

# Schedule of Professional Services: Trust Tax

The purpose of this schedule to our engagement letter is to set out the basis on which we are to assist you in your legal obligation to file an annual tax return with HM Revenue & Customs (HMRC). This includes calculating and advising you of your tax payments or refunds.

As an existing client, we have assumed that this contract for our services to you was agreed at our business premises.

Since this contract was agreed at our business premises then cancellation rights given to consumers under The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 do not apply.

Please advise us immediately if you believe the contract has been agreed at any other location as you fall within the legal definition of a consumer, and the location where our contract was made or the communication method used in making our contract means that you may have a right to cancel our contract within a set cancellation period under The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. We can provide you with a written notice of these rights and the set cancellation period on request. Because of the requirements of these regulations it is our policy to not commence any work for you until the set cancellation period has expired, or we have received from you your express written agreement for us to start early.

In providing you with our letter of engagement, our standard terms of business, this schedule and the written notice of your right to cancel we have complied with the provisions of regulations 9 to 14 and 16 of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations, as applicable.

## 1 Your responsibilities as Trustees

### 1.1.

You are legally responsible for:

- a. ensuring that your tax returns, including your CGT on UK residential property returns, are correct and complete;
- b. filing any returns by the due date; and
- c. making payment of tax on time.

Failure to do any of these may lead to automatic penalties and interest.

### 1.2.

Legal responsibility for approval of the return cannot be delegated to others. You agree to check that returns we have prepared for you are complete before approving them.

### 1.3.

You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.

1.4.

You authorise us to file your tax return online.

1.5.

To enable us to carry out our work you agree:

- a. that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- b. to provide full information necessary for dealing with your affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- c. that you will tell us about any specific conditions that HMRC have imposed on you;
- d. to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
- e. to provide us with information in sufficient time for the tax return to be completed and submitted by its due date. In order that we can do this, we need to receive all relevant information within 6 months of the tax year end at the latest. If for any reason we do not receive all relevant information by this date we may, at our discretion and depending on our work capacity, still endeavour to complete your tax return so that it can be submitted on time. We reserve the right to make an additional charge for such rush work and will advise you of the amount prior to carrying out the work.

1.6.

You will keep us informed of changes in your circumstances that could affect your tax liability. If you are unsure whether a change would affect your tax position then we will be happy to advise you.

1.7.

You agree to forward to us any communications you receive from HMRC in time for us to deal with them as necessary within any time limits. Such communications would include statements of account, notices of assessment and letters. Although HMRC have the authority to deal with us directly, it is still possible for them to contact you without us being aware.

## 2 Our responsibilities

2.1.

Where you have a profit or loss share from the accounts of an unincorporated business, the profit from accounts prepared under generally accepted accounting principles may require adjustment to arrive at the profit figure assessed for tax. Where necessary we will prepare the computations for this adjustment from any accounts work we have done, or accounting records we are holding, as well as information and explanations provided by you.

2.2.

We will prepare your trust tax return together with any supplementary pages that are required from the information and explanations you provide to us.

2.3.

We will take account of the steps and checks suggested by HMRC in their "Agent Toolkits." While use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits. In the unlikely event that HMRC consider your return to be inaccurate, we will therefore be able to help you demonstrate that reasonable care has been taken in preparing your return. This will significantly reduce the possibility of an inaccuracy penalty being imposed.

2.4.

Once we have obtained your evidenced approval, we will submit your return to HMRC.

2.5.

We will calculate any income tax and capital gains tax liabilities your tax return shows you to have. We will tell you how much to pay and when. We will advise on the interest and penalty implications if any payments are made late. We will also check HMRC's calculation of your tax liabilities and initiate repayment claims if you have overpaid.

2.6.

We will advise you as to possible claims and elections arising from the tax return and from information supplied by you. Where you instruct us to, we will make such claims and elections in the form and manner required by HMRC.

2.7.

We shall respond to any enquiries from HMRC arising from your tax return. We shall consult you if it becomes clear that HMRC are opening an enquiry. HMRC have the power to do this on a purely random basis. If you are selected for enquiry by the HMRC, we will agree separate terms of engagement. The supplementary engagement terms will include responsibilities and fees as appropriate.

2.8.

We will check PAYE notices of coding where they are forwarded to us.

2.9.

There is an in-year capital gains tax (CGT) reporting and payment requirement for disposals of UK residential property [and, if you are non-UK resident, UK non-residential property and investments in property-rich entities]. Where instructed, and subject to a separate fee, we will prepare the in-year return for each disposal, calculate the CGT due and submit the return to HMRC. You remain responsible as set out above for providing the relevant information to us on a timely basis.

2.10.

We will also provide such other taxation ad hoc advisory services as may be agreed from time to time. These may be the subject of a separate engagement letter. We will discuss and agree our fee for such work when it is commissioned by you. Examples of ad hoc work would include:

- Advising on ad hoc transactions, preparing additional supplementary pages to your tax return and calculating any related liabilities.
- Preparing any amended returns that may be required and corresponding with HMRC as necessary.
- Advice on Capital Gains Tax and preparing Inheritance Tax reviews.

2.11.

Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

2.12.

Since 17 July 2013 a General Anti-Abuse Rule has been in operation in the UK. This rule enables HMRC to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.

## 3 Work that is not part of this engagement

### 3.1

There are many areas of accountancy and tax that may apply to you and your business (if you have one). We are able to offer advice and assistance in all these areas so if you would like any help then please do not hesitate to contact us. However, for the sake of clarity, unless it is covered by a separate engagement letter with us we will not advise on:

- Your PAYE system, including establishing a PAYE scheme, preparing the payroll or completing any PAYE year end returns.
- The Construction Industry Scheme for any subcontractors you may engage.
- Auto enrolment. You are therefore responsible for finding a pension provider, identifying eligible employees and administering auto enrolment.
- Your VAT affairs including VAT registration.
- Overseas tax issues.
- Off payroll working.
- Bookkeeping including setting up your business on a software package such as Sage or Xero.
- Dealing with grants and bursaries.
- Capital Gains Tax and Inheritance Tax work are not included in our standard annual service for which we often quote a fixed fee quotation. This is because this type of work will vary from year to year and cannot be accurately predicted.

### 3.2

In addition to the services identified above, we are also able to offer assistance in many other areas and would be glad to discuss any matters with you. These other services include:

- We are happy to assist with any proposed transaction of a capital nature, including the impact of capital gains tax, stamp duty, stamp duty land tax etc.
- We are happy to advise you on the tax implications of making investments under the Enterprise Investment Scheme and Seed Enterprise Investment Scheme, or any other tax advantaged investments.
- We are happy to advise you on the tax implications of any employee share schemes or share option schemes that you are invited to join.

- We can review your potential Inheritance Tax Liabilities and offer planning advice.

3.3 We will not advise you in relation to your tax credit affairs (or any other benefits) as we do not have expertise in this area.

## 4 Limitation of liability

### 4.1

We will provide 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.

### 4.2

We have discussed the extent of our liability to you in respect of the professional services described within this Engagement Letter (the professional services). Having considered both your circumstances and our own, we have reached a mutual agreement that in any one year of this Agreement and only to the extent permitted by Law, our total liability to you for losses resulting from a failure in our professional work (our breach of contract or our negligence) in respect of any one event, or series of connected events, shall be limited to Damages and such Damages shall not exceed twenty times the fees payable by you for our professional services for that year and this represents a fair maximum limit to our liability.

4.3 In reaching this agreement it is also agreed that:

- in the event of any claim arising in respect of the professional services, you have agreed that the sum of 20 times the annual fee represents the maximum total liability to you in respect of the firm, its principals, directors and staff. This maximum total liability includes any claims in respect of breaches of contract, tort or otherwise in respect of the professional services and shall also include interest;
- we acknowledge that the limit in respect of our total aggregate liability will not apply to any acts, omissions or representations that are in any way criminal, dishonest or fraudulent on the part of the firm, its principal, directors or employees; and
- you have agreed that you will not bring any claim of a kind that is included within the subject of the limit against any of our employees on a personal basis.

### 4.4

Should the HM Revenue & Customs raise enquiries relating to your trust tax return, we will discuss the position with you and agree with you the basis on which we will deal with such

enquiries on your behalf. We recommend insurance to cover all professional fees should you receive a full HMRC tax investigation and details of our current scheme are available on request.

[Schedule AA 1.19 - March 2023]