



SCHEDULE 5A

PREPARATION AND MAINTENANCE OF ACCOUNTING RECORDS (BOOKKEEPING)

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

1 RESPONSIBILITIES AND SCOPE FOR BOOKKEEPING SERVICES

1.1 Recurring compliance work

1.1.1 We have agreed to carry out certain accounting, bookkeeping and other services on your behalf to assist you with the preparation and maintenance of your accounting records. The exact work that we undertake in any accounting period will depend on the nature, quantity and quality of the information provided to us and the amount of time between the information being provided to us and any filing, regulatory or management deadlines. If you require us to specifically perform any bookkeeping tasks or checks in any period you must instruct us in writing. Examples of tasks that we may undertake, or you may instruct us to undertake, include:-

- (a) writing up the accounting records of the entity;
- (b) making postings to the nominal ledger;
- (c) importing data from third-party apps;
- (d) reconciling the nominal ledger bank balances with the bank statements;
- (e) preparing sales invoices, and issuing these to your customers;
- (f) posting and balancing the purchase ledger and sales ledger;
- (g) reconciling the PAYE nominal ledger account to your payroll information;
- (h) calculating and posting depreciation; and
- (i) providing you with reports from the accounting system we maintain on your behalf.

1.2 Excluded, ad hoc and advisory work

1.2.1 The scope of our services provided to you will only be 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 services will be subject to the terms of this engagement letter and terms of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work that you may wish to instruct us to undertake include:-

- (a) preparing VAT returns;
- (b) preparing detailed management information or reports for yourself or third parties; and
- (c) correcting inaccurate bookkeeping transactions prior to the date we assume responsibility, or caused by inaccurate information provided by you.

1.3 Your responsibilities

- 1.3.1 In addition to your responsibilities as set out in the terms of business, you are legally responsible for maintaining accurate books and records in line with UK generally accepted accounting principles.
- 1.3.2 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.
- 1.3.3 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.
- 1.3.4 To enable us to carry out our work, you agree that you or your staff will:-
 - (a) collate the records of receipts and payments from all business bank accounts, credit card accounts and cash accounts and forward these to us within the timescale agreed for processing;
 - (b) provide copies of all business financial documents such as sales invoices, purchase invoices, bank statements, credit card statements, petty cash slips, employee expense claims and merchant banking statements and till reports;
 - (c) where applicable provide copies of all business expenses paid privately, and all private use of assets and stock purchased by the business;
 - (d) where applicable, 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, or provide us with a copy of the valuation report produced by your independent stocktakers; and
 - (e) where applicable, 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.

1.4 Limitation of liability

- 1.4.1 Our services as detailed above are subject to the limitations on our liability set out in the engagement letter. These are important provisions, which you should read and consider carefully.