Carpenter Keen LLP

Standard Terms of engagement - Personal Tax

The purpose of this document is to set out the basis on which we will be carrying out work for you. It also explains areas that will be our responsibility and areas that will be your responsibility. The terms assume your agreement to our standard terms of business, available on our website.

As this document sets out the terms of a legal contract between you and us it is important that you read it carefully. Please do not hesitate to contact us if you would like further explanation of any of the terms.

We are bound by the ethical guidelines of the professional body we are regulated by. We accept the instruction to act for you on the basis that we will act in accordance with those guidelines. Please refer to our terms of business for further information.

1 Personal tax

Purpose

1.1 The purpose of the work is to assist you in your legal obligation to file an annual tax return with HM Revenue & Customs. This includes calculating and advising you of your tax payments or refunds.

What we agree to do and be responsible for

1.2 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 the accounting records and other information and explanations provided by you.

1.3 We will prepare your personal tax return together with any supplementary pages that are required from the information and explanations you provide to us.

1.4 Once we have obtained your approval and signature, we will submit your return to HM Revenue & Customs.

1.5 We will calculate any income tax, national insurance contributions 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 HM Revenue & Customs' calculation of your tax liabilities and initiate repayment claims if you have overpaid.

1.6 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 HM Revenue & Customs.

1.7 We will deal with all communications relating to your return that are addressed to us directly by HM Revenue & Customs or passed to us by you. However, if HM Revenue & Customs choose your return for enquiry this work may need to be the subject of a separate assignment. In this event we will seek further instructions from you.

1.8 We will check PAYE notices of coding where they are forwarded to us.

1.9 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:

- 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 HM Revenue & Customs as necessary.

1.10 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

1.11 Since 17 July 2013 a General Anti-Abuse Rule has been in operation in the UK. This rule enables HM Revenue & Customs 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.

What you agree to do and be responsible for

1.12 You are legally responsible for:

(a) ensuring that your tax returns are correct and complete;

(b) filing any returns by the due date; and

(c) making payment of tax on time. Failure to do this may lead to automatic penalties and interest.

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

1.14 You authorise us to file your tax return online.

1.15 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 HM Revenue & Customs 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; and

(e) to provide us with information in sufficient time for your 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 following the end of the relevant tax year. 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.

1.16 You agree to tell us if either you or your partner is 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.

1.17 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.

1.18 You agree to forward to us any communications you receive from HM Revenue & Customs 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 HM Revenue & Customs have the authority to deal with us directly, it is still possible for them to contact you without us being aware.

You and your spouse/partner (where we act for both parties)

1.19 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.

1.20 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.

1.21 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 Work that is not part of this engagement

2.1 There are many areas of accountancy and tax that may apply to you and your business (if you have one). However, for the sake of clarity, unless it is agreed separately:

(a) We will not become involved in your tax credit affairs.

(b) We will not become involved in your PAYE system or to complete any PAYE year end returns.

(c) We will not become involved in operating the Construction Industry Scheme for any subcontractors you may engage.

(d) We will not become involved in your VAT affairs.

(e) We will not become involved with auto enrolment. You are therefore responsible for finding a pension provider, identifying eligible employees and administering auto enrolment.

2.2 We are able to offer advice and assistance in all these areas so if you would like any help then please do not hesitate to contact us.

2.3 We are also able to offer assistance in many other areas and would be glad to discuss any matters with you. These other services include:

(a) reports in support of returns or claims, e.g. insurance company certificates, government claims;

(b) advice on financial matters;

(c) management accounting, including cash flow statements, costing systems and advice to management;

(d) advice on the selection and implementation of computer systems;

(e) investigations for special purposes, e.g. business performance analysis or business acquisitions; and

(f) advice on the selection and recruitment of staff.

3 Other matters

Changes in the law

3.1 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.

3.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.