

## **500 TRUSTS AND ESTATES**

### **SCHEDULE OF SERVICES**

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

#### **1.0 RESPONSIBILITIES AND SCOPE FOR TRUSTS AND ESTATES SERVICES**

##### **1.1 Recurring compliance work**

- 1.1.1 We will prepare the Trust/Estate's tax returns together with any supplementary pages required from the information and explanations that you provide to us. After obtaining approval from the Nominated Trustee or other Nominated Person and signature we will submit your returns to HM Revenue & Customs (HMRC).
- 1.1.2 If required, we will prepare the income and expenditure and capital accounts of the Trust/Estate in accordance with generally accepted accounting practice from the accounting records and other information and explanations provided by you and will obtain your approval of the accounts.
- 1.1.3 We will calculate the income tax and capital gains tax liabilities of the Trust/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 calculation of the tax liabilities and initiate repayment claims if tax has been overpaid.
- 1.1.4 We will advise you as to possible tax return related claims and elections arising from the information supplied by you. Where instructed by you we will make such claims and elections in the form and manner required by HMRC.
- 1.1.5 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.

##### **1.2 Ad hoc and advisory work**

- 1.2.1 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 may be the subject of a separate engagement letter at our option. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
  - Advising you of the occasions of charge to inheritance tax, the basis of the charge and when the tax liability is due for payment;
  - Advising on ad hoc transactions (for example the sale of assets held by the Trust/Estate), preparing the additional supplementary pages to the Trust/Estate's tax return and calculating any related liabilities;
  - Dealing with any enquiry opened into the Trust/Estate's tax return by HMRC; and
  - Preparing any amended returns which may be required and corresponding with HMRC as necessary.
- 1.2.2 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

### **1.3 Changes in the law**

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

### **1.4 Your responsibilities**

1.4.1 As Trustees you have legal responsibility for:

- a) ensuring that the Trust/Estate's self assessment 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/or interest.

1.4.2 The Trustees or Executors who approve their returns cannot delegate this legal responsibility to others. You agree to check that the returns that we have prepared are complete before you approve 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/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/Estate's taxation affairs; and
- e) to provide us with information in sufficient time for the Trust/Estate's return to be completed and submitted by the due date. In order that we can do this we need to receive all relevant information within any agreed timescale communicated to you. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee for doing so.

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/Estate. If you are unsure whether the change is material or not please let us know so that we can assess its significance.

1.4.5 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 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.

- 1.4.6 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.
- 1.4.7 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.