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Mob [REDACTED]  
[REDACTED]

**Private & confidential**

The Directors  
Scarborough Borough Council  
Town Hall  
St Nicholas Street  
Scarborough  
North Yorkshire  
YO11 2HG

Our ref [REDACTED]

Contact [REDACTED]

22 July 2022

Dear Directors

**Engagement letter: Indirect Tax Advisory Services**

We are writing to confirm the terms of Scarborough Borough Council's ("SBC") engagement of KPMG LLP ("KPMG" or "we") to deliver Indirect Tax advisory services to you

**Scope of services and client responsibilities**

The Services we are to provide as tax advisers to SBC will comprise of the provision of Indirect Tax Advisory Services and assistance on Indirect Tax matters as requested by SBC and agreed between the parties.

Except for the circumstances set out in the following paragraph, the scope of any Services we are to provide under this Engagement Letter will be agreed between us in writing before we undertake the work. This will usually be in the form of an email specifying for each deliverable, the scope of work to be performed, the timetable for completion, the format of the output of our Services and the fees.

Where the advice to be given under the terms of this Engagement Letter involves responding to ad hoc queries with an expected cost of no more than £5,000 plus VAT the advice may be provided without confirmation in writing of the approach and format of the work but shall remain subject to this Engagement Letter. *Where work to be performed is not covered by the scope set out in Appendix 2, but we agree that the terms and conditions of this Engagement Letter are to apply, we shall*

*be required to seek prior written confirmation from SBC*  
*provided KPMG will*  
*before*  
*total*  
*costs may exceed*  
*£5,000 plus VAT*

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agree with you separately the scope of the work, the timetable for completion and the basis on which our fee shall be charged. Where we are asked to undertake an assignment where it is anticipated that the fees will exceed £30,000 depending on the circumstances this shall normally be the subject of a separate agreement between us and this engagement letter will not therefore apply. The terms of this engagement letter will however apply until such separate engagement letter is agreed and signed by you and us.

Our advice will be restricted to the indirect tax implications of particular transactions and nothing provided by us should be interpreted as advice on the wider merits of any such transaction.

Our services shall not extend to the delivery of any legal services regulated by the Solicitors Regulation Authority.

Any work performed in connection with this engagement before the date of this letter will also be governed by the terms and conditions of this letter.

In the event of a challenge by HMRC on any aspect of the advice we may provide, any subsequent work we may undertake in defending the decision in the VAT Tribunal and beyond, will always be subject to a separate engagement letter, and the terms of this letter will not apply.

We will not, perform any management functions or make any judgements or decisions for you. While we may provide advice to you on matters relevant to a decision by you, responsibility for all your decisions, for any results arising from your decisions, and for management of any consequences rests solely with you. Additionally, your management (those with executive or governance responsibilities) is responsible for designating a management-level individual or individuals possessing suitable skill, knowledge and experience to be responsible for overseeing the Services provided, evaluating the adequacy of the Services performed and any findings or recommendations, establishing and maintaining internal controls, and monitoring ongoing activities.

## **1 Companies covered by this Engagement Letter**

The companies to which this Engagement Letter applies are set out in Appendix 1 ("Client Details"). Appendix 1 may be amended by written agreement between us. SBC are responsible for promptly letting us know of any proposed changes to Appendix 1. The companies listed in Appendix 1, other than you, are Other Beneficiaries (as defined in the General Terms of Business).

## 2 Timetable

The timing of our work will be dependent on the prompt supply of all relevant information and documentation and access to personnel as and when required. We will use all reasonable endeavours to perform our work as promptly as circumstances will allow.

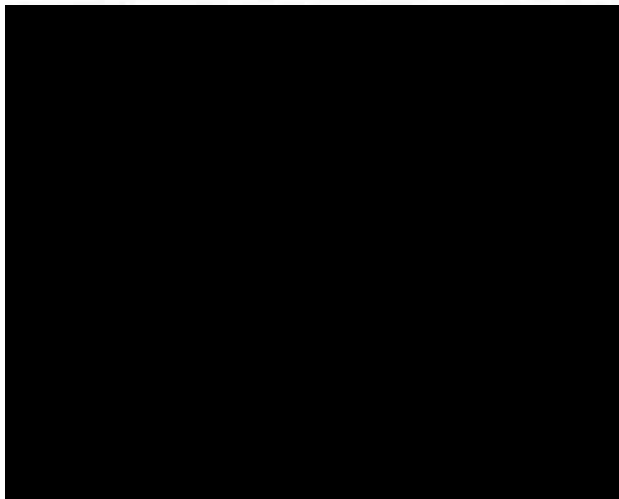
## 3 KPMG Staff and resources

[REDACTED] will be responsible for the assignment as tax partner and [REDACTED] will be the tax senior manager.

## 4 Our Charges

Our Charges for the services provided under this engagement will comprise fees (as set out below), outlays and VAT thereon (where appropriate), plus any overseas taxes that might be payable thereon or deductible therefrom.

Our fees will be based on our normal hourly rates in operation when the Services are performed, [REDACTED] Details of the discounted hourly rates currently in force are as follows, and we shall also charge direct expenses and applicable VAT.



## 6 Issue of invoices

Our fees under this engagement will be payable on presentation.

## **7 Limitation of Liability**

Our liability to you in connection with the provision of the Services and all claims arising in connection to it shall be limited, on the basis set out in our General Terms, to a maximum aggregate of £250,000

## **8 Disclosure of certain arrangements to the tax authorities**

In certain circumstances we may be obliged to provide details of our advice to a tax authority. This includes but is not limited to requirements under the European Union (EU) Directive on Administrative Cooperation ('DAC6') published on 25 May 2018 as Council Directive 2018/822 and transposed into local law by EU Member States and some other jurisdictions.

If the Services include advice which we consider is subject to disclosure under law to a tax authority under DAC6 or any other relevant disclosure provision we may make a disclosure to the relevant tax authority and this may include confidential information. The information may be exchanged between tax authorities.

If permitted to do so by law, we will endeavour to inform you of any such disclosure resulting from the Services, as soon as possible prior to being made. This includes disclosures that we become aware may be made by members of the KPMG network in relation to the Services. We will make good faith efforts to discuss the contents of any such disclosure with you in advance. In relation to DAC6, we will endeavour to share with you a draft disclosure for comment prior to submission. We will consider reasonable comments but reserve the right to ultimately determine whether and to what extent any such disclosure shall be made.

Unless prevented by law, we will provide you with a copy of disclosures that arise as a result of DAC6 and are submitted by members of the KPMG network in relation to the Services. Such disclosures may impose additional obligations on you (such as disclosing relevant information on your tax return or providing further information to us), and not meeting these obligations may result in penalties.

To the fullest extent permitted by the law, we are not liable to you for any consequences that may result from or be connected with such disclosure.

## **9 Special terms**

Our General Terms of Business makes confidential the product of our work and this letter. Any disclosure of the product of our work beyond what is permitted under the General Terms of Business, and any disclosure of this letter beyond SBC and us, will or may prejudice this firm's commercial interests. A request for our consent to any such

### Appendix 3

#### **SBC's responsibilities in addition to those set out in the terms of business for providing tax services**

Your responsibilities will include:

- keeping KPMG fully and promptly informed of all matters relating to your VAT affairs which may impact upon the advice being provided;
- keeping KPMG fully and promptly informed of any changes in your corporate structure which may impact upon the advice being provided;
- responding to all requests for information from KPMG in connection with the assignment promptly;

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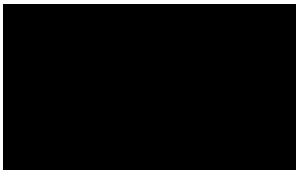
wider disclosure may result in our agreement to these disclosure restrictions being lifted in part.

If you receive a request for disclosure of the product of our work or this letter under the Freedom of Information Act 2000, having regard to these actionable disclosure restrictions you should let us know and you should not make a disclosure in response to any such request without consulting us in advance and taking into account any representations that we might make.

## 10 Agreement

This Engagement Letter, together with the General Terms of Business and any attached Additional Terms, form the Agreement between us for provision of the Services.

Yours faithfully



Partner  
KPMG LLP

### *Attached:*

- 1 Client Details
- 2 Scope of Services
- 3 SBC's responsibilities
- 4 General Terms of Business
- 5 Additional Terms: Tax Services

I have understood the terms and conditions of this Engagement Letter and the attachments and I agree to them.

Signed:



Position:

Solicitor



**KPMG LLP**

**22 July 2022**

**Name:**

**Date:**

**Duly authorised, for and on behalf of Scarborough Borough Council**



**KPMG LLP**

*22 July 2022*

## **Appendix 1**

### **Client Details: Companies covered by the Terms of this Engagement Letter**

Scarborough Borough Council





KPMG LLP

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## Appendix 2

### The Services

KPMG will provide the following Services:

- tax advisory services as and when requested by SBC.