

TERMS OF ENGAGEMENT: Income Tax
Last revised 7 April 2016

We are bound by the ethical guidelines of The Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

1. We will prepare the income tax computations based on;
 - a) the accounts of your business from the accounting records and other information and explanations provided by you. We will advise you as to the adequacy of your records for this purpose.
 - b) the income and expenditure accounts for any investment property held by you based on your rental property records and information and explanations provided by you. We will advise you as to the adequacy of your records for this purpose.
2. We will prepare your self assessment tax return together with such supporting schedules as are appropriate and we will prepare your self-assessment of tax and Class 4 national insurance contributions.
3. We will send you your tax return and supporting schedules for you to approve and sign, and by signing you will take responsibility for its content. We will then submit it to the HM Revenue & Customs. You authorise us to file the return electronically.
4. We will tell you how much tax and national insurance contributions you should pay and when. If appropriate we will initiate repayment claims when tax and national insurance contributions have been overpaid. Would you please ensure that no payments are made to HM Revenue & Customs without our confirmation that the Statements of Account are correct.
5. We will deal with HM Revenue & Customs regarding any amendments required to your return and prepare any amended returns which may be required.
6. We will advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.
7. We will deal with all communications relating to your return addressed to us 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 which case we will seek further instructions from you.
8. We will check PAYE notices of coding where such notices are forwarded to us.
9. We will observe the professional rules and practice guidelines of our professional Institute and accept instructions to act for you on the basis that we act in accordance with those guidelines. In particular you give us authority to correct H M Revenue & Customs' errors, even if doing so results in correction of an error made in your favour.
10. We are able to offer a tax investigation service to cover the cost of our fees arising from HM Revenue & Customs investigations. If you would like further details of this service please let us know.

Tax credits

1. Tax credits need to be claimed. They are not paid automatically. Furthermore, a claim cannot be backdated by more than three months. Accordingly, even if your income is normally over the threshold it may be sensible to put in a protective claim in case your circumstances change unexpectedly.
2. We can file a claim for you as part of our existing package of tax compliance work for an additional fee of £100 per claim. Please notify in writing if you wish to undertake this service.

Your Responsibilities: Provision of Information by You

1. You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.
2. 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 we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;

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- d. to provide us with information in sufficient time for your tax return to be completed and submitted by 31st January following the end of the tax year. In order that we can do this, we need to receive all relevant information by 30th November. If you have asked us to submit your self-assessment tax return by 31st October following the end of the tax year so that HM Revenue & Customs calculate your tax liability and notify you of your 31 January balancing payment and code out the first £3,000 of any underpayment through the PAYE system you agree to provide us with all relevant information by 31st August; Where information is received in December following the end of the tax year, we have the right to levy a £25 surcharge, if received in January, we have the right to increase the surcharge to £50.
 - e. to forward to us on receipt copies of all HM Revenue & Customs statements of account, PAYE coding notices, notices of assessment, letters and other communications received from HM Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits; and
 - f. to keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
3. We will be pleased to assist you generally in tax matters if you advise us in good time of any proposed transactions and request advice. We would, however, warn you that because tax rules change frequently you must ask us to review any advice already given if a transactions is delayed, or if an apparently similar transaction is to be undertaken.