

VAT RETURNS

Hilton Walters LLP
08/05/2025



SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

Recurring compliance work

1. We will [prepare/review] your [monthly/quarterly/annual] VAT returns [Intrastat returns/EC sales lists/MOSS returns] on the basis of the information and explanations supplied by you. The first such return to be [prepared/reviewed] by us will be the return for the period ending [date].
2. Based on the information that you provide to us, we will tell you how much you should pay and when. If appropriate, we will initiate repayment claims where tax has been overpaid. We will advise on the interest and penalty implications if VAT is paid late.
3. Where appropriate, we will calculate the partial exemption annual adjustment. [This annual adjustment will normally be made in the quarter ending [date] as the tax year for partial exemption purposes ends on [date].]
4. Where appropriate, we will calculate the annual Capital Goods Scheme adjustment. [The adjustment will normally be made in the quarter ending [date] as the interval end date is [date].]
5. We will forward to you the completed return calculations for you to review before you provide written evidence of your approval, for onward transmission by [you/us] to HMRC.
6. When your VAT return calculations need to be uploaded to HMRC to comply with the "Making Tax Digital" (MTD) regulations, you must ensure that you use functionally compatible software and/or spreadsheets that are digitally linked to the accounts software and which can be submitted to HMRC via an application programme interface (API). If you require us to upload your VAT return calculations in accordance with the MTD requirements, you must provide us with all the necessary digital links to submit all the transaction records that are required by HMRC, together with confirmation that your digital records are complete and accurate.
7. Where you are invoice (accruals) accounting for income tax, we will perform an annual recognition of VAT outputs to turnover.
8. [Ad hoc queries by way of telephone and email enquiries are not routine compliance and may result in additional fees. As indicated below, where appropriate we will aim to discuss and agree additional fees but it may not always be possible to agree these in advance and we reserve the right to charge you an additional fee for these queries.]

Ad hoc and advisory services

9. Where you have instructed us to do so, we will provide such other taxation ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and standard terms and conditions of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work include:
 - advising on ad hoc transactions and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities;
 - reviewing and advising on a suitable partial exemption method to use in preparing the return;

- dealing with all communications relating to your VAT returns [Intrastat returns/EC sales list returns/MOSS returns] addressed to us by HMRC or passed to us by you;
- making recommendations to you about the use of cash accounting, annual accounting, flat rate and other suitable methods of accounting for VAT;
- making recommendations to you about the use of VAT Mini One Stop Shop (MOSS) if you supply digital services to consumers in the EU; and
- providing you with advice on VAT [excise duty/customs duty/landfill tax/insurance premium tax/aggregates levy/climate change levy] as and when requested.

Where the advice is provided in writing, the information provided and the query raised will be set out with our response to you.

10. Where specialist advice is required in certain areas, we may need to seek this from or refer you to appropriate specialists. We will only do this when instructed by you.

Changes in the law or practice or in public policy

11. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or practice or in public policy or your circumstances.

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

Your responsibilities

13. You are legally responsible for:

- (a) ensuring that your returns are correct and complete;
- (b) filing any returns by the due date; and
- (c) making payment of tax on time.

Failure to do this may lead to automatic penalties, surcharges and/or interest.

14. 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 complete before approving them.

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

- (a) that all returns are to be made on the basis of full disclosure;
- (b) that you are responsible for ensuring that the information provided is, to the best of your knowledge, accurate and complete. The returns are [prepared/reviewed] solely on the basis of the information provided by you and we accept no responsibility for any liabilities arising due to inaccuracies or omissions in the information you provide, which may lead to a misdeclaration on which penalties and interest may arise;
- (c) to authorise us to approach such third parties as may be appropriate for information we consider necessary to deal with the returns; and
- (d) to provide us with all the records relevant to the preparation of your [monthly/quarterly] returns as soon as possible after the return period ends. We would ordinarily need a minimum of [] days before submission to complete our work. If the records are provided later or are incomplete or unclear, thereby delaying the [preparation/review] and submission of the return, we accept no responsibility for any “default surcharge” penalty that may arise. Where feasible, we may agree to complete your return within a shorter period but may charge an additional fee of [] for so doing.

16. You will keep us informed of material changes in circumstances that could affect your obligations, e.g.
- change in the nature of your business;
 - change of type of supply for VAT;
 - change in your type of business entity such as from sole trader into partnership;
 - acquisition or disposal of land or property etc;
 - starting to make supplies which are exempt from VAT; and
 - you have reclaimed VAT within the last 10 years, having spent over £250,000 in purchasing, building or redeveloping a property, and the extent to which it is being used for taxable and/or exempt purposes has changed since you first reclaimed the VAT (ie Capital Goods Scheme adjustments will apply).
17. Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC such as statements of account, copies of notices of assessment and letters. These must be provided in time to enable us to deal with them as may be necessary within the statutory time limits. 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.
18. You are responsible for bringing to our attention any errors, omissions or inaccuracies in your returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.
- (a) If you provide digital services to consumers in the EU you are responsible for either registering for VAT in that member state or registering for MOSS in the UK.
- (b) [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 the VAT registration threshold, and 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.]
19. 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 any that you are not completely satisfied with, with HMRC.
20. **Our services as detailed above are subject to the limitations on our liability set out in the engagement letter and in paragraph 18 of our standard terms and conditions of business. These are important provisions which you should read and consider carefully.**