

TWP ACCOUNTING LLP: PARTNERSHIP TAX SERVICES

This schedule should be read in conjunction with the engagement letter and our standard terms and conditions. The schedule sets out the basis on which we act as tax agents and our respective responsibilities. It is agreed that we should carry out the following services as your agents on the basis that you will make full disclosure to us of all relevant information.

1 OUR SERVICE TO YOU: RECURRING COMPLIANCE SERVICES

- 1.1 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 provides to us. We shall forward the partnership return (together with copies of all supporting material we propose to submit to HM Revenue & Customs (HMRC) with your return) to you for approval and signature. After obtaining the approval and signature of one of the Partners nominated to deal with the Partnership's tax affairs we will submit these to HMRC. You authorise us to file the return electronically to HMRC.
- 1.2 We will prepare the income tax and capital gains tax computations based on the Partnership's business accounts for inclusion in the Partnership tax return.
- 1.3 We will advise you as to possible tax return related claims and elections arising from information supplied by the Partnership. Where instructed by you we will make such claims and elections in the form and manner required by HMRC.
- 1.4 If instructed we will provide each partner or their agent with details of the partner's allocations from the return to enable partners to fill in their self-assessment tax returns.
- 1.5 We shall respond to any enquiries relating to your tax return addressed to us by the HMRC or passed to us by you. However, we shall consult you if it becomes clear that HMRC are opening an in-depth enquiry or review. They have the power to do this on a purely random basis and this work will be the subject of a separate assignment and we will seek further instructions from you.

2 AD HOC AND ADVISORY WORK

- 2.1 Where you have instructed us to do so, we will provide 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 discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
 - Dealing with any enquiry opened into the Partnership tax return by HMRC; and
 - Preparing any amended returns which may be required and corresponding with HMRC as necessary.
- 2.2 Where specialist advice is required on occasions we may need to seek this from, or refer you to, appropriate specialists.

3 CHANGES IN THE LAW, IN PUBLIC PRACTICE OR IN PUBLIC POLICY

- 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 or your circumstances.
- 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.

4 YOUR RESPONSIBILITIES:

4.1 The Partners are legally responsible for:

- ensuring that the Partnership self assessment tax returns are correct and complete;
- filing any returns by the due date; and
- making payment of tax on time.

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

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

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

Taxpayers who sign their returns cannot delegate this legal responsibility to others. The Nominated Partner agrees to check that returns and partnership statements we have prepared for the Partnership are complete before you approve and sign them.

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

4.2 To enable us to carry out our work you agree:

- that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- to provide all information necessary for dealing with the Partnership affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- 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
- to provide us with information in sufficient time for the partnership tax return to be completed and submitted by the due date following the end of the tax year. In order that we can do this, we need to receive all relevant information by 30th November. Where feasible we may agree to complete your return within a shorter period but we reserve the right to levy an additional fee.

4.3 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. If you are unsure whether the change is material or not please let us know so that we can assess its significance.

- 4.4 You will forward to us upon receipt HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us when form 64-8 has been signed and submitted it is essential that you let us have copies of any correspondence received because HMRC are not obliged to send us copies of all communications issued to you.
- 4.5 We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.
- 4.6 It is our policy to confirm in writing advice upon which you may wish to rely.

5 OTHER SERVICES AND GENERAL TAX ADVICE

- 5.1 We will be pleased to assist the partnership generally in tax matters, including VAT if you advise us in good time of any proposed transactions and request advice. We would, however, warn you that because tax rules change frequently you must ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken.

6 DATA PROTECTION

- 6.1 We are committed to ensuring the protection of the privacy and security of any personal data which we process. Your attention is drawn to paragraph 21 of our standard terms and conditions of business which details how we treat personal data received by us in the provision of our services during our engagement with you.

7 LIMITATION OF LIABILITY

- 7.1 Our services as set out above are subject to the limitations on our liability set out in the engagement letter and in paragraph 13 of our standard terms and conditions of business. These are important provisions which you should read and consider carefully.