

LAMBERT CHAPMAN LLP

TERMS OF ENGAGEMENT: Corporation Tax

We are bound by the ethical guidelines of The Institute of Chartered Accounts 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 advise you of your legal obligations in respect of the matters set out below.
2. Under section 55 of the Finance Act 2004, you are responsible for notifying H M Revenue & Customs of when the company comes within the charge to corporation tax. You agree that you will also notify us at the same time.
3. We will prepare from the accounts and other information and explanations provided by you the company's corporation tax return and computations, together with all supporting schedules and, where necessary, amended returns.
4. We will send you the 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, with the accounts and computations, to H M Revenue and Customs. You authorise us to file the return electronically.
5. We will advise you of the amounts of corporation tax to be paid and the dates by which the company should make the payments. Where appropriate we will initiate repayment claims when tax has been overpaid. Please ensure that no payments are made to H M Revenue & Customs before we have confirmed that the Statements of Account are correct.
6. If the company's profits exceed £1.5million a year, you must pay quarterly instalments of tax due starting six and a half months into the accounting period. Interest will be charged on instalments paid late and credited on those paid early. If you provide appropriate management information on time, we will tell you whether you should make quarterly tax payments.
7. We will deal with H M Revenue & Customs regarding any amendments required to the corporation tax return and prepare any amended returns, which may be required.
8. 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 H M Revenue and Customs.
9. We will deal with all communications relating to the company's tax return addressed to us by H M Revenue and Customs or passed to us by the company. However, if the H M Revenue and 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.
10. We will help you in preparing the tax provisions and disclosures to be included in the company's statutory accounts.
11. 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.
12. We are able to offer fee protection to cover insurance the cost of our fees arising from H M Revenue and Customs investigations. If you would like further details of this service please let us know.

Your Responsibilities: Provision of Information by You

1. The company is 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 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 the company's 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 the company's affairs;

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- d. to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date twelve months following the end of the accounting period. In order that we can do this, we need to receive all relevant information by six months after the year end;
 - e. to forward to us on receipt copies of 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 transactions or changes in circumstances.
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 transaction is delayed, or if an apparently similar transaction is to be undertaken.
 4. We will be pleased also to advise the directors and executives on their personal income tax and capital tax affairs. In such cases we will need to agree separate terms with the individuals concerned.
 5. We will be pleased to advise on any other taxation matters that may be referred to us and would strongly encourage you to approach us before entering into any complex or unusual transactions in order that we can assess their tax implications.