

### **Nature of Services and Standard Terms of Business**

This document sets out the basis on which we will provide services to you in order to avoid misunderstandings of our respective responsibilities and shall take effect immediately upon your signing the acceptance of terms and conditions form, or upon the first payment for the services or on commencement of the services, whichever is the earlier. This letter and the Standard Terms of Business below will remain effective until they are replaced. All work carried out is subject to these terms except where changes are expressly agreed in writing.

Our standard turnaround times are as follows:

- Limited Company Accounts and Tax returns up to 3 months after you supply all the information required.
- Self Employed Accounts and tax returns up to 3 months after you supply all the information required.

Special Premier Service emergency preparation is available at 20% of the accountancy fee.

## **PERSONAL TAX – INDIVIDUALS AND SOLE TRADERS**

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

We will prepare your self assessment tax returns together with any supplementary pages required from the information and explanations that you provide to us. After obtaining your approval and signature, we will submit your returns to HM Revenue & Customs (HMRC).

1. We will prepare your business accounts in accordance with generally accepted accounting practice from the books, accounting records and other information and explanations provided to us on your behalf;
2. We will calculate your income tax, national insurance contributions (NIC) and any capital gains tax liabilities and tell you how much you should pay and when
3. Other than as regards tax credits (see below) 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.
4. We will review PAYE notices of coding provided to us and advise accordingly.

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

5. Where you have instructed us to do so, we will also 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:
6. Advising on ad hoc transactions, preparing additional supplementary pages to your tax return and calculating any related liabilities;
7. Dealing with any enquiry opened into your tax return by HMRC;
8. Preparing any amended returns which may be required and corresponding with HMRC as necessary;
9. Advising on the rules relating to and assisting with VAT registration
10. Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

### **Tax Credits**

11. If we agree to advise you on tax credits we will issue a separate letter or schedule to cover this area. Tax credits are, in effect, a social security benefit. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household and we would require all relevant information to advise in this regard.

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

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 your circumstances.
13. 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.

### ***Your responsibilities***

14. You are legally responsible for:
  - (a) Ensuring that your 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, surcharges and/or interest.

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

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) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs; and
  - (d) To provide us with information in sufficient time for your tax return 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 at least 3 months before the due

date. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee of 20% for so doing.

16. You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material or not please let us know so that we can assess its significance.
17. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC 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.
18. You are responsible for monitoring your 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 you exceed the VAT registration threshold, and wish us to assist you in notifying HMRC of your liability to be VAT registered we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your 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 you exceed the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.

***You and your spouse/partner [For use where services are provided to a couple].***

19. We shall advise you and your spouse [partner] on the basis that you are a family unit. You both agree that in all matters relating to your or your spouse's [partner's] tax and financial affairs, we may deal directly with either of you and we may discuss with either of you the tax liabilities and/or financial affairs of the other. If you wish to make any change to these arrangements at any time, please let us know.
20. In order for us to act for you as a couple in respect of a joint claim, you undertake that all instructions, information or explanations either of you gives us will be on behalf of both of you, unless you specifically tell us otherwise. Similarly, if one of you signs a document, it will be on behalf of you both unless you instruct us to the contrary. If a conflict of interest should arise between you in relation to any matter to do with your joint claim or entitlement, we reserve the right to cease acting for both of you, or to advise one or other of you to obtain independent advice.

## **PARTNERSHIP**

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

1. We will prepare the Partnership self assessment tax returns and the annual Partnership Statements together with any supplementary pages required from the information and explanations that the Partnership provides to us. After obtaining the approval and signature of one of the Partners nominated to deal with the Partnership's tax affairs we will submit these to HM Revenue & Customs (HMRC).
2. We will prepare the Partnership business accounts in accordance with generally accepted accounting practice from the books, accounting records and other information and explanations provided to us by you and/or by others on your behalf.
3. We will prepare the income tax and capital gains tax computations based on the Partnership's business accounts for inclusion in the Partnership tax return.
4. If instructed we will provide each partner or their agent with details of the partner's allocations from the return to enable partners to fill in their self assessment tax returns.
5. We will advise you as to possible tax return related claims and elections arising from information supplied by the Partnership. Where instructed by you we will make such claims and elections in the form and manner required by HMRC.

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

6. Where you have instructed us to do so, we will also provide such other taxation advisory and ad hoc services as may be agreed between 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:
  - Dealing with any enquiry opened into the Partnership tax return by HMRC; and
  - Preparing any amended returns which may be required and corresponding with HMRC as necessary
7. Where specialist advice in certain areas is required on occasions we may need to seek this from or refer you to appropriate specialists.

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

8. 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.
9. 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.

### ***Your responsibilities***

10. The Partners are legally responsible for:
  - (a) Ensuring that the Partnership 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, surcharges and/or interest. Taxpayers who sign their returns cannot delegate this legal responsibility to others. The Nominated Partner agrees to check that returns and partnership statements we have prepared for the Partnership are complete before you approve and sign them.
11. 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 Partnership affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;

- (c) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the Partnership affairs; and
  - (d) To provide us with information in sufficient time for the Partnership tax return 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 3 months before the due date. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee of 20% for so doing.
12. You will keep us informed of material changes in circumstances that could affect the tax liabilities of the partners including, by way of example, changes in the partners in the Partnership. If you are unsure whether the change is material or not please let us know so that we can assess its significance.
  13. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC 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.
  14. The work carried out within this engagement will be in respect of the Partnership's tax affairs. Any work to be carried out for the individual partners will be set out in a separate letter of engagement.
  15. You are responsible for monitoring the Partnership's monthly turnover to establish whether it is liable to register for VAT if it is not already registered. If you do not understand what you need to do, please ask us. If it exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of its liability to be VAT registered we will be pleased to assist in the VAT registration process. You should notify us of your instructions to assist in 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.

## **LIMITED LIABILITY PARTNERSHIPS (LLP)**

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

1. We will prepare the LLP self assessment tax returns and the annual Partnership Statements together with any supplementary pages required from the information and explanations that the LLP provides to us. After obtaining the approval and signature of one of the Nominated Members of the LLP responsible for dealing with the LLP's tax affairs we will submit these to HM Revenue & Customs (HMRC).
2. We will prepare the Partnership business accounts in accordance with generally accepted accounting practice from the books, accounting records and other information and explanations provided to us on your behalf.
3. We will prepare the income tax and capital gains tax computations based on the LLP's business accounts for inclusion in the Partnership tax return.
4. If instructed we will provide each member or their agent with details of the member's allocations from the return to enable members to fill in their self assessment tax returns.
5. We will advise you as Members of the LLP as to possible tax return related claims and elections arising from information supplied by the LLP. Where instructed by you we will make such claims and elections in the form and manner required by HMRC.

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

6. Where you have instructed us to do so, we will also provide such other taxation advisory and ad hoc 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:
  - Dealing with any enquiry opened into the Partnership tax return by HMRC; and
  - Preparing any amended returns which may be required and corresponding with HMRC as necessary
7. Where specialist advice in certain areas is required on occasions we may need to seek this from or refer you to appropriate specialists.

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

8. 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.
9. 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

### ***Your responsibilities***

10. The Members are legally responsible for:
  - (a) Ensuring that the Partnership 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, surcharges and/or interest.

Taxpayers who sign their returns cannot delegate this legal responsibility to others. The Nominated member of the LLP agrees to check that returns and partnership statements we have prepared for the LLP are complete before he/she approves and signs them.

11. 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 LLP'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) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the LLP's affairs; and

- (d) To provide us with information in sufficient time for the LLP tax return 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 3 months before the deadline. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee of 20% for so doing.
12. You will keep us informed of material changes in circumstances that could affect the tax liabilities of the partners including, by way of example, changes in the members in the LLP. If you are unsure whether the change is material or not please let us know so that we can assess its significance.
13. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC 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.
14. The work carried out within this engagement will be in respect of the LLP's tax affairs. Any work to be carried out for the individual members will be set out in a separate letter of engagement.
15. You are responsible for monitoring the LLP's monthly turnover to establish whether it is liable to register for VAT if it is not already registered. If you do not understand what you need to do, please ask us. If it exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of its liability to be VAT registered we will be pleased to assist in the VAT registration process. You should notify us of your instructions to assist in 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.
16. Our services as set out 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. These are important provisions which you should read and consider carefully.

## **ANNUAL ACCOUNTS – LIMITED COMPANIES**

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

1. We will prepare the company accounts in accordance with the provisions of the Companies Act and generally accepted accounting practice from the books, accounting records and other information and explanations provided to us on your behalf. After obtaining the approval and signature of an authorised Nominated Director, we will submit it to HM Revenue & Customs (HMRC) and Companies House.
2. We will prepare the company's corporate tax self assessment (CTSA) return. After obtaining the approval and signature of an authorised Nominated Director, we will submit it to HM Revenue & Customs (HMRC). We will not accept liability for any financial penalty or loss or other damage arising from any rejection of the iXBRL accounts by HMRC or otherwise as a result of incorrect or inappropriate tagging.
3. We will prepare the corporation tax computation and supporting schedules required for preparation of the company tax return from accounts, information and explanations provided to us on your behalf.
4. We will tell you how much tax the company should pay and when. If appropriate, we will initiate repayment claims when tax has been overpaid. We will advise on the interest and penalty implications if corporation tax is paid late.
5. We will inform you if instalment payments of corporation tax are due for an accounting period and the dates they are payable. We will calculate the quarterly instalments which should be made on the basis of information supplied by you by the date agreed.
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. In relation to the accounts, we will prepare the company's accounts on the basis of the information that is provided to us. We will also draft the accounts in accordance with the provisions of the Companies Act, and related Accounting Standards for approval by the Board.
8. Should our work lead us to conclude that the company is not entitled to exemption from an audit of the accounts, or should we be unable to reach a conclusion on this matter, then we will advise you of this fact.
9. It was agreed that we will carry out the following accounting and other services:
  - (a) prepare the accounts and fillet accounts for approval by yourselves.
10. You have agreed that you or your staff will:
  - (a) keep the records of receipts and balances;
  - (b) reconcile the balances monthly with the bank statements;
  - (c) post and balance the purchase and sales ledgers;
  - (d) extract a detailed list of ledger balances; and
  - (e) prepare details of the annual stocktaking, suitably priced and extended in a form which will enable us to verify the prices readily by reference to suppliers' invoices.
  - (f) prepare details of work-in-progress at the accounting date and make available to us the documents and other information from which the statement is compiled.
11. You/your management are responsible for the detection of irregularities and fraud. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter in preparing your accounts, unless prohibited from doing so by the Anti Money Laundering Legislation.
12. We will report, with any variations that we consider may be necessary, that in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from your accounting records and from the information and explanations supplied to us.
13. We have a professional duty to compile accounts which conform to generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Act 2006 and applicable accounting standards. Where we identify that the accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the accounts.

### ***Responsibilities of Directors***

14. As director of the company, under s386 and s387 of the Companies Act 2006, you are responsible for ensuring that the company maintains proper accounting records and for preparing accounts, as set out in Chapter 4 of Part 15 of the Act, and for determining

whether or not, in respect of the period, the audit exemption is available for any of the reasons set out in Chapter 1 of Part 16 of the Act.

15. You will keep records of sales invoices, purchase invoices, receipts and payments, together with any other documents relating to the company's transactions and activities. It will also be necessary for you to provide a record of stock at the company's year end.
16. A private company is required to file its accounts at Companies House within 9 months of the year end. The company will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts, suitable for filing, within the required period, provided all your records are complete and presented to us within five months of the year end, and all subsequent queries are promptly and satisfactorily answered.
17. We have agreed to act as your agent and to:
  - (a) submit the accounts to the Registrar of Companies;
  - (b) complete and submit the company's confirmation statement;

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

18. Where you have instructed us to do so, we will also provide such other taxation advisory and ad hoc services as may be agreed between 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 when corporation tax is due on loans by the company to directors or shareholders or their associates, and calculating the payments due or the amount repayable when the loans are repaid; and
  - Dealing with any enquiry opened into the company's tax return by HMRC;
  - Preparing any amended returns which may be required and corresponding with HMRC as necessary.
19. Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

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

20. 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.
21. 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

#### **Your responsibilities**

22. The Directors, on behalf of the company, are legally responsible for:
  - (a) Ensuring that the CTSA return (including tagging) is 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, surcharges and/or interest.  
The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that returns we have prepared for the company are complete before he/she approves and signs them.
23. To enable us to carry out our work the Directors 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) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the company's affairs;
  - (d) To provide us with information in sufficient time for the company's accounts and CTSA return 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 3 months before the deadline. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee of 20% for so doing;
  - (e) To provide information on matters affecting the company's tax liability for the accounting period in respect of which instalments are due at least four weeks before the due date of each instalment. This information should include details of trading profits and other taxable activities up to the date the information is provided, together with estimates to the end of the accounting period; and
  - (f) To provide us with information on advances or loans made to directors, shareholders or their associates during an accounting period and any repayments made or write offs authorised at the latest within three months of the end of the relevant accounting period.
24. The Directors will keep us informed of material changes in circumstances that could affect the tax liabilities of the company. If the Directors are unsure whether the change is material or not please let us know so that we can assess its significance.
25. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC 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.
26. The work carried out within this engagement will be in respect of the company's tax affairs. Any work to be carried out for the directors on a personal basis will be set out in a separate letter of engagement.
27. You are responsible for monitoring the monthly turnover to establish whether the company is liable to register for VAT, if it is not already registered. If you do not understand what you need to do, please ask us. If the company exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of the Company's liability to be VAT registered we will be pleased to assist in the VAT registration process. You should notify us of your instructions to act in relation to the company's 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 current VAT registration turnover threshold was exceeded. We will not be responsible if we are not notified in time and a late registration penalty is incurred.
28. Our services as set out 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. These are important provisions which you should read and consider carefully

## PAYROLL SERVICES

### *Initial compliance work – existing employers joining RTI*

1. We will submit the first Full Payment Submission (FPS) [and the Employer Payment Summary (EPS) as necessary] online to HMRC after the data to be included therein has been approved by you. (The first FPS must reach HMRC normally on or before the payday for the first payroll run after you are required to make submissions under RTI.)

### *Recurring compliance work*

2. We will prepare your UK payroll for each payroll period to meet UK employment tax requirements, specifically:
  - Calculating the pay as you earn (PAYE) deductions;
  - Calculating the employees' National Insurance Contributions (NIC) deductions;
  - Calculating the employer's NIC liabilities;
  - Calculating statutory payments, for example, Statutory Sick Pay and/or Statutory Maternity Pay;
  - Calculating other statutory and non-statutory deductions; and
  - Submitting information online to HMRC under RTI for PAYE.
3. We will prepare and send to you the following documents before the time of payment through the payroll or due date for delivering information to HMRC:
  - Payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals;
  - Full Payment Submission (FPS) for taxable pay and payrolled benefits for each employee;
  - A payslip for each employee unless not required;
  - A P45 for each leaver; and
  - A report showing your PAYE and NIC liability and due date for payment.
4. We will submit FPSs online to HMRC after the data to be included therein has been approved by you. (FPSs must reach HMRC normally on or before payday.)
5. We will prepare, where appropriate (for example, to recover statutory payments, claim deductions under the NIC holiday scheme or CIS deductions, confirm that no payments were made to employees), for each tax month, an EPS from the information and explanations that you provide to us.
6. We will submit EPSs to HMRC after the data to be included therein has been approved by you. (EPSs must reach HMRC by the 19th of the month following the tax month to which they relate.)
7. At the end of the payroll year we will:
  - Prepare the final FPS (or EPS) including employer annual declarations and submit this to HMRC after the data to be included therein has been approved by you. (The final FPS (or EPS) for the year must reach HMRC by 19 April following the end of the tax year.)
  - Prepare and send to you by the statutory due date Form P60 for each employee on the payroll at the year end.
8. We will deal with any online secure messages sent to us by HMRC in respect of your payroll; and
9. We will submit National Insurance Number (NINO) verification requests as appropriate to verify or obtain a NINO for a new employee.

### *Ad hoc and advisory work*

10. Where you have instructed us to do so, we will also 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:
  - Dealing with any compliance check or enquiry by HMRC into the payroll returns;
  - Preparing any amended returns for periods before you report in real time, which may be required, and corresponding with HMRC as necessary;
  - Preparing and submitting correcting EPSs for earlier years;
  - Preparing and submitting an Earlier Year Update (EYU) to correct, after 19 April, any of the year to date totals submitted in your end of year FPS for a previous tax year, in respect of years after you started to send information in real time.
11. Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.

### *Changes in the law*

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 your circumstances.
13. 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

### *Your responsibilities*

14. You are legally responsible for:
  - a) Ensuring that the data in your payroll submissions is correct and complete;
  - b) Making any submissions by the due date; and
  - c) Making payment of tax and NIC on time.

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

Employers cannot delegate this legal responsibility to others. You agree to check that submissions that we have prepared for you are correct and complete before you approve them.

15. To enable us to carry out our work you agree:
  - a) That all information required to be delivered online is submitted on the basis of full disclosure;
  - b) To provide full information necessary for dealing with your payroll affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
  - c) To agree with us the name[s] of the person[s] authorised by you to notify us of changes in employees and in rates of pay. We will process the changes only if notified by that/those individual[s];
  - d) To advise us in writing of changes of payroll pay dates;
  - e) To notify us at least 5 working days [or such other period as agreed with us] prior to the payroll pay date of all transactions or events which may need to be reflected in the payroll for the period, including details of:
    - all new employees (including full names, address, date of birth, national insurance number, passport number) and details of their remuneration packages;

- all leavers, including deaths of employees, and details of termination arrangements;
  - all changes to remuneration packages;
  - all pension scheme changes;
  - any changes to the employees' bank accounts;
  - irregular and/or ad hoc payments and the dates to be paid;
- f) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
16. You will keep us informed of changes in circumstances that could affect the payroll. If you are unsure whether the change is material or not please let us know so that we can assess its significance.
17. If the information required to complete the payroll services set out above is received later than the dates specified above or agreed with us we will still endeavour to process the payroll and returns to meet the agreed payroll date and filing deadlines but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances. We may charge an additional fee of 20% for work carried out in a shorter time period.
18. Our services as set out 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. These are important provisions which you should read and consider carefully

## **BENEFITS-IN-KIND RETURNS (forms P11D and P9D and declaration P11D(b)) and Class 1A National Insurance Contributions**

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

1. We will prepare forms P11D and P9D as may be required for each employee including directors based on the accounts, information and explanations provided to us on your behalf.
2. We will submit the forms P11D and P9D with the form P11D(b) after the form P11D(b) has been signed by you.
3. We will prepare and send to you the P11D information for you to forward to your employees and directors by the statutory due date.
4. We will calculate your Class 1A NIC liability on the benefits returned in forms P11D that you are obliged to pay HMRC by the due date and send payment instructions to you.

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

5. Where you have instructed us to do so, we will also 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:
  - Dealing with any straightforward enquiry opened into the benefits-in-kind returns by HMRC. More detailed enquiries may be the subject of a separate engagement;
  - Preparing any amended returns which may be required and corresponding with HMRC as necessary;
  - Advising on Dispensations and PAYE Settlement Agreements; and
  - Conducting PAYE and benefits healthchecks.
6. Where specialist advice is required we may need to seek this from or refer you to appropriate specialists.

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

7. 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.
8. 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

### ***Your responsibilities***

9. You are legally responsible for:
  - a) Ensuring that your declaration on form P11D(b) is true to the best of your knowledge and belief and therefore that the entries on the related forms P11D and P9D are correct and complete;
  - b) Filing any returns by the due date after the end of the tax year; and
  - c) Making payment of Class 1A NIC on time.
 Failure to do this may lead to automatic interest, penalties and/or surcharges.
10. The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that the forms that we have prepared for you are complete before he/she approves and signs them.
11. To enable us to carry out our work you agree:
  - (a) That all returns are to be made on the basis of full disclosure;
  - (b) To provide full information necessary for dealing with your benefits-in-kind returns: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
  - (c) To notify us within 21 working days after the end of the tax year of all transactions or events which may need to be reflected in the forms P11D and P9D for the period, including details of all employees during the year and details of their remuneration packages; and
  - (d) To authorise us to approach such third parties as may be appropriate that we consider necessary to deal with completing the benefits-in-kind returns.
12. If the information required to complete the benefits-in-kind returns set out above is received more than 5 days after the end of the tax year we will still endeavour to process the information onto the benefits-in-kind returns to meet the submission date but we will not be liable for any costs or other losses arising if submission is late in these circumstances. We may charge an additional fee of 20% in such circumstances.
13. Our services as set out 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. These are important provisions which you should read and consider carefully

## **VAT RETURNS**

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

1. Depending on the exact services specified in the Letter of Engagement we will prepare/review your VAT returns/Intrastat returns/EC Sales lists on the basis of the information and explanations supplied by you.
2. Based on the information that you provide to us we will tell you how much you should pay and when. If appropriate we will initiate repayment claims where tax has been overpaid. We will advise on the interest and penalty implications if VAT is paid late.
3. Where appropriate we will calculate the partial exemption annual adjustment.
4. Where appropriate we will calculate the annual Capital Goods Scheme adjustment
5. We will forward to you the completed return calculations for you to review, before you approve the VAT return for onward transmission by us to HMRC.

#### **Ad hoc and advisory services**

6. Where you have instructed us to do so, we will also 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 this work when it is commissioned by you. Examples of such work include:
  - Reviewing and advising a suitable partial exemption method to use in preparing the return;
  - Dealing with all communications relating to your VAT returns [Intrastat returns/EC Sales List returns] addressed to us by HMRC or passed to us by you;
  - Making recommendations to you about the use of cash accounting, annual accounting, flat rate and other suitable methods of accounting for VAT; and
  - Providing you with advice on VAT [Excise Duty/Customs Duty/Landfill Tax/Insurance Premium Tax/Aggregates Levy/Climate Change Levy] as and when requested. Where the advice is provided in writing, the information provided and the query raised will be set out with our response to you
7. Where specialist advice is required in certain areas we may need to seek this from or refer you to appropriate specialists

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

8. 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.
9. We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published on or after the date on which the advice is given.

#### **Your responsibilities**

10. You are legally responsible for:
  - (a) Ensuring that your 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, surcharges and/or interest.

The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that returns we have prepared for you are complete before he/she approves and signs them.

11. To enable us to carry out our work you agree:
  - (a) That all returns are to be made on the basis of full disclosure;
  - (b) That you are responsible for ensuring that the information provided is, to the best of your knowledge, accurate and complete. The VAT returns are [prepared/reviewed] solely on the basis of the information provided by you and we accept no responsibility for any VAT liabilities arising due to inaccuracies or omissions in the information you provide which may lead to a misdeclaration on which penalties and interest may arise;
  - (c) That we can approach such third parties as may be appropriate for information we consider necessary to deal with the VAT returns; and
  - (d) To provide us with all the records relevant to the preparation of your [monthly/quarterly] VAT returns as soon as possible after the return period ends. We would ordinarily need a minimum of 5 days before submission to complete our work. If the records are provided later or are incomplete or unclear thereby delaying the [preparation/review] and submission of the VAT return, we accept no responsibility for any "default surcharge" penalty that may arise. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee of 20% for so doing.
12. You will keep us informed of material changes in circumstances that could affect your VAT obligations. If you are unsure whether the change is material or not please let us know so that we can assess its significance.
13. You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC 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.
14. You are responsible for bringing to our attention any errors, omissions or inaccuracies in your VAT returns which you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.
15. If you are involved with any other business which is not registered for VAT you are responsible for monitoring your 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 you exceed the VAT registration threshold, and wish us to assist you in notifying HMRC of your liability to be VAT registered, you must give us clear instructions to assist you in the VAT registration process. You should notify us of your instructions in good time to enable the VAT registration application form to be submitted within the statutory time limit of one month following the month in which you exceeded the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.
16. If EC Sales Lists need to be completed you are responsible for obtaining all of your customers' VAT registration numbers in other member states and to check any that you are not completely satisfied with, with HMRC.
17. Our services as set out 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. These are important provisions which you should read and consider carefully.

#### **SUBCONTRACTORS (CIS)**

#### **Recurring compliance work**

1. We will prepare your CIS for each CIS period to meet UK tax requirements for the subcontractors you engage. In order for us to do this, We will:
  - Calculate the CIS to deduct
  - Submitting information online to HMRC under RTI for PAYE.
  - We will prepare and send to you the monthly CIS report.
  - A payslip for each subcontractor
2. We will require the following information from you a minimum of 3 working days before any due date:
  - written confirmation that you have inspected the registration card (CIS 4) or tax certificate (CIS 5 or 6) for each subcontractor;
  - details of the subcontractor including their full name, address and UTR number
  - details of the gross subcontractors fees
  - details of any own materials used

## MANAGEMENT ACCOUNTS

1. We understand that you require us to prepare the management accounts of your business.
  2. This involves us in completing the writing up of your books and records, insofar as they are incomplete when presented to us, from the information and explanations supplied to us and preparing draft accounts therefrom for your approval.
    - a) We understand that you have agreed that your staff will be responsible for:-
    - b) maintaining records of all receipts and payments of cash;
    - c) reconciling cash book balances monthly/quarterly\* with the bank statements;
    - d) posting and balancing the purchase and sales ledgers; and
    - e) extracting a detailed list of ledger balances.
  3. You will also provide estimates of any stocks at the end of each period.
  4. You understand that we will not be carrying out an audit and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would require additional work to comply with generally accepted auditing standards which we are not authorised to carry out.
  5. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter in preparing your accounts.
  6. The accounts are prepared for your exclusive use within your business. They should not be shown to any other party without our prior consent. To ensure that anyone reading the accounts is aware that we have not carried out an audit, we will annex to the accounts a short report. This report must remain attached to any accounts shown to any other parties.
- or
7. Our involvement in the management accounts production process is constrained by the need to process and produce the accounts on your computer system, so preventing the operation of certain of our quality control procedures. The accounts are prepared for your exclusive use within your business and you undertake not to represent to any third party that the accounts have been prepared by us.
  8. The accounts are not suitable for submission within the self-assessment tax return, or for summary thereon.

## REGISTERED OFFICE SERVICE

1. A private company is required to have an official registered office, details of which must be made available to Companies House.
2. If we have agreed in writing that you will use our business premises address as your registered office we will receive official notices, letters and reminders issued by Companies House, HM Revenue & Customs and other organisations. Where appropriate, we will forward such correspondence to you.
3. Should you cancel or stop paying for this service you agree that we can update Companies House and transfer the registered office to your home address with immediate effect. This service is only available as an add-on to your accounting services and cancellation of these will automatically terminate this service.

## COMPANY SECRETARIAL

1. A private company is required to file its accounts at Companies House within the prescribed deadline. The company will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts suitable for filing within the required period, provided that all your records are complete and presented to us within five months of the year end and all subsequent queries are promptly and satisfactorily answered.

If we have agreed in the Written quote or fee renewal letter that we will act as your agent and to:

  - submit the accounts to the Registrar of Companies.
  - complete and submit the company's confirmation statement.
  - complete and submit any other forms required by law to be filed at Companies House; provided that you keep us fully informed within one week of any relevant changes or events occurring which are required to be notified to Companies House.

## ANTI MONEY LAUNDERING LEGISLATION

1. All Accountancy Service Providers (which includes tax advisers, bookkeepers, payroll bureau) must comply with onerous duties imposed by the Terrorism Act 2000, the Proceeds of Crime Act 2002, the Fraud Act 2006 and the Money Laundering Regulations 2007 (the "Anti Money Laundering Legislation"), which are intended to inhibit the activities of terrorists and other criminals by denying them access to technical expertise. If we fail to perform these duties, we risk imprisonment.
2. Before we accept your instructions, we will need to obtain 'satisfactory evidence' to confirm your identity. In certain circumstances, we may need to obtain evidence confirming the identities of third parties, the source of any funds or other property, the purpose of any instructions or any other matter. We may also need to obtain further evidence after we have begun to act on your instructions and the evidence may include searching by electronic means. We will periodically recheck this information.

3. We assume that our clients are honest and law abiding. However, if at any time, there appear to be grounds to suspect (even if we do not actually suspect) that your instructions relate to 'criminal property', we are obliged to make a report to the Serious Organised Crime Agency ("SOCA") but we are prohibited from telling you that we have done so.
4. In such circumstances, we must not act on your instructions without consent from SOCA. If SOCA do not refuse consent within 7 working days we may continue to act. If SOCA issue a refusal within that time, we must not act for a further 31 days from the date of the refusal.
5. 'Criminal property' is property in any legal form, whether money, real property, rights or any benefit derived from criminal activity. It does not matter who carried out the criminal activity or how removed the property is from the original crime. Even if you are honest in your dealings, if your property represents a benefit from someone else's crime, we must still make a report.
6. Activity is considered 'criminal' if it is a crime under UK law, no matter how trivial, and whether carried out in the UK or abroad. For example, tax evasion is a criminal offence but an honest mistake is not an offence.

### **ONLINE BOOKKEEPING SUBSCRIPTION**

1. If we have agreed in writing to provide you with a monthly subscription to an online bookkeeping system and or receipt capture system. It was agreed that we should carry out the following services:
  - a. pay the online system providers for your monthly system subscriptions.
  - b. provide you with one login to the system.
2. You will pay us monthly by direct debit at the agreed rate. In the rare case that the online system provider increases their price to us by giving you 30 days written notice we can pass on that increase to you.
3. Should we cease acting for you it is your responsibility to ensure you continue the subscription of download all your data within 14 days of the services to you being terminated.
4. Should your business cease you will need to retain and pay the subscription for at least 3 months after the end of trading to allow us time to access the data and prepare the final accounts.

### **PERSONAL SERVICE COMPANIES (IR35)**

1. If you ask us we will give general advice on whether the company is subject to the personal services legislation on a contract by contract basis. However the final decision rests with you to decide if each contract is caught by IR35 legislation. If you ask us we will seek an opinion from HM Revenue & Customs where we consider it appropriate. If there are contracts that we consider are within the personal services legislation we will calculate the deemed salary, prepare the corporation tax computations using the prescribed method prepare and submit the supplementary P35 and P14s and advise you how much tax and national insurance to pay and by when and whether to pay any actual salary before the year end and if so how much.

### **INVESTIGATION FEE PROTECTION SERVICE**

1. We include the fee protection cover service to cover the cost of our fees arising from HM Revenue & Customs investigations to all clients who select service levels that include this cover. To be covered you must currently be a client paying for the service covering the tax being investigated with all our fees paid up to date and have allocated us as your tax agent for the tax under investigation. Full details of the cover on request.

### **STANDARD TERMS AND CONDITIONS OF BUSINESS**

#### **1. Applicable Law**

Our engagement letter, the schedule of services and our standard terms and conditions of business are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

#### **2. Client identification**

As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases.

#### **3. Client monies**

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. If the total sum of money held on your behalf exceeds £2,000 for a period of more than 2 months, or such sum is likely to be held for more than 2 months, then the money will be placed in an interest-bearing client bank account. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross. If there are grounds to suspect (even if we do not actually suspect) that any monies held in a client account is derived directly or indirectly from any criminal activity whatsoever, we may not release such monies until we receive permission to do so from SOCA.

#### **4. Commissions and other benefits**

In some circumstances we may receive commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits.

#### **5. Complaints**

If you are dissatisfied with any of the work we undertake, please contact Paul Bryan. We will try to resolve matters to your satisfaction. It is important that we receive feedback, good or bad, to enable our service to you to continually improve. This procedure does not affect in any way your right to contact the FTA if you remain dissatisfied with the outcome of our complaints procedure.

#### **6. Confidentiality**

Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality

terms. We reserve the right, for the purpose of promotional activity, training or for similar business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

#### **7. Conflicts of interest**

We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services. If this arises, we will inform you promptly.

If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent. We reserve the right to act for other clients whose interests are not the same as or are adverse to yours subject of course to the obligations of confidentiality referred to above.

#### **8. Data Protection and Privacy Policy**

We confirm that we will comply with the provisions of the General Data Protection Regulation (Regulation (EU) 2016/679) and shall comply with all data protection legislation applicable to it ("Data Protection Law") when processing personal data in connection with the Services. Each party undertakes not to knowingly cause the other to breach Data Protection Law. In particular, you shall ensure that any disclosure of Personal Data to us complies with Data Protection Law.

Our Privacy Policy explains how we process personal information received by us about you (if you are an individual) or your employees (if you are a company) in order to provide the Services and meet our own legal and regulatory obligations. In agreeing to these Terms, you acknowledge that you have read our Privacy Policy, as may be updated from time to time. You can always find the most up to date version of our Privacy Policy on our website.

#### **9. Disengagement**

Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

Should we have no contact with you for a period of one year or more we may issue to your last known address a disengagement letter and thereafter cease to act.

#### **10. Electronic and other communication**

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments.

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must agree to bear in return for greater efficiency and lower costs. If you do not wish to accept these risks please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.

Any communication by us with you sent through the post [or DX] system is deemed to arrive at your postal address two working days after the day that the document was sent.

#### **11. Fees and payment terms**

Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.

If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.

Fixed fee quotations

- a) We may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. All fee quotations are valid for 30 days.
- b) If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.
- c) All fixed fees are quoted based on you or your bookkeeper accurately recording all transactions in our spreadsheet or on any recognised bookkeeping system. This means that all bank balances, assets and liabilities are recorded accurately within your bookkeeping system.
- d) Fixed fees do not include bookkeeping unless specifically stated in the letter of engagement. If your bookkeeping is not complete and accurate, or if your bookkeeping does not give a trial balance for us to work from, it will be necessary for us to carry out some bookkeeping prior to preparing VAT returns, management accounts or year-end accounts. Bookkeeping will be charged at our prevailing rates per hour depending on the level of skill required for the work. This will be invoiced soon after carrying out such work in addition to any fixed fee quoted.
- e) Fixed fees do not include resolving problems, correcting work or recalculating work that has been carried out by you or your previous agents for past years. If it is found such work is required we would discuss the situation and additional fees with you prior to carrying out any such work.
- f) When preparing accounts under a fixed fee arrangement we will make one set of amendments you require, and issue one full set of revised accounts and tax returns with no additional charge. If further information is provided after we have prepared the revised accounts we will charge a minimum of 20% of the annual fee for such amendments and providing further revised accounts. It is recommended that you provide full information relating to your business and income prior to us carrying out any accounting work.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such a service was arranged through us you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

Our fee arrangements and quotations may include Support. The type, scope and quantity of work included as support may be varied at any time by us and is entirely at our discretion and may be defined on an individual basis by us.

Support does not include advice, carrying out research, or carrying out analysis.

If it is necessary to carry out work outside the agreed work outlined in any fixed fee arrangement it will involve additional fees. These

fees will be computed on the basis of time spent by principals and our staff, and on the levels of skill and responsibility involved. If no fixed fee arrangement is in place then any work done will be calculated on this basis. Our terms relating to payment of amounts invoiced are full invoice payable on presentation. Prompt payment will be appreciated. Interest will be charged on all overdue debts at the rate stated on the invoice. Invoices must be paid in full before any report is signed by us and before the accounts are made available for filing. Payment reminders on amounts more than 30 days overdue carry a £12 admin fee.

Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices. Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.

#### **11.(b) Subscription Service**

It is our normal practice to put clients on a monthly accountancy fixed fee subscription service payable by monthly direct debit and to periodically adjust the monthly payment by reference to the actual time taken and expertise needed. Monthly subscription fees are not refundable in any circumstances. If the monthly subscription fees includes year-end accounts and for any reason such accounts are not prepared there is no separately identifiable amount that would be refunded.

Non direct debit payments carry an admin fee of £4+VAT per month.

We reserve the right to charge interest on late paid invoices at the rate of 8% above bank base rates under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you if payment of any monthly fee is delayed by more than 14 days. We intend to exercise these rights only where it is fair and reasonable to do so.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.

In the case of a dispute over the level of fees charged we reserve the right to require that the matter is dealt with through arbitration.

The Client must ensure that we have complete and accurate billing and contact information throughout the subscription period, including the full name of the Client, its business address, and a billing contact email address.

#### **12. Implementation**

We will only assist with implementation of our advice if specifically instructed and agreed in writing.

#### **13. Intellectual property rights**

We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

#### **14. Interpretation**

If any provision of this engagement letter or enclosed schedules is held to be void, then that provision will be deemed not to form part of this contract and the remainder of this agreement shall be interpreted as if such provision had never been inserted. In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

#### **15. Internal disputes within a client**

If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the [registered office/normal place of business] for the attention of the [directors/proprietors]. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/the partnership/ the LLP and take no further action until the board/partnership/LLP has agreed the action to be taken.

#### **16. Investment advice (including insurance mediation services)**

Investment business is regulated under the Financial Services and Markets Act 2000. If, during the provision of professional services to you, you need advice on investments, including insurances, we may have to refer you to someone who is authorised by the Financial Services Authority or licensed by a Designated Professional Body as we are not authorised to give such advice.

#### **17. Lien**

Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

#### **18. Limitation of liability**

We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses directly caused by our negligence or wilful default.

##### Exclusion of liability for loss caused by others

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or if they are caused by a failure to act on our advice or a failure to provide us with relevant information.

##### Exclusion of liability in relation to circumstances beyond our control

We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control

##### Exclusion of liability relating to the discovery of fraud etc

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.

This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry beyond that which it would have been reasonable for us to have carried out in the circumstances.

##### Indemnity for unauthorised disclosure

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

##### [Limitation of aggregate liability

Where the engagement Letter specifies an aggregate limit of liability, then that sum shall be the maximum aggregate liability of this [firm, company or LLP], its [principals, partners, directors or members] agents and employees to all persons to whom the engagement letter is addressed and also any other person that we have agreed with you may rely on our work. By signing the engagement letter you agree that you have given proper consideration to this limit and accept that it is reasonable in all the circumstances. If you do not wish to accept it you should contact us to discuss it before signing the engagement letter.]

You have agreed that you will not bring any claim of a kind that is included within the subject of the limit against any of our [directors] or employees; on a personal basis

### **19. Limitation of Third Party rights**

The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

### **20. Period of engagement and termination**

Unless otherwise agreed in the engagement covering letter our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.

Each of us may terminate this agreement by giving not less than 30 days notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

### **21. Professional rules and statutory obligations**

We will observe and act in accordance with the bye-laws, regulations and ethical guidelines of the Federation of Tax Advisors and will accept instructions to act for you on this basis. In particular you give us the authority to correct errors made by HMRC where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

### **22. Reliance on advice**

We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

### **23. Retention of papers**

You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you [if requested]. Documents and records relevant to your tax affairs are required by law to be retained as follows:

Individuals, trustees and partnerships

- with trading or rental income: 5 years and 10 months after the end of the tax year;
- otherwise: 22 months after the end of the tax year;

Companies, LLPs and other corporate entities

- 6 years from the end of the accounting period;

Whilst certain documents may legally belong to you we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than 7 years old. If you cease to be a client we will destroy any paperwork left with us after 13 months. You must tell us if you require the return or retention of any specific documents for a longer period and pay us for their storage.

### **24. The Provision of Services Regulations 2009 ('Services Directive')**

In accordance with our professional body rules, we are required to hold professional indemnity insurance.