

Schedule of Professional Services: Personal 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.

If 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.

If you fall within the legal definition of a consumer, (the location where our contract was made or the communication method used in making our contract), this means that you have a right to cancel our contract within a set cancellation period under The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.

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

1.1.

You are legally responsible for:

- a) ensuring that your tax returns, including your Inheritance Tax returns and Capital Gains Tax 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 by 30 September. 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 agree to tell us if either you or your partner are entitled to child benefit at any time during the tax year, as if this is the case you may be liable to a “high income child benefit charge”. This includes telling us the amounts of child benefit entitlement and, if applicable, any changes to your relationship status. Please be aware that the tax definition of a partner is wide-ranging and includes spouses and civil partners (who are not separated) as well as a person (male or female) you live with as husband and wife or as civil partners.

1.7.

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.

1.8.

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.

If we act for you and your spouse / partner

1.9.1.

Because of the possible effect on your tax position and so that we are able to act in your best interests, we will advise you and your spouse/partner on the basis that you are a family unit. This means that we may deal directly with either of you and discuss with either of you each other’s tax liabilities and financial affairs. We will assume that you agree to this unless you tell us otherwise.

1.9.2.

So that we can act for you as a couple in respect of any joint claims then unless you specifically tell us otherwise, we will take any instructions, information or explanations that either of you gives us about that claim to be on behalf of you both. We will also treat

any joint claim documents that are signed by either of you to be on behalf of both of you, unless you tell us that is not the case.

1.9.3.

If for any reason a conflict of interest arises between you then we reserve the right to advise one or other of you to seek independent advice, or to stop acting for both of you.

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 personal 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, high-income child benefit charge (if applicable), national insurance contributions, inheritance 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.

With the exception of tax credits 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:

- Providing specific advice on capital gains tax and/or inheritance tax, according to your instruction.
- 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.

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 Limitation of liability

We have discussed with you 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 £2.75 million represents a fair maximum limit to our liability.

In reaching this agreement it is also agreed that:

- In the event of any claim for loss or damage arising from the professional services, you have agreed that the sum of £2.75 million represents the maximum total liability to you in respect of the firm, its principles, and staff. This maximum total liability applies to any and all claims made on any basis and therefore includes any claims in respect of breaches of contract, tort (including negligence)

or otherwise in respect of the professional services and shall also include interest; and

- We confirm 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 principles, or employees.

Revised 19 September 2023