

ENGAGEMENT LETTER

(and re-engagement update letter)

IF WITHIN 14 DAYS OF SIGNING THIS LETTER you decide for whatever reason that you do not wish to be bound by it, you can return your copy and we will destroy both signed copies at the same time and all fees and charges for during this period will be cancelled in full

THIS AGREEMENT sets out the basis on which I act as your Agent and Accountant and has been prepared in accordance with guidance notes from various professional bodies and associations

HM REVENUE & CUSTOMS (HMRC) will deal directly with me when the 64-8 form has been submitted except where they are formally required to do so. If you get a letter or a form from them please tell me

The Business Accounts usually show your Profit & Loss Account (your Sales less Costs and Expenses) and your Balance Sheet (how much has been invested and taken out and how much your Assets and Liabilities are worth) and are usually for the same period of one year every year once your business is up and running. Your Year End can end at any time you chose (eg: 31st December, 5th April, 30th April, 30th September etc) to suit your business and can be changed later (within reason) if a different date suits you better (perhaps due to seasonal trade)

The First Business Accounts I will be dealing with are shown at the end of this agreement. There will be a separate agreement for older years. It is MOST important that you now agree by entering into this agreement to supply me with all the records and information I require within four months of your "Year End", your Tax Return within six months of it being issued (or notification received), or within two months after the date of this agreement where appropriate. If your affairs "have got behind" and I bring you up to date, you now agree to keep your affairs "up to date". I will prepare succeeding years under the same conditions

I Will Prepare Your Business Accounts, Tax Computations and Tax Return each year from your accounting books records and other information and explanations supplied to me without being audited. You are legally responsible for making a correct tax return in respect of your annual tax liability and for payment of your tax on time and it is essential that I am supplied with all relevant information. If the information is insufficient, incomplete or not provided (when requested by me) it is your responsibility for any penalty or interest etc that may arise. You are responsible for paying the correct amount of Tax and Nic that you owe on the correct day

I will advise you as to the adequacy of your records for this purpose and make recommendations for improvements that I consider necessary. All businesses are different and there are many different ways to keep correct records. Some Clients insist on keeping their records in their own way designed by themselves or others and refuse or are reluctant to change. I will not be responsible if, as a result of your not taking my advice, your incur losses or penalties. I will use reasonable skill and care in the preparation of your accounts and computations but will not be responsible for errors or omissions etc arising from incorrect information or inadequate records supplied by you. I will only carry out an Audit on your records if you specifically instruct me to do so.

The Tax Computations are my calculations of how much tax you owe for each Tax Year and when it is due for payment (usually the 31st January and the 31st July each year with any balance by the following 31st January)

Your paper April Tax Return(s) – SEND IT TO ME AS SOON AS YOU GET IT Signed please. I MUST have it by 31st July each year (no excuses!) because I may not have time to complete it otherwise. You are responsible for ensuring it is correct complete and returned to HMRC before the 31st October each year for

paper ones (or a date determined by HMRC) (after this date you are fined £100 (4 x £100 for 2 people Partnerships) for late submission and the fines and penalties etc eventually build up to £60 per DAY). You hereby give me permission to file all your details Online before the 31st January each year where I consider it appropriate.

Upon Completion of your Business Accounts I will write to you and we will agree a time for you to come here and I will present your Business Accounts, Tax Computations and Tax Return (together with supporting documents where appropriate) to you for your approval and signatures. After cleared payment of my fees I will submit the required documents to HMRC and provide you with a bound copy of the Business Accounts

The Tax Calculation is issued by HMRC after they have processed your Tax Return and should be (and usually is) a copy of my Tax Computations. We both get an identical copy of it! It can be wildly wrong if you or the Revenue process it. Don't worry if the sums are different! I will deal with all correspondence sent to me by you or HMRC without delay and if appropriate I will send a copy of my letter(s) to you for your records

I will deal with all Tax Enquiries made to me by HMRC regarding your Accounts and Tax Returns on your behalf. I will accompany you (if you want me to) if HMRC require you to go to see them to give explanations or information in support of your Tax Returns. Sometimes these are just a simple question of fact such as supplying a particular receipt and then the enquiry is ended quite promptly. However if they have been told by someone else or suspect that "all is not quite correct" the Tax Enquiry can be long drawn out, time consuming and stressful. I will charge a separate fee in advance for this additional work. These fees are only tax deductible if no further tax calculations or assessments are issued.

General Tax Advice: I will be pleased to assist you generally in most tax matters if you advise me in good time of any proposed transactions. I would, however, warn you that because tax rules change frequently you should ask me to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken

Your Spouse or Partner is legally responsible for his/her own tax affairs and should, in principle, be dealt with independently. However, if both of you sign this letter, you both agree that I can disclose such details of your financial affairs to your Spouse or Partner as are required to optimise your combined tax position. This will also apply if you are registered as a Partnership - if there are two or more partners this engagement applies to each and all the partners.

You Agree To Talk To Me Before making any serious changes to your business. You MUST tell me in advance if you:- Employ Anyone P11 P35 P45 P46 P60 etc (can be very costly & Online 05APL2011 onwards), Go into Partnership with Others (can be dangerous!), Go over VAT Limit (Online 01APL2010 onwards), Register or De-register for VAT (can be pointlessly time consuming and unnecessary!), Take on Business Premises (can be very costly!), or Become part of a Limited Company (may or may not be necessary!) etc because you appreciate that these changes may cause you to have serious financial problems

Extras to my services, to be agreed separately, are:- PAYE, Main & Sub-Contractors Records and Returns, VAT Advice & Returns, Bookkeeping, Auditing, Tax & Strategic Planning, Business Advice etc. etc.

Investment Advice for all other matters can only be given where it forms an incidental part of my other services provided under the terms of this letter. Please ask in advance about fees and commission rates!

File Destruction of correspondence and other papers which I store, including certain documents which may legally belong to you, will be undertaken after a number of years, unless you write to me and tell me not to!

My high standard of service is important to me. If at any time you would like to discuss with me how my services could be improved or if you are dissatisfied with the service you are receiving please ask for me in person. I undertake to look into any complaint carefully and promptly and to do all I can to explain the position to you. If I have given you a less than satisfactory service I undertake to do everything reasonable to put it right

My Fees are calculated on the basis of the time spent by me and any staff and on the levels of skill or responsibility involved in the preparation of your Business Accounts. Please remember that additional time spent on your figures can sometimes save you a considerable amount of tax. An accountant really can save a lot of tax! I consider my fees to be competitive and good value for the work involved. My fees will usually be billed monthly, quarterly or annually on completion of your Business Accounts, or on completion of the main services provided.

