

Trusts and estates tax returns

SCHEDULE OF SERVICES

This schedule should be read in conjunction with the engagement letter and the terms of business.

1. RESPONSIBILITIES AND SCOPE FOR TRUST OR ESTATE TAX RETURN SERVICES

1.1. Recurring compliance work

1.1.1. We will prepare:

- a) the trust's or estate's self-assessment tax returns, together with any supplementary pages required;
- b) all inheritance tax returns required

from the information and explanations that you provide to us. After obtaining approval and signature from you, we will submit your returns to HM Revenue & Customs (HMRC).

1.1.2. Where requested we will maintain the accounting records of the trust or estate on your behalf from the information and explanations provided to us by you, or by others on your behalf, for the purposes of preparing the annual accounts and tax returns.

1.1.3. We will prepare the income and expenditure and capital accounts (together with a balance sheet) of the trust or estate from the accounting records and other information and explanations provided by you, or by others on your behalf, and will obtain your approval of the accounts.

1.1.4. We will calculate the income tax and capital gains tax and inheritance tax liabilities of the trust or estate and will advise you how much you should pay and when. We will advise you on the interest and penalty implications if tax is paid late. We will also check HMRC's calculations of the tax liabilities and initiate repayment claims if tax has been overpaid.

1.1.5. We will advise you on possible tax-return-related claims and elections arising from information supplied by you. If instructed by you, we will make such claims and elections in the form and manner required by HMRC.

1.1.6. If the terms of the trust require income or capital payments to be made to the beneficiaries, we will assist you in preparing all necessary forms relating to such payment.

1.2. Excluded, ad hoc and advisory work

1.2.1. The scope of our services provided to you will be only as set out above and all other services which we may offer are excluded. If you instruct 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 may be the subject of a separate engagement letter at our option. If appropriate we will agree with you a separate fee for any such work that you instruct us to undertake. Examples of such work that you may wish to instruct us to undertake include:

- a) advising you of the occasions of charge to inheritance tax, the basis of the charge and when the tax liability is due for payment;
- b) advising on ad hoc transactions (for example the sale of assets held by the trust or estate);
- c) preparing inheritance tax returns;
- d) dealing with any enquiry opened into the trust's or estate's tax returns by HMRC; and
- e) dealing with any enquiries and/or assessments raised by HMRC in relation to inheritance tax.

1.2.2. If specialist advice is required, we may need to seek this from, or refer you to, appropriate specialists.

1.3. Changes in the law, in practice or in public policy

- 1.3.1. 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, practice, public policy or in your circumstances.
- 1.3.2. We will accept no liability for losses arising from changes in the law (or the interpretation thereof), practice or public policy that are first published after the date on which the advice is given.

1.4. Your responsibilities

- 1.4.1. As trustees or executors you have legal responsibility for:
 - a) ensuring that the trust's or estate's tax returns are correct and complete;
 - b) filing any returns by the due date; and
 - c) paying tax on time.

Failure to do any of the above may lead to penalties and/or interest.

- 1.4.2. Trustees or executors who sign their returns cannot delegate this legal responsibility to others. You agree to check that returns that we have prepared are correct and complete before approving and signing them.
- 1.4.3. 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 the trust's or estate's taxation affairs; we will rely on the information being true, correct and complete and will not audit the information;
 - c) to advise us of distributions made within 30 days of such an event;
 - d) to authorise us to approach such third parties as may be appropriate, for information that we consider necessary to deal with the trust's or estate's taxation affairs;
 - e) to provide us with information in sufficient time for the trust's or estate's] self-assessment tax returns to be completed and submitted by the due date following the end of the tax year; and
 - f) to provide us with information in sufficient time for the trust's or estate's inheritance tax returns to be completed and submitted by the due dates.
- 1.4.4. You will keep us informed of material changes in circumstances that could affect the income, capital gains and inheritance tax liabilities of the trust or estate. If you are unsure whether the change is material, please tell us so that we can assess its significance.
- 1.4.5. HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC. If necessary we enclose an HMRC form 64-8 for you to sign and return to us for submission to HMRC. This authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
- 1.4.6. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC by you in time to enable us to deal with them as may be necessary within the statutory time limits. Although HMRC have the authority to communicate with us when form 64-8 has been signed and submitted, it is still essential that you let us have copies of any correspondence received, because HMRC are not obliged to send us copies of all communications issued to you.
- 1.4.7. If you carry on a business as trustees or executors and make supplies for VAT purposes, you are responsible for monitoring the 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 the UK VAT registration threshold is exceeded, and you would like us to assist in notifying HMRC of your liability to be VAT registered, we

will be pleased to assist in the VAT registration process. Please notify us of your instructions to assist with the 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 the VAT registration threshold in force at that time was exceeded. We will not be responsible if you fail to notify us in time and, as a result, incur a late registration penalty. The same applies for equivalent non-UK taxes.

- 1.4.8. If you provide digital services to consumers in the EU, you are responsible either for registering for VAT in that member state, or for registering for VAT Mini One Stop Shop (MOSS) in the UK.
- 1.4.9. 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 what 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.
- 1.4.10. You are reminded that, under the Trustee Act 2000, it is your responsibility to regularly review the trust investments and to have a clear investment policy.