

Schedule of Professional Services: Unincorporated Taxation

The purpose of this schedule to our engagement letter is to set out the basis on which we are to provide taxation services as your agents on the basis that you will make full disclosure to us of all relevant information.

1 Your responsibilities

1.1.

You are legally responsible for making a correct return in respect of your annual tax liability, and it is essential that we as your agent are supplied with all relevant information.

1.2.

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.

1.3.

It is your responsibility to ensure that your tax is paid on time and that your return is filed on time.

1.4.

Self-assessment requires full records supporting a return to be retained until the fifth anniversary of the 31 January following the end of the year assessment concerned. You will be responsible for retaining these records. Penalties of up to £3,000 may be imposed for non-compliance with these provisions.

2 Our responsibilities

2.1.

We shall prepare, in respect of each accounting period, a computation of profits adjusted in accordance with the Taxes Acts. Once they have been approved by you we shall complete the appropriate self-assessment schedule.

2.2.

We shall prepare on your behalf the necessary self-assessment returns including a calculation of your tax liabilities from the information supplied by you. With your agreement we shall obtain some information direct from your bank, building societies etc.

2.3.

We shall forward your return (together with copies of all supporting material we propose to submit to HM Revenue & Customs (HMRC) with your return) to you for written approval, as the legal responsibility for approval of the return cannot be delegated to others. At this stage we shall advise you as to your outstanding tax liabilities and the appropriate payment dates.

2.4.

It is important to note that HMRC will charge interest on any tax paid late, and in some cases can increase any outstanding liability by imposing surcharges.

2.5.

Furthermore, to avoid automatic late filing penalties, which start at £100, the return must normally be submitted to the Inspector by 31 January following the tax year to which the return relates. This date may be extended if there is an HMRC delay in issuing the return to you.

2.6.

It is therefore essential that you respond on a timely basis to any requests for further information to enable us to complete your return and submit it to HMRC on time.

2.7.

Please forward to us any correspondence/taxpayer statements that you receive direct from HMRC.

2.8.

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.

2.9.

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.

2.10.

We shall be pleased to give advice on the tax implications of specific matters which you may refer to us from time to time, such as national insurance, income tax deducted at source, employee benefits including pensions auto-enrolment, value added tax and inheritance tax. Such advice and / or assistance would also be subject to separate terms of engagement.

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 1 July 2022