relation to statements we have produced. Assistance with dealing with queries resulting from a formal royalty examination by a royaltyor would be subject to a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work.

17.2.4. The service does not include a review of the detailed make up of each incoming statement and does not constitute a royalty audit and therefore cannot identify all income that may be owed to you.

## **17.2.5. Your responsibility for the provision of information**

17.2.5.1. You have undertaken to make available to us, as and when required, all contracts, royalty statements (including data files) and related financial information, including log on codes to various online systems run by your publisher, record company, PRS, PPL etc which we need to do our work, and any royaltyor(s) contact details that may be required. You will provide us with all information and explanations relevant to the purpose of accounting your royalties.

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.



## Standard terms of business

Updated 19 November 2022

All engagements that we accept are subject to the following standard terms of business unless changes are expressly agreed in writing.

### 1 Professional obligations

1.1 We are not a member of the Institute of Chartered Accountants in England and Wales. However we are regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities and in our conduct are subject to its Code of Ethics which can be found at [www.icaew.com/regulations](http://www.icaew.com/regulations). We will observe and act in accordance with the bye-laws and regulations of ICAEW applicable to our status as a DPB (Designated Professional Body) licensed firm. We accept instructions to act for you on this basis.

1.2 Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

#### Provision of probate-type services

1.4 We are not licensed or authorised for the reserved legal activity of non-contentious probate. Consequently, any work we do for you on closely aligned activities, such as estate administration or inheritance tax advice, will not be covered by the ICAEW Probate Compensation Scheme, this service will not be covered by legal personal privilege and you will not have access to the Legal Ombudsman.

#### Professional indemnity insurance

1.5 The information required in accordance with the disclosure requirements of the Provision of Services Regulations 2009, is as follows.

Our main professional indemnity insurer is Allianz Global Corporate & Specialty SE who can be contacted at 60 Gracechurch St, London EC3V 0HR.

The territorial coverage is worldwide

If for any reason circumstances arise that may result in a claim to our professional indemnity insurers, you give us your permission to notify them and you agree, for this purpose only, to waive your rights to privilege and/or confidentiality to enable us to do so.

### 2 Fees

2.1 Our fees are calculated on the basis of time spent on your affairs, the levels of skill and responsibility involved, the importance and value of the advice provided to you, and the level of risk. In addition we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs.

2.2 If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this in advance. Any additional work will result in additional fees being charged. We would

therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.

2.3 If we give you an estimate of our fees for carrying out any specific work, then that estimate will not be contractually binding unless we have explicitly stated that will be the case.

2.4 If we agree a fixed fee with you for providing a specific range of services this will be the subject of a separate agreement. This agreement will set out the period which the fixed fee relates to and the services covered by it.

Otherwise our fees will be calculated on the basis of the hours worked by each member of staff necessarily engaged on your affairs multiplied by their charge-out rate per hour, VAT being charged thereon. Indicative hourly charge out rates are as follows:

Director	£350
Manager	£250
Senior bookkeeper	£120
Bookkeeper	£60-£90
Assistant bookkeeper	£45

2.5 Where requested we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

2.6 Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 21 days of receipt or we shall deem you to have accepted that payment is due.

2.7 Where we have agreed that you will pay us on a standing order basis, we will discuss with you separately the amount and frequency of payments. These standing orders will be applied to fees arising from work agreed in our letter of engagement for the current and ensuing years. Where a scheduled monthly payment is not made any fees invoiced to you that are outstanding at that time will immediately become due for payment in entirety.

2.8 You may have an insurance policy or membership of a trade or professional body that entitles you to assistance with payment of our fees in some situations. A particular example would be assistance with an investigation by HM Revenue & Customs. Unless you arranged the insurance through us then you will need to advise us of any such cover you have. Please note that you remain liable for our



## Standard terms of business 2022

Updated 19 November

fees regardless of whether all or part are liable to be paid by your insurers.

2.9 We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.

2.10 In the event that we cease to act for you then you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

### 3 Help us to give you the right service

3.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know by contacting Jeffrey Kaye.

3.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales.

3.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- your insolvency, bankruptcy or other arrangement being reached with creditors;
- failure to pay our fees by the due dates;
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

### 4 Commissions or other benefits

4.1 In some circumstances we, or one of our associates, may receive commissions or other benefits for introductions to other professionals or in respect of transactions we or such associates arrange for you. If this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits. You consent to such commission or other benefits being retained by us or, as the case may be, by our associates,

without our, or their, being liable to account to you for any such amounts.

### 5 Client monies

5.1 We may at times hold money on your behalf. Any such money will be held on trust in a client bank account, which is held separately to funds that belong to us. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales. We do not accept any liability for the loss of such money by a bank's failure, default or service interruption. The Financial Services Compensation Scheme (FSCS) may apply to this money. In the event of bank failure, you consent to our disclosure to FSCS of your details so as to pursue any claim for compensation.

5.2 To avoid excessive amounts of administration, interest will only be paid to you if the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

5.3 If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you.

You agree that unless interest of over £100 per annum could be earned there is no need for the account to earn interest.

All bank transaction charges will be borne by you on client bank account designated to you.

5.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least 5 years and we have taken reasonable steps to trace you and return the monies.

### 6 Retention of and access to records

6.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your accounts and returns. You have a legal responsibility to retain these records. The law requires individuals, trustees and partnerships to keep records in relation to trading or rental income 6 years from the 31 January following the end of the tax year to which they





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relate. Other records should be kept for 22 months after the end of the tax year they relate to. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.

- 6.2 While certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

### 7 Conflicts of interest and independence

- 7.1 We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

- 7.2 If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by the Code of Ethics of the Institute of Chartered Accountants in England and Wales which can be viewed at .

### 8 Confidentiality

- 8.1 Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. Any subcontractors we use will be bound by the same confidentiality requirements.

### 9 Quality control

- 9.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent regulatory or quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.
- 9.2 When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are

required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, visit [www.gov.uk/government/publications/your-charter](http://www.gov.uk/government/publications/your-charter). To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

### 10 Applicable law

- 10.1 This engagement letter is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

- 10.2 If any provision in these terms of business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

### 11 Changes in the law, in practice or in public policy

- 11.1 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in the light of any change in the law, practice, public policy or your circumstances.
- 11.2 We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

### 12 Internet communication

- 12.1 Unless you tell us otherwise we will at times use email or other electronic means to communicate with you.
- 12.2 Internet communications are capable of data corruption, non-receipt, delayed receipt, inadvertent misdirection or interception by third parties and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any damage, loss, errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. These are risks you must bear in return for greater efficiency and lower costs. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.



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- 12.3 It is the responsibility of the recipient to carry out a virus and malware check on any emails and attachments received.
- 12.4 Cyber-crime is on the increase, and you should be aware of the dangers to ensure that you do not become a victim of it. You should be alive to the possibility that a fraudster might deliberately misrepresent himself or herself as a member of, or as someone acting on behalf of or working with, this firm, for criminal purposes. Such scams normally originate by email. Often the email will suggest there has been a change in bank details or request personal or financial information in order that money can be paid to them (an identity theft type fraud). In an attempt to give legitimacy or respectability to the scam, sometimes the email will direct the recipient to a false website that intentionally replicates the look of a legitimate website.
- 12.5 If you receive an email purporting to come from this firm, or if you are directed to a website which purports to be our website, and you have doubts or concerns about the provenance of the email or website, before taking any action please either contact the your usual contact at this firm by telephone.
- 12.6 If you send funds directly to a fraudster posing as us, we will not be liable to you nor will you have recourse to our professional indemnity insurance and you are unlikely to be able to make a claim from any compensation fund.
- 13 DATA PROTECTION**
- 13.1 In this clause 13, the following definitions shall apply:
- ‘client personal data’ means any personal data provided to us by you, or on your behalf, for the purpose of providing our services to you, pursuant to an engagement letter with you;
- ‘data protection legislation’ means the EU General Data Protection Regulation, UK General Data Protection Regulation (‘UK GDPR’), the Privacy and Electronic Communications (EC Directive) Regulations, and any applicable national laws, regulations and secondary legislation in the UK relating to the processing of personal data and the privacy of electronic communications, as amended, replaced or updated from time to time.
- ‘Controller’, ‘data subject’, ‘personal data’, ‘personal data breach’, ‘process’, and ‘supervisory authority’ shall have the meanings given to them in the GDPR;
- 13.2 If you are providing client personal data to us on behalf of another person, we shall each be considered an independent data controller in relation to such client personal data. Each of us will comply with all requirements and obligations applicable to us under the data protection legislation in respect of the client personal data.
- You shall only disclose client personal data to us where:
- (a) you have provided the necessary information to the relevant data subjects regarding its use;
  - (b) you have a lawful basis upon which to do so, which, in the absence of any other lawful basis, shall be with the relevant data subject’s consent; and
  - (c) you have complied with the necessary requirements under the data protection legislation to enable you to do so.
- Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided. In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:
- (a) we receive a request, complaint or any adverse correspondence from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or in respect of our processing of their personal data;
  - (b) we are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from a supervisory authority); or
  - (c) we reasonably believe that there has been a personal data breach of the client personal data.
- 13.3 The client personal data we collect in connection with the services includes contact details, such as name, address, phone number, email address, identification information, family history, tax details, employment history, financial transaction history, investment history, information about assets and liabilities, insurance policy information and other similar information.
- 13.4 We shall only process the client personal data:
- (a) to provide our services to you and perform our obligations in accordance with our engagement with you;
  - (b) recommend services to you;
  - (b) facilitate, manage, personalize and improve our client and partner relationships;
  - (d) prevent and address fraud, breach of terms of business, and threats of harm;
  - (e) ensure the security and integrity of the client personal data we process;
  - (f) in order to comply with our legal or regulatory obligations;



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- (g) where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects' own privacy rights.
- 13.5 The processing activities are carried out according to the following legal bases:
- (a) the processing is necessary for us to provide you our services in accordance with our engagement with you;
  - (b) we have a legal obligation to process the client personal data, such as to comply with a court order or binding law enforcement request;
  - (c) we have a legitimate interest in using the client personal data, such as to provide services to you, to market our services to you, to recommend other service providers to you, and for management purposes; or
  - (d) if you consented to the processing of the client personal data.
- 13.6 For the purpose of providing our services to you, pursuant to our engagement letter, we may share the client personal data with:
- (a) those you have requested us to share the information;
  - (b) our regulatory body or other third parties (for example, our professional advisors or service providers);
  - (c) our business partners and affiliates, including Gelfand, Rennert & Feldman, LLC, when it is reasonably necessary or desirable;
  - (d) third parties to whom we disclose information in the course of providing services to you or to the entity that has engaged us to provide services; or
  - (e) to abide by applicable law or to protect rights and interests. We may disclose the client personal data to other third parties in the context of a possible sale, merger, restructuring or financing of or investment in our business. In this event we will take appropriate measures to ensure that the client personal data is processed in accordance with data protection legislation.
- 13.7 We may transfer the client personal data outside of the UK to provide you services that you request, including to Gelfand, Rennert & Feldman, LLC, our affiliate in the United States, for them to provide services to you and as part of our business relationship with them. If we transfer the client personal data outside the UK to countries not deemed to provide an adequate level of data protection, we will ensure there are measures in place to safeguard the client personal data. We may transfer the client
- personal data provided that the transfer is undertaken in compliance with the data protection legislation.
- 13.8 We shall maintain appropriate administrative, technical, physical and organisational safeguards designed to help protect against unauthorised disclosure or access and accidental or unlawful destruction, loss or alteration of the client personal data. Although we use reasonable efforts to safeguard the client personal data, we cannot guarantee the security of the client personal data obtained or stored electronically.
- 13.9 We will store the client personal data for no longer than is necessary for the performance of our obligations under the engagement, or as may be permitted under applicable law. Under the terms of our engagement, we retain records for six years from the provision of our services or for six years from the end of the accounting/tax year to which the data relates. Unless otherwise required by applicable law, at the end of the retention period, we will remove the client personal data from our systems and records.
- 13.10 In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:
- (a) we receive a request, from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or a complaint or any adverse correspondence in respect of our processing of their personal data;
  - (b) we are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from the Information Commissioner's Office or any other supervisory authority); or
  - (c) we reasonably believe that there has been any incident which resulted in the accidental or unauthorised access to, or destruction, loss, unauthorised disclosure or alteration of, the client personal data.
- 13.11 Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided to you in accordance with our engagement letter with you in relation to those services.
- 13.12 You have the right to access the client personal data and to impose certain limits on the use and disclosure of such personal data. Subject to certain conditions, you may request us to take the following actions in relation to the client personal data:



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- (a) provide you with information about our processing of the client personal data and give you access to the client personal data;
- (b) update or correct inaccuracies in the client personal data;
- (c) delete the client personal data;
- (d) transfer a machine-readable copy of the client personal data to you or a third party of your choice;
- (e) restrict the processing of the client personal data;
- (f) object to the processing of the client personal data for direct marketing purposes; and/or
- (g) object to reliance on our legitimate interests as the basis for processing of the client personal data.
- You can submit requests exercise these rights by email at <mailto:privacy@grfllp.com>. You also have a right to lodge a complaint with a supervisory authority.
- 13.13 Should you require any further details regarding our treatment of personal data, please contact our head of privacy, Nikki Davies.
- ### 14 Contracts (Rights of Third Parties) Act 1999
- 14.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 14.2 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.
- ### 15 The Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- 15.1 In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 to:
- Maintain identification procedures for clients, beneficial owners of clients, and persons purporting to act on behalf of clients;
  - Maintain records of identification evidence and the work undertaken for the client; and
  - Report, in accordance with the relevant legislation and regulations.
- 15.2 We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.
- 15.3 The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.
- 15.4 This definition is very wide and would include such crimes as deliberate tax evasion, deliberate failure to inform the tax authorities of known underpayments or excessive repayments, fraudulent claiming of benefits or grants, or obtaining a contract through bribery. Clearly these examples are by no means exhaustive.
- 15.5 We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 15.6 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.
- 15.7 We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.
- ### 16 General limitation of liability
- 16.1 We will provide services as outlined in the engagement letter with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where these are a result of you or others supplying incorrect or incomplete information, or failing to supply any appropriate information or where you failing to act on our advice or respond promptly to communications from us or the tax authorities.
- 16.2 You will not hold us, the owners of this firm and any staff employed by the firm, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of the principals or employees personally.



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- 16.3 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.
- 17 Use of our name in statements or documents issued by you**
- 17.1 You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.
- 18 Draft/interim work**
- 18.1 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form. However final written work products will always prevail over any draft or interim statements. Where you request it, we will provide up with written confirmation of matters stated orally.
- 19 Advice**
- 19.1 Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed by us in writing.
- 19.2 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.
- 20 Intellectual property rights**
- 20.1 The copyright in any document prepared by us belongs to us in entirety unless the law specifically provides otherwise.
- 21 Interpretation**
- 21.1 If there is a conflict between the engagement letter and these terms of business then the engagement letter takes precedence.
- 21.2 If any provision of this engagement letter or terms of business or its application is held to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of any other provision and its application shall not in any way be affected or impaired.
- 22 Provision of cloud-based services**
- 22.1 Where the firm provides accounting software in the Cloud, this will be provided by a third party (the 'Cloud Supplier'). The third party has signed a confidentiality agreement with the firm to ensure compliance with the relevant clauses in the firm's standard terms of business i.e. our fees (2), Confidentiality (8), Internet Communication (12), data protection legislation (13) and General Limitation of Liability (16).
- 22.2 The service provided by the Cloud Supplier will be a discrete web based hosted facility, and you agree that access will also be provided to the firm and the third party.
- 22.3 The firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them to help ensure that normal service is resumed as soon as possible.
- 23 Investment advice (including insurance distribution services)**
- 23.1 Since we are not authorised by the Financial Conduct Authority then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by the Institute of Chartered Accountants in England and Wales, we may be able to provide certain exempt regulated activities that are complementary to, or arise out of, the professional services we are providing to you.
- 23.2 We may therefore be able to:
- advise you on investments generally, but not recommend a particular investment or type of investment;
  - refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
  - advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
  - advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
  - assist you in making arrangements for transactions in investments in certain circumstances; and
  - manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.



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23.3 For corporate clients we may also, on the understanding that the shares or other securities of the company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

23.4 In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme in respect of exempt regulated activities undertaken.

23.5 In relation to the conduct of insurance distribution activities, we are an ancillary insurance intermediary. We are not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance distribution activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Institute of Chartered Accountants in England and Wales. The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/register](http://www.fca.org.uk/register). Our reference number is ICAEW C006551129.

23.6 Where we provide insurance distribution services, we are unable to advise you as to whether a particular insurance policy meets your specific requirements. You should take advice from an independent insurance broker as to, amongst other things:

- the suitability of the policy;
- the completion of the proposal form;
- your duty of disclosure and fair presentation;
- warranties in the policy;
- contracting out;
- payment of premiums; and
- notification of claims procedures.

23.7 To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests

to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

## 25 Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards

25.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the International Tax Compliance (United States of America) Regulations 2013, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HM Revenue & Customs.

## 26 Timing of our services

26.1 If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time to meet any regulatory deadlines. However, failure to complete our services before any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.