

SCHEDULE OF SERVICES – Trusts & Estates

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

Recurring compliance work

1. We will prepare:

- (a) the trust/estate self-assessment tax returns together with any supplementary pages required; and
- (b) all inheritance tax returns required

from the information and explanations that you provide to us. After obtaining approval from the nominated trustee or other nominated person on behalf of all the trustees, we will submit your returns to HMRC.

- 2. We will maintain the accounting records of the trust/estate on your behalf from the information and explanations provided to us on your behalf for the purposes of preparing the annual accounts and tax returns.
- 3. We will prepare the income and expenditure and capital accounts (together with a balance sheet) of the trust/estate from the accounting records and other information and explanations provided by you, and will obtain your approval of the accounts.
- 4. 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 trust, nor the items of income and expenditure. 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. 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.
- 5. We will calculate the income tax, capital gains tax (as included on your self-assessment return) and inheritance tax liabilities of the trust/estate and will advise you how much you should pay and when. Where instructed by you we will advise you on the interest and penalty implications if tax is paid late. We will also check HMRC's calculation of the tax liabilities and initiate repayment claims if tax has been overpaid.
- 6. 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.
- 7. Where the terms of the trust/will require income or capital payments to be made to the beneficiaries, we will assist you in preparing all necessary forms relating to such payment.
- 8. Under anti-money laundering legislation the trustees have obligations to maintain accurate and up-to-date records in writing of their beneficial owners and report specified information about the trust to HMRC.

The trustees will be responsible for identifying whether or not the trust needs to be registered on the trust register maintained by HMRC and will deal with all registration requirements and all updates. For the purposes of completion of the self-assessment return, the trustees undertake to provide us with confirmation each year that either the registration has been completed or is not required and that any required updates have been made.

9. 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

10. 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 and queries (including telephone conversations), preparing and submitting information in the relevant format to HMRC and calculating any related tax liabilities (for example, the sale of assets held by the trust/estate or pre-sale advice on the sale of assets);
- advising on double tax relief if appropriate;
- dealing with any enquiry opened into a trust/estate self-assessment tax return or tax affairs by HMRC; and
- dealing with any enquiries and/or assessments raised by HMRC in relation to inheritance tax.

11. 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 the nominated [trustee/executor].

Changes in the law or practice or in public policy

12. 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.
13. 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

14. As trustees/executors you have legal responsibility for:

- (a) ensuring that the trust's/estate's self-assessment tax returns are correct and complete;
- (b) ensuring that all inheritance tax returns are correct and complete;
- (c) filing any returns by the due date; and
- (d) paying tax on time.

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

15. [Trustees/Executors] who approve their returns cannot delegate this legal responsibility to others. You agree to check that returns that we have prepared are complete and accurate before you approve them.

16. 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/estate's taxation affairs and trust registration and registration updates: 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 provide full details of all UK residential property disposals including associated costs/valuations prior to disposal. Where you consider the [trustees will be non-UK resident in the tax year of disposal]/[the deceased was non-resident at the date of death], 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
- (e) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the trust's/estate's taxation affairs;
- (f) to provide us with information in sufficient time for the trust's/estate's self-assessment tax returns to be completed and submitted by the due date following the end of the tax year. In order that we can do this, we need to receive all relevant information by 30 November.
- (g) to provide us with information in sufficient time for the trust's/estate's inheritance tax returns to be completed and submitted by the due dates;
- (h) to provide us with
 - records of all receipts and payments
 - records of invoices issued and received
 - all information to enable us to prepare your income and expenditure and capital accounts

17. You will keep us informed of material changes in circumstances that could affect the income, capital gains and inheritance tax liabilities of the trust/estate. If you are unsure whether the change is material or not, please let us know so that we can assess its significance.
18. 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 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 you receive because HMRC is not obliged to send us copies of all communications issued to you.
19. (a) If you carry on a business as trustees/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 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 incur a late registration penalty as a result

(b) 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.
20. 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.
21. **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, which you should read and consider carefully.**