

Individuals, sole traders and landlords

Schedule of Service

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

Individuals

Recurring compliance work

We will prepare your self-assessment tax returns together with any supplementary pages required from the information and explanations that you provide to us. After obtaining your approval, we will submit your returns to HMRC.

We will calculate your income tax, high-income child benefit charge (if applicable), national insurance contributions (NIC) and any capital gains tax liabilities as included on your self-assessment return, and tell you how much you should pay and when. Where instructed by you we will advise on the interest and penalty implications if tax or NIC is paid late. We will also check HMRC's calculation of your tax and NIC liabilities, and initiate repayment claims if tax or NIC has been overpaid.

Other than tax credits and universal credit (see below), we will advise you as to possible tax return-related claims and elections arising from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.

We will review PAYE notices of coding provided to us by you and advise accordingly. Note HMRC no longer sends copies of notices of coding to agents.

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 work

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 the in-year Capital Gains Tax (CGT) reporting requirements on disposals of property, and preparing the in-year return and calculating the CGT due where required [note this work will always result in additional fees]. We will require you to provide information as early as possible in advance of exchange of contracts in order to provide advice on the tax implications, reporting requirements and to quantify the tax bill;
- advising on ad hoc transactions (for example, pre-sale advice on the sale of assets) and queries (including telephone conversations), preparing and submitting

information in the relevant format to HMRC and calculating any related tax liabilities;

- advising on extraction of cash from your personal service company and completion of tax returns if you have been treated as a deemed employee under the IR35/off-payroll working rules.
- advising on double tax relief if appropriate;
- dealing with any enquiry opened into your tax return or tax affairs by HMRC;
- preparing any amended returns that may be required and corresponding with HMRC as necessary; and
- advising on tax credits and universal credit.

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

Tax credits and universal credit

If we agree to advise you on tax credits and universal credit we will issue a separate letter or schedule to cover this area. Tax credits and universal credit are, in effect, a social security benefit. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household, and we would require all relevant information to advise in this regard.

Changes in the law or practice or in public policy

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.

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

You are legally responsible for:

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

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

Taxpayers who approve their returns cannot delegate this legal responsibility to others. You agree to check that returns that we have prepared for you are complete before you approve them.

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 all 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) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs; and
- (d) to provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of *all* UK property disposals (residential and non-residential) and disposals of shares in UK property rich companies or UK property rich collective investment vehicles, or other such entities must be advised prior to exchange of contracts or agreement to transfer shares or units. If information is received after this we cannot guarantee that we can provide advice on the amount of capital gains tax due or submit an in-year return within 30 days after the completion date of the disposal.
- (e) to provide us with information in sufficient time for your tax return to be completed and submitted by the [due date]/[selected date] following the end of the tax year. In order that we can do this, we need to receive all relevant information by []. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee of £[] for so doing.

You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material or not, please let us know so that we can assess its significance.

Where you wish us to deal with HMRC communications, you will forward to us all communications received from HMRC such as HMRC statements of account, copies of notices of assessment, tax codes 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.

You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers, including domestic staff. If you do not understand what you need to consider or action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.

Sole traders and property income

Recurring compliance work - accounts

We shall not automatically prepare business accounts for any sole trade or business you undertake. The following paragraphs apply only where we have specifically agreed to do this.

We will prepare the business accounts in accordance with generally accepted accounting standards from the books, accounting records and other information and explanations provided to us by you and/or by others on your behalf.

Where receipts for your property business are less than £150,000 for the tax year, and we have agreed to prepare accounts for you, we will prepare property accounts on the default cash basis unless we agree with you that it is appropriate to elect to use the accruals basis and the accounts are to be prepared on that basis. We will then deal with the election on completion of your tax return.

We will complete the writing up of your books and records in so far as they are incomplete when presented to us. These will be from the accounting information and records you supply.

We will not be carrying out any audit work as part of this assignment and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would entail additional work to comply with International Standards on Auditing so that we could report on the truth and fairness of the financial statements. Accordingly, we shall not seek any independent evidence to support the entries in the accounting records, or to prove the existence, ownership or valuation of assets or completeness of income, liabilities or disclosure in the accounts.

Nor shall we assess the reasonableness of any estimates or judgements made in the preparation of the accounts. Consequently, our work will not provide any assurance that the accounting records are free from material misstatement, irregularities or error. We would also like to emphasise that we cannot undertake to discover any shortcomings in your systems or irregularities on the part of your employees.

We have a professional duty to compile accounts that conform with generally accepted accounting principles. Where we identify that the accounts do not conform with generally accepted accounting principles or standards, we will inform you and suggest amendments be put through the accounts before being finalised. We have a professional responsibility not to allow our name to be associated with accounts that may be misleading. In extreme cases, where this matter cannot be resolved, we will withdraw from the engagement and notify you in writing of the reasons.

Should you instruct us to carry out any alternative report it will be necessary for us to issue a separate letter of engagement.

To ensure that anyone reading the accounts is aware that we have not carried out an audit, we will attach to the accounts a report stating this fact.]

We will attach to the accounts a report developed by the Consultative Committee of Accountancy Bodies (CCAB) that explains what work has been done by us, the professional requirements we have to fulfil and the standard to which the work has been carried out.

Recurring compliance work – tax

We will prepare your self-assessment tax returns together with any supplementary pages required from the information and explanations that you provide to us. After obtaining your approval, we will submit your returns to HMRC.

We will calculate your income tax, high-income child benefit charge, national insurance contributions (NIC) and any capital gains tax liabilities as included on your self-assessment return, and tell you how much you should pay and when. Where instructed by you, we will advise on the interest and penalty implications if tax or NIC is paid late. We will also check HMRC's calculation of your tax and NIC liabilities, and initiate repayment claims if tax or NIC has been overpaid.

Other than tax credits and universal credit (see below), we will advise you as to possible tax return-related claims and elections arising from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.

We will review PAYE notices of coding provided to us by you and advise accordingly. Note that HMRC no longer sends copies of notices of coding to agents.

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 work

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 the in-year Capital Gains Tax (CGT) reporting requirements on disposals of property, and preparing the in-year return and calculating the CGT due where required [note this work will always result in additional fees]. We will require you to provide information as early as possible in advance of exchange of contracts in order to provide advice on the tax implications, reporting requirements and to quantify the tax bill;
- advising on ad hoc transactions (for example, pre-sale advice on the sale of assets) and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities;
- advising on double tax relief if appropriate;
- dealing with any enquiry opened into your tax return or tax affairs by HMRC;

- preparing any amended returns that may be required and corresponding with HMRC as necessary; and
- advising on the rules relating to and assisting with VAT registration [or equivalent non-UK taxes].

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

Tax credits and universal credit

If we agree to advise you on tax credits and universal credit we will issue a separate letter or schedule to cover this area. Tax credits and universal credit are, in effect, a social security benefit. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household, and we would require all relevant information to advise in this regard.

Changes in the law or practice or in public policy

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.

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

You are required to maintain proper financial records of your business. This may include the preparation of (financial statements) for each financial year, which give a true and fair view of the state of affairs of the business and of its profit or loss for that period. In preparing those accounts you should:

- (a) select suitable accounting policies and then apply them consistently; and
- (b) make judgements and estimates that are reasonable and prudent.

It is your responsibility to keep proper accounting records that disclose with reasonable accuracy at any particular time the financial position of the business. It is also your responsibility to safeguard the assets and to take reasonable steps for the prevention of and detection of fraud and other irregularities with an appropriate system of internal controls.

You are also responsible for making available to us, as and when required, all accounting records and all other relevant records and related information, including minutes of meetings.

You will also be responsible for:

- (a) maintaining records of all receipts and payments of cash;
- (b) maintaining records of invoices issued and received;
- (c) reconciling balances [monthly/annually] with the bank statements;
- (d) preparing a record of business mileage undertaken in the year;

- (e) preparing a record of hours per month worked at home if you wish to claim for business use of your home;
- (f) preparing details of any loan interest paid;
- (g) preparing a record of capital introduced; and
- (h) preparing details of the following at the year-end: stocks and work in progress, fixed assets, amounts owing to creditors, amounts owing by customers, and accruals and prepayments.

You are legally responsible for:

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

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

Taxpayers who approve their returns cannot delegate this legal responsibility to others. You agree to check that returns that we have prepared for you are complete before you approve them.

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 all information necessary for dealing with your affairs, including the accounts information outlined above: we will rely on the information and documents being true, correct and complete, and will not audit the information or those documents;
- (c) to provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider that you will be non-UK resident in the tax year of disposal, full details of *all* UK property disposals (residential and non-residential) and disposals of shares in UK property rich companies or UK property rich collective investment vehicles, or such other entities must be advised prior to exchange of contracts or agreement to transfer shares or units. If information is received after this we cannot guarantee that we can provide advice on the amount of capital gains tax due or submit an in-year return within 30 days after the completion date of the disposal.
- (d) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs; and

You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material or not please let us know so that we can assess its significance.

Where you wish us to deal with HMRC communications you will forward to us all communications received from HMRC such as HMRC statements of account, copies of notices of assessment, tax codes 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.

If you provide digital services to consumers in the European Union you are responsible for either registering for VAT in that member state or registering for VAT Mini One Stop Shop (MOSS).

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, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which you exceed 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.

You are responsible for employment taxes, pensions (including auto-enrolment) and the assessment of the tax status of your workers. If you do not understand what you need to consider or action you need to take, please ask us. We will not be in a position to assist you in complying with your responsibilities if we are not engaged to provide such a service. We are not responsible for any penalty that is incurred.]

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 that you should read and consider carefully.