

## corporation tax computation

This schedule should be read in conjunction with your engagement letter and the [terms of business](#).

### 1. Your responsibilities

- 1.1. 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:
- ensuring that the corporate tax self-assessment ('CTSA') return (including XBRL tags and iXBRL file) is correct and complete;
  - filing any returns by the due date; and
  - paying tax on time.

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

- 1.2. The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that returns we have prepared for the company are correct and complete before approving them.

- 1.3. To enable us to carry out our work, you agree:
- to provide us with approved accounts for the company;
  - 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 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;
  - 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;
  - to provide us with the required information (as agreed between us, but no later than 6 months in advance of the CTSA deadlines) 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;
  - 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 activities up to the date the information is provided, together with estimates to the end of the accounting period; and
  - to provide us with information on advances or loans made to directors, shareholders or their associates during the accounting period and any repayments made or write-offs authorised after the year end.

- 1.4. 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.

- 1.5. HM Revenue & Customs ('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. A 64-8 authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.

- 1.6. 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 once the 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.

- 1.7. You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers. If you do not understand what you need to consider or 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.

If we are providing services to you as a group of companies, as set out in the engagement letter then the following also apply:

- 1.8. 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.

## **2. Our responsibilities**

- 2.1. For the purpose of the delivery of the company's tax return, we will use commercial software to apply iXBRL tags to items in the accounts as we consider appropriate for the purposes of submission of the accounts in iXBRL via the Government Gateway for tax purposes.
- 2.2. 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.
- 2.3. We will provide you with detailed information about the tagging applied for your approval.
- 2.4. We will prepare the company's CTSA return. After obtaining your approval and signature, we will submit it to 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.
- 2.5. 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.
- 2.6. 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.
- 2.7. 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.
- 2.8. 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.
- 2.9. The work carried out within this engagement will be in respect of the company's tax affairs. We will not carry out any work for the directors on a personal basis.
- 2.10. 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.
- 2.11. 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.

## **3. Out of scope**

- 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.
- 3.2. 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 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;

- b) advising you on, and preparing analyses of, expenditure and detailed capital allowance claims for renovation of buildings;
- c) advising you on, and preparing such claims, in respect of qualifying research and development projects under the R&D tax credits scheme;
- d) review and advice on your transfer pricing arrangements;
- e) a review of the groups (where applicable) structure to confirm dividend tax exemption or debt cap position, and completion of reporting in respect of debt cap rules; and
- f) preparing any amended returns which may be required and corresponding with HMRC as necessary.

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

3.3. Enquires: Under CTSA, HMRC will select a number of returns every year for detailed inspection. Reasons for selection are not stated and therefore does not indicate any defect in the information contained in the return, as a number are selected as random. If selected, we will notify you and we will unless instructed otherwise communicate with HMRC on your behalf. Any final decisions on amendments required (if applicable) will be made by you. Additional fees may be payable and we will advise you of this in advance.