

TATTOO ACCOUNTANTS - TERMS AND CONDITIONS OF BUSINESS . 2023 edition V1.0

WE'VE DONE OUR BEST TO MAKE THIS AS CLEAR AS POSSIBLE BUT ANY QUESTIONS ON IT PLEASE DON'T HESITATE TO ASK AND WE'LL TALK YOU THROUGH IT.

Certain areas of this have to be written in a certain way so most of it is not written in our normal style, but written in the formal language that is required.

In accordance with the recommendations of our professional body, the Association of Accounting Technicians, these terms and conditions should be read in conjunction with the online letter of engagement or posted letter of engagement. These two documents confirm the basis on which we provide services to you so as to avoid any misunderstandings of our respective responsibilities.

These apply to ALL clients regardless of if they are a limited company, sole trader or partnership. These terms apply to ALL clients regardless of what service package they are on, what fees they pay or any other factors.

Applicable law

This engagement letter is governed by, and construed in accordance with, English law. 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 it may have 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.

Ethical guidelines

We will observe the ethical guidelines of the Association of Accounting Technicians and accept instructions to act for you on the basis that we will act in accordance with those guidelines. A copy of these guidelines will be supplied to you on request.

Your responsibilities

We will help you as much as we can but there are some things that you must do. Help us to help you.

You must keep records of your business earnings and expenses. Further details are in the new client guide.

You must reply to us when we ask you for information. We will remind you several times for things but if it's clear you are simply ignoring us we will consider sacking you as a client so we can give your spot to somebody that will reply.

You must send us copies of letters from HMRC or companies house.

Third parties

All accounts, statements and reports prepared by us are for your exclusive use within your business or to meet specific statutory responsibilities. They should not be shown to any other party without our prior consent.

No third party shall acquire any rights pursuant to our agreement to provide professional services.

Client monies

We will under no circumstances ask for or accept any money from you other than payment of our fees. We will not collect or pay any funds to HMRC or any third party on your behalf. No exceptions will be made. You will be responsible for making the actual payments of tax or other payments for your business/company.

Agreement of terms

Once agreed, these terms will remain effective from the date of signature until it is replaced. Either party may vary or terminate our authority to act on your behalf at any time without penalty. Notice of termination must be given in writing.

Acceptable behaviour

We will not tolerate any racist, sexist, homophobic or other prejudices, you will be sacked as a client. You being a client is on the condition that you communicate with us in an acceptable way. If you are rude, aggressive or communicate with us in other unacceptable ways then we will sack you as a client. Depending on the incident you may be given a final warning and we will continue working with you. Our mental health and safety is more important to us than your monthly fees.

Disclaimer

We will not be liable for any loss suffered by you or any third party as a result of our compliance with the Anti Money Laundering Legislation or any UK law or at all.

Commissions or other benefits

In some circumstances, commissions or other benefits may become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits.

While we are required to account to you for commissions received, you agree that we may retain any such commissions. These are few and far between and we recommend people and services based on how beneficial we feel they are to you, not based on commission. An example of this may be if we recommend a mortgage advisor to you and they pay us for that recommendation.

Ownership of records

In the event of non-payment of our fees for services rendered, we may exercise a particular right of lien over the books and records in our possession and withhold the documents until such time as payment of our invoice is received in full. This does not affect your statutory data and information rights. We have never exercised this to date.

Customer service

We are committed to providing a high standard of customer service. If you have any ideas as to how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know. In the event that you have a complaint, we will look into this carefully and promptly and do all we can to explain the position to you or address your concerns. If you are still not satisfied you may of course make a complaint to the Association of Accounting Technicians.

Patience

All of our work and advice is done by real people. Answering an email, doing a set of accounts and pretty much everything takes time. We do everything as quick as we possibly can, we are hard workers and never just sit around doing nothing, never think that's what we are doing. You must give us time to do your work. If you being unreasonable and demanding will we sack you as a client.

Examples of unacceptable behaviour that have happened recently:

- Calling us to ask why an email sent 3 minutes ago hasn't been answered yet
- Complaining that a PM wasn't answered within 8 minutes
- Complaining nobody answered the phone at 10pm on a Sunday night
- Chasing up work on Friday morning that was only sent to us at 9pm on Thursday night

We usually answer all emails the same working day. We are open 10-6 Monday to Friday. So emails sent over the weekend are answered on Mondays. Occasionally emails will need to be answered the next day, for example if you have sent in a long email, it cannot be answered fully by 6pm or there has been an unusually high number of emails that day.

We would never complain you're tattooing too slow or that we had to wait for a reply from you because you were busy tattooing, please give us the same courtesy for our work.

Opening times, holidays and sickness

We are open Monday to Friday 10am to 6pm. We are not open 7 days a week, 24 hours a day 365 days a year. Please do not expect that level of availability. Nothing has ever been so urgent it couldn't wait until we're open.

There are laws on people taking a minimum amount of time off work. Your accountant or the person you are trying to reach will sometimes be out of the office. Somebody will cover their work wherever possible.

Sometimes people will be off sick, have family issues, need to take their dogs to the vets etc etc etc, we are human.

It is important you understand that your accountant or person you are trying to contact is not available constantly all the time. So if you call them up randomly on a Tuesday afternoon somebody might have done that already so the person you want is on the phone, they will call you back as soon as they can. They are not going to stop their call to speak to you instead, nor will they end your call to speak to somebody else. People have complained about this before but you cannot expect people to have no time off work or be available 24/7 365 days a year.

Complaining about staff on holiday, sick etc will be classed as unacceptable behaviour and may mean we sack you as a client.

Fees

Our fees for ongoing services are monthly fees. A month is a calendar month and payment is taken on the agreed date of the month. Where this is a bank holiday it will be taken on the next working day.

12 months fees equates to one years payments and covers all work in your letter of engagement for that year. If you join part way through a financial or tax year there may be a balance of fees to pay. If so this will be agreed with you before you pay us any money at all.

Where work is provided on a “one off” basis then we have no ongoing commitment to you other than providing that work stated.

All work to be undertaken is contained in your letter of engagement (accountancy consent form).

One off fees will be agreed in advance.

No refunds will be made for months paid if you leave our services part way through a year. For example if you pay 14 months in total and we prepare 1 years worth of work then no refund will be made for 2 months as that covers any help/advice given in that time and the cost of you on our systems for that time.

Your monthly fees cover the work listed on your consent form you sign when you become a client. Those fees don't cover every piece of accounting/tax work you may ever need ever. If you ask us for something outside of what was agreed we will inform you of the additional cost. Some examples may be:

You need lots of documentation to support a visa application. This typically takes 2-5 hours so would cost approx. £120-£300

Rent references typically take 1 hour and cost £30-£60

Mortgage references typically take 1-2 hours and would cost £60-£120

Forming a limited company costs £72

Bookkeeping/record keeping/typing up records £60 an hour

We will confirm the price to you of extra work you need. A good guide is £60 an hour, though it can vary. Please ask for quotes before assuming we will complete additional work for free.

We will inform you of the cost before doing the work. Payment is required before the work is completed.

Monthly fees

Your monthly fees are based on an estimate on the time we expect to spend on your work and answering your questions. If it is clear that the monthly fee we have quoted you is incorrect we will change it and tell you. For example:

Example 1. We quote you £60 a month but you email questions every single day, you spend hours on the phone to us every week and keep very poor records. We will increase your fee to be more in line with the level of service you require.

Example 2. We quote you £60 a month but you ask less questions than we'd expect and require less work and time than we anticipated, we will reduce your fee accordingly and refund overpayments too.

Monthly fees explanation

Your consent form will tell you the price per year. It will state a number and if that is per tax year (April to March) or a different financial year, such as October to September for example.

That annual cost is then divided by 12 to give your monthly fee.

So for example say your cost is £600 a year. That is £50 a month. So over a year you pay £600 and that's your bill paid for, easy.

If you haven't paid the full cost with your monthly fees then there may be a top up invoice needed. So for example you only pay 10 months out of a year so £500, you will be sent a one off top up invoice to make it the total £600 for the year.

You pay the total annual fee, either through monthly fees, one off payment or a combination. You do not only pay for the months you want and get a full year's work.

Your consent form will state if you are starting fees part way through the year so you have a one off fee to pay. It will be paid before we do your accounts or tax work for you as too many people refuse to pay.

Here is an example. Alex's fees are £600 per tax year, which is April to March. They pay £50 a month to cover this fee. ($12 \times £50 = £600$)

They start paying their monthly fees part way through the year and also miss some payments so there payments look like this:

April – not a client yet – nothing paid
May – not a client yet – nothing paid
June – not a client yet – nothing paid
July – started being a client. £50 paid
July – £50 paid
August – £50 paid
September – nothing paid, payment missed
October – £50 paid
November – £50 paid
December - £50 paid
January - £50 paid
February - nothing paid, payment missed
March - £50 paid

Alex has paid 8 months of £50. This is £400.

Their agreed bill is £600. They have £200 left to pay as a one off for their work.

Or a different example for Charlie. They are also quoted £600 (£50 a month) but they start paying in April and never miss a payment:

April – £50 paid
May – £50 paid
June – £50 paid
July – £50 paid
July – £50 paid
August – £50 paid
September – £50 paid
October – £50 paid
November – £50 paid
December - £50 paid
January - £50 paid
February - £50 paid
March - £50 paid

So they have paid their full £600 amount. They have no one off amount to pay.

Expediency (queue jump) fees

You monthly fees cover your emails, accounts and tax returns being done in the queue. So work sent in by other before you is done before yours and your work is done before work sent in afterwards. We will make exceptions for urgent work. By urgent we mean something outside of your control, for example HMRC may have mistakenly sent you a letter asking for a lot of money, we will jump on that and fix it right away. Urgent does not mean you've left something you've known about for weeks and never mentioned to us until the last minute. We can still usually get it done but please be prepared to pay for that privilege, we don't sit around with no work to do. Imagine your books are full for 3 months. Somebody comes in wanting a tattoo before they go on holiday tomorrow. It's that kind of thing. A wise person once said, "a lack of planning on your part does not constitute an emergency on our part". Again though, we will help you with the last minute rushed situation but if we're rearranging or cancelling other work or needing staff to work overtime to meet your deadline then you will be paying for it. Fees will be agreed and paid in advance.

Additional services not covered by monthly fees unless expressly stated

Our letter of engagement lists the work we will do for you. This includes general help and advice and reminders on deadlines etc.

It also includes explaining what HMRC letters you have been sent mean and what actions need taken.

It does not include dealing with HMRC or the police in regards to any tax or criminal investigations into your figures.

We may, at our discretion, help you with an HMRC tax investigation as part of your fees you pay but this is at our discretion. Other HMRC investigations are charged by the hour. You will be told of our hourly rate when HMRC start the investigation and this may vary depending on the level of expertise required to deal with it.

You will be informed of the rate and our best estimate of the time required but this can often be hard to accurately predict.

We also offer tax investigation protection services which, for a one off monthly fee, will cover the cost of HMRC investigations. Please contact us if you would like more info on this or to have this extra service.

Records

It is your responsibility to keep suitable records. It is not our job to type up 100's of receipts you've posted us in a carrier bag. We can do it but there will be bookkeeping fees charged per hour.

If you are unsure how to keep your records please ask. We have templates and advice on what you can do.

Bookkeeping

Unless your engagement letter states bookkeeping as a service to be provided, all fees are on the basis you maintain good records. If your records are not kept or kept poorly so excessive time is required by us to maintain them before preparing work there may be an additional charge, which will be communicated to you prior to commencement.

Paperwork

Unless stated in your letter of engagement, all fees quoted are on the basis you can send us electronic/digital records. Posting records to us takes much longer to process and will be subject to additional charges which we will inform you of. To avoid you paying these please send records digitally, such as via email, wetransfer.com, dropbox, Gdrive etc. If you have questions on how to send things please ask. Post should only be used where digital is not possible. Only ever post COPIES of records please, never originals. In addition to extra fees for extra time we will charge you £10 + plus postage to return your records to you. They must be returned to you and cannot stay in our offices. To avoid this cost please send things digitally.

Unlimited help and advice

Any reference to unlimited help and advice is subject to fair usage policies. Help and advice refers to you asking questions and us answering them. It does not refer to us doing endless work for you. What work we do for you is in your letter of engagement.

The help and advice provided relate to you and your business, it does not extend to colleagues, family members or anything other person or entity other than you and your business.

Advice on areas that we are not qualified to give will not be given. For example we are not lawyers so cannot give you legal advice. We are not doctors so we cannot give you medical advice. We are not pension advisors so cannot give you pension advice. We are not benefits advisors so cannot give you benefits advice. If you are suffering from mental health issues please seek professional advice, we are not qualified to help you and will not be any where near as good as a professional.

If in doubt please ask and we will tell you if it's outside of our areas of expertise.

We advise on UK taxes only. We cannot give you advice relating to other countries taxes. We do not deal with inheritance tax, that is a specialist area and we do not deal with it.

Your fees cover a "reasonable" amount of advice and help given via email and phone. "Reasonable" is difficult to define. If you email us every single day with questions then that

is not reasonable. If you emails us 2 or 3 times a month on average that is usually reasonable. Unless you email us 3 times a month with a 100 questions per email that take us 20 hours to answer, that is not reasonable. If the time you take with help and advice is unreasonable we will change your fees to an hourly basis, so you pay per hour. This will be very expensive for you if you are needing an unreasonable level of help and advice.

Ceasing services

If you wish to cease our services, please either write to us or email us informing us. You will receive a response acknowledging your decision to leave. If you don't get something within 2 working days then we have not received your notice.

Work will be completed as per the letter of engagement based on fees paid. So for example if you have paid 13 months fees you will have 1 years worth of work. Please refer to the fees section for further info. It is your responsibility to cancel payments to us if you pay by standing order or bank transfer. We will cancel direct debits.

We reserve the right to cancel our services to you at any time if we feel any of our terms are not being met, if we feel that your circumstances have changed beyond what we as a practice wish to assist with or for any other reason we see fit to cease our services to you. We will inform you of the ceasing of services and we will ensure all work is done prior to ceasing of services, where appropriate.

Depending on the nature and direction of services ending, your fees may be recalculated based on time taken. So for example if you have paid us 5 months of £50 (£250) and then leave but you have taken £450 worth of our time with work you have required (including emails and calls) then you will be billed for the remaining £200. This is only in very rare circumstances this will be done and at time of writing it has only been done because of clients asking for this, we haven't requested this, they have.

Anti money laundering legislation

All accountants must comply with onerous duties imposed by the Proceeds of Crime Act 2002, the Terrorism Act 2000 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.

Before we accept your instructions, we may 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 such evidence after we have begun to act on your instructions.

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 National Crime Agency ("NCA"), but we are prohibited from telling you that we have done so.

In such circumstances, we must not act on your instructions without consent from NCA. If NCA do not refuse consent within 7 working days we may continue to act. If NCA issue a refusal within that time, we must not act for a further 31 days from the date of the refusal.

‘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.

Activity is considered ‘criminal’ if it is a crime under UK law, no matter how trivial. For example, tax evasion is a criminal offence but an honest mistake is not. We will assume that all discrepancies are mistakes unless there is contrary evidence.

The Following section goes into further detail on each area of service we provide. WE MAY NOT BE PROVIDING ALL OF THESE SERVICES TO YOU. THESE ARE GENERAL TERMS SO SOME COVER SOLE TRADERS AND OTHERS COVER LIMITED COMPANYS. YOUR LETTER OF ENGAGEMENT WILL SPECIFY WHAT SERVICES WE ARE PROVIDING TO YOU AND THEN YOU CAN USE THIS TO VIEW WHICH OF THE FOLLOWING SECTIONS ARE RELEVANT TO YOU.

ANY QUESTIONS PLEASE ASK, WE’RE HAPPY TO HELP.

NATURE OF SERVICES

- A. ANNUAL ACCOUNTS – SOLE TRADERS/PARTNERSHIPS
- B. ANNUAL ACCOUNTS – LIMITED COMPANIES
- C. PERSONAL TAX – INDIVIDUALS/SOLE TRADERS/PARTNERS
- D. PARTNERSHIP TAX
- E. CORPORATION TAX
- F. PAYROLL PREPARATION, P.A.Y.E. AND N.I. RETURNS
- G. VAT RETURNS
- H. MAINTAINING ACCOUNTING RECORDS

ACCOUNTS – SOLE TRADERS/PARTNERSHIPS

Your responsibility for the preparation of accounts

1. You have undertaken to make available to us, as and when required, all the accounting records and related financial information necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information. The accounts need to be approved by you before we are able to submit the accounts to HMRC or companies house.
2. You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the accounts, is reliable. You are also responsible for ensuring that the activities of the business are conducted honestly and that its assets are safeguarded, and for establishing arrangements designed to deter fraudulent or other dishonest conduct and to detect any that occur.
3. You are responsible for ensuring that the business complies with the laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
4. Whilst we will prepare all work in a timely manner and issue reminders, it remains your responsibility to adhere to deadlines. We will not be held responsible for any penalties, interest or other implications of deadlines being missed.

Our responsibilities for the preparation of accounts

1. We will compile your annual accounts based on the accounting records [maintained by you] and the information and explanations given to us by you. We shall prepare draft annual accounts for your approval.
2. We will advise you as to the adequacy of your records for preparation of the annual accounts and make recommendations for improvements which we consider necessary. We shall not be responsible if, as a result of you not taking our advice, you incur losses or penalties.
3. We will use reasonable skill and care in the preparation of your accounts but will not be responsible for errors arising from incorrect information supplied by you.
4. 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.
5. We have a professional duty to compile accounts which conform with generally accepted accounting principles. 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.

B. ANNUAL ACCOUNTS – LIMITED COMPANIES

Responsibilities of Directors

As director of the company, under the Companies Acts you are responsible for:

- ensuring that the company maintains proper accounting records and for preparing accounts
- determining whether for any reason the exemption is not available in respect of the period.

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.

For financial years beginning on or after 06 April 2008, a private company is usually 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.

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 annual return;
- (c) complete and submit any other forms required by law to be filed at Companies House, provided that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House, within one week of the change or event; and
- (d) maintain the statutory books.

Responsibility of the accountants

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.

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.

B. Continued:

Your letter of engagement will state the first accounts we are to prepare for you. Unless either party notifies the other in writing, it can be assumed that subject to the relevant information and fees being received that accounts will be prepared for subsequent years too. It was agreed that we should prepare the accounts for approval by yourselves.

You have agreed that you or your staff will: (only where applicable)

- (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.

Or

- (f) provide us with a copy of the valuation produced by your independent stocktakers.

And

- (g) 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.

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.

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.

We have a professional duty to compile accounts which conform with generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Acts 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.

C. PERSONAL TAX – INDIVIDUALS AND SOLE TRADERS

Your spouse is legally responsible for [his/her] own tax affairs and should be dealt with independently. Your letter of engagement will state if your spouse's tax return is part of our services. If not it is your responsibility and no reminders or work will be completed in respect of your spouses tax return by ourselves.

- (a) your letter of engagement will state the first tax year which we will prepare a tax return for
- (b) We will prepare your personal income tax and capital gains tax return together with all supporting schedules and prepare/check HM Revenue & Customs' calculation of your self-assessment of tax and Class 4 National Insurance contributions.
- (c) We will forward to you your tax return form for your approval via email or online signature. Once the return has been approved and signed by you and returned to us, we will submit it [with the computations] to the HM Revenue & Customs. You authorise us to file the return electronically.
- (d) We will advise you as to amounts of tax and National Insurance contributions to be paid and the dates by which you should make the payments, including payments on account and the balancing payment, and if appropriate we will initiate repayment claims when tax and National Insurance contributions appear[s] to have been overpaid.
- (e) We will deal with HM Revenue & Customs regarding any amendments required to your return and prepare any amended returns which may be required.
- (f) We will advise as to claims and elections arising from the tax return and from information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.
- (g) You have asked us to undertake all correspondence with HM Revenue & Customs on your behalf. To avoid any problems would you please send to us any forms or correspondence received from HM Revenue & Customs as soon as you receive them. In particular would you please ensure that no payments are made to HM Revenue & Customs without our confirmation that the demands are correct.
- (h) HM Revenue & Customs has powers to charge both interest and penalties if there is a delay in submitting a tax return. Such charges are automatic if the tax return is submitted after 31st January following the end of the tax year, or if any payments are made after the respective due dates.
- (i) It is therefore important that all details required for the preparation of your tax return are forwarded to us as soon as possible after 5th April each year and by 30th June at the latest. If the information is received after that date, we will not accept responsibility for any penalties or surcharges charged by HM Revenue & Customs.
- (j) HM Revenue & Customs audits a number of tax returns each year, many of these audits are the result of a random selection. Assistance in respect of such an audit beyond the answering of straightforward queries regarding entries on the tax return is

additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an audit.

- (k) We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.
- (l) You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
- (m) We will apply to be your agents which authorises HM Revenue & Customs to send us copies of formal notices. In practice, HM Revenue & Customs will treat this as authority to correspond with us, in which case they will not correspond with you except to the extent that they are formally required to do so. However, this authority does not apply to all HM Revenue & Customs correspondence, and even where it does, HM Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HM Revenue & Customs.

Or

- (a) You have not asked us to become involved in your tax affairs with regard to income tax. Should you require it we can offer advice on the operation of all aspects of income tax.
- (b) We will be pleased to advise on any other taxation matters 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.

D. PARTNERSHIP TAX

- (a) We will prepare the income tax and capital gains tax computations based on the partnership accounts from the accounting records and other information and explanations provided by you.
- (b) We will prepare the firm's annual partnership return, including the partnership statement of total income, gains, losses, tax credits and charges of the firm for each period of account ending in the return period.
- (c) We will forward to you the income tax and capital gains tax computations and the tax return and supporting schedules for your approval and signature. Once the return has been approved and signed by you and returned to us, we will submit it, with the accounts and computations, to HM Revenue & Customs. You authorise us to file the return electronically.
- (d) We will advise all the partners who were partners of the firm during the period of their respective shares of the firm's total income, gains, losses, tax credits and charges in order that they are able to file their personal self-assessment tax returns within the relevant time period.
- (e) We will deal with HM Revenue & Customs regarding any amendments required should the partnership self-assessment tax return be challenged.
- (f) We will advise as to claims and elections arising from the tax return and from information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.
- (g) We will deal with all communications relating to the partnership return addressed to us by HM Revenue & Customs or passed to us by you. However, if HM Revenue & Customs choose the partnership tax return for enquiry, this work will be the subject of a separate assignment and we will seek further instructions from you. Assistance in respect of such an enquiry beyond the answering of straightforward queries regarding entries on the tax return is additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an enquiry.
- (h) You have asked us to undertake all correspondence with HM Revenue & Customs on the partnership's behalf. To avoid any problems would you please send to us any forms or correspondence received from HM Revenue & Customs as soon as you receive them.

D. Continued:

- (i) HM Revenue & Customs have powers to charge both interest and penalties if there is a delay in submitting a tax return. Such charges are automatic if the tax return is submitted after 31st January following the end of the tax year. For partnership penalties, the amount due is multiplied by the number of partners. Delays in submitting the partnership return may also have an effect on the returns of all the partners, with the possibility of penalties, interest and surcharges being payable by each individual partner.
- (j) It is therefore important that all details required for the preparation of your tax return are forwarded to us as soon as possible after 5th April each year and by 31st October at the latest. If the information is received after that date, we will not accept responsibility for any penalties or surcharges charged by HM Revenue & Customs.
- (k) You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.
- (l) We have/will apply to act as your agents which authorises HM Revenue & Customs to send us copies of formal notices. In practice, HM Revenue & Customs will treat this as authority to correspond with us, in which case they will not correspond with the partnership except to the extent that they are formally required to do so. However, this authority does not apply to all HM Revenue & Customs correspondence, and even where it does, HM Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HM Revenue & Customs.

Or

- (a) You have not asked us to become involved in your tax affairs with regard to income tax. Should you require it we can offer advice on the operation of all aspects of income tax.
- (b) We will be pleased to advise on any other taxation matters 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.

E. CORPORATION TAX

We will prepare, in respect of each accounting period of the company, a computation for corporation tax purposes adjusted in accordance with the provisions of the Taxes Acts. We will also prepare the corporation tax return (form CT600) required under the Corporation Tax Self Assessment regulations. The corporation tax return, together with the supporting corporation tax computations, will be sent to you for approval and signature prior to submission to the Inspector of Taxes.

It should be recognised that in law a taxpayer cannot contract out of his fiscal responsibilities and that computations and return forms are prepared by us as agent for the company. You are legally responsible for making correct returns and for payment of tax on time. If we ask you for information to complete the tax return and it is not provided within the time-scale requested, so that the preparation and submission of the return are delayed, we accept no responsibility for any penalty or interest that may arise.

We will advise you of the corporation tax payments to which the company will be liable, together with the due date of payment. You must inform us immediately if the company pays or receives any interest or makes any other payment, or transfers any asset to any shareholder.

Where necessary we will deal with any queries raised by the Inspector of Taxes and negotiate with the Revenue on any question of taxation interest or penalties which may arise.

To enable us to carry out our work you agree:

- (a) to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and 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;
- (b) to respond quickly and fully to our requests for information and to other communications from us;
- (c) to provide us with information in sufficient time for the company's self-assessment tax return to be completed and submitted by the due date. In order to do this, we need to receive all relevant information within 5 months of your yearend; and
- (d) to forward to us on receipt copies of all statements of account, 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.

You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.

E. Continued

We have/will apply to act as your agents which authorises HM Revenue & Customs to send us copies of formal notices. In practice, HM Revenue & Customs will treat this as authority to correspond with us, in which case they will not correspond with you except to the extent that they are formally required to do so. However, this authority does not apply to all HM Revenue & Customs correspondence, and even where it does, HM Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from HM Revenue & Customs.

Or

You have not asked us to become involved in your tax affairs with regard to corporation tax. However, we can offer advice on all aspects of corporation tax, should you so require.

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.

F. PAYROLL PREPARATION, P.A.Y.E. AND N.I.

Payroll and year end returns

In order for us to prepare your payroll and year end returns we will require the following information from you:

- (a) Personal details of all employees (i.e. name, NI number, home address, and the data required by HMRC to file payroll returns online which is known as Real Time Information (RTI)).
- (b) All P45s, or equivalent, received by you.
- (c) If any casual labour is taken on, you are required to operate P46, or equivalent, procedures.
Completed forms should be passed to us for processing.
- (d) Notification within two weeks of any employee who is ill for four or more calendar days, including weekends, bank holidays etc. This will enable us to operate statutory sick pay for you.
- (e) Notification of any employee who adopts, becomes pregnant or whose partner adopts or becomes pregnant. This will enable us to operate statutory adoption, maternity and paternity pay.
- (f) Details of any money or benefits made available to employees by you or by a third party through you.
- (g) Hours worked, rates of pay, bonuses etc.
- (h) Notification of employees engaged by you or leaving your employment.
- (i) Any notice of coding received by you.

The end of period payroll returns must be received by HM Revenue & Customs on or before pay day otherwise significant penalties may be levied. There may also be interest payable if income tax and National Insurance contributions payments, due each month or quarter are late or less than indicated by the return. Only the information provided for the payroll will be reported to HMRC.

We will assist in the preparation and submission of PAYE returns as required by the authorities concerned. However, it should be understood that our appointment as your agent does not absolve the company or its directors from their statutory responsibilities. We would draw your attention to the strict rules and time limits for the submission of such returns and the substantial penalties which may arise if these are not observed. It is therefore essential that we receive full information from you promptly to enable us to ensure that the returns are made on a timely basis. Completed returns will be submitted in accordance with HMRC requirements unless you undertake to submit these yourself.

P9D/P11D benefits for directors/officers*and employees

You have asked us to prepare forms P9D/P11D for your approval. To ensure these forms are correctly prepared we will require details of all benefits, perks or reimbursed expenses received by the directors/officers/employees.

There are penalties for the late submission of forms P9D/P11D. In order to avoid these, you must ensure that we receive complete and accurate details of all benefits and expenses for the tax year (*NB*: not accounts year) within 14 days of the end of the tax year.

F. Continued:

Subcontractors

We have agreed to operate the Construction Industry Scheme for the subcontractors you engage. In order for us to do this, we will require the following information from you on a timely basis:

- (a) written confirmation that you have checked or 'verified' each new subcontractor with HM Revenue & Customs; and
- (b) written confirmation stating whether HM Revenue & Customs has advised that the subcontractor should be paid net or gross.

We will advise on employment status to the best of our ability however we cannot give any form of guarantee or assurance that HM Revenue & Customs will not challenge the employment status of one or more of your subcontractors and we cannot be held responsible for any loss or consequential loss as a result of any action or penalty imposed by HM Revenue & Customs.

OR

It is your sole responsibility to establish the employment status of each and every one of your subcontractors. In respect of the employment status of subcontractors we cannot advise therefore we accept no liability in the event that HM Revenue & Customs challenges the employment status of one or more of your subcontractors.

Under the new rules, CIS registration will be lost if returns are made late or tax is paid late. HM Revenue & Customs no longer has discretion regarding whether or not to cancel registration. I/We cannot be held responsible or liable for financial loss or consequential financial loss if your CIS registration is cancelled for late submission where we have not received the necessary information on a timely basis or for any late payment occurring as a result.

As detailed above, we have agreed to operate your payroll/P9D/P11D/subcontractors'* system. We can also offer you advice in the following related areas:

- returns EAS/FPS/EPS/P60 and reconciliations;
- subcontractors;
- benefits for employees and directors.

Or

You have not asked us to become involved in your PAYE system. However, we can offer advice on the operation of all aspects of wages and PAYE, should you so require.

We will be pleased to advise on any other taxation matters 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.

G. VAT RETURNS (IF you are VAT registered)

You have asked us to undertake the completion of your VAT returns. We cannot be held responsible for any penalties or default surcharges arising from the late submission of VAT returns. However, we will endeavour to meet the relevant deadlines if we receive all the company's VAT records within 14 days of the end of the VAT return period. You have undertaken that you/your staff will ensure that:

- (a) all relevant VAT records are forwarded to us within 14 days of the end of the VAT return period;
- (b) valid VAT invoices are received for all payments where VAT is being reclaimed;
- (c) the VAT rating of supplies is correctly dealt with, i.e. between positive and zero rates and exempt supplies;
- (d) we are notified in writing of any positive-rated own consumption;
- (e) any input VAT on non-business expenditure is clearly marked on supporting invoices;
- (f) we are notified each quarter of any payments to or for the benefit of directors or staff for fuel used for private mileage, together with the business mileage for each such person, for each quarter;
- (g) all supplies made by the business are shown in the records made available to us.

Or

You/your staff will be responsible for completing and submitting VAT returns. We will not be responsible for checking the VAT treatment of supplies made, i.e. between positive and zero rates, and exempt supplies unless specifically requested in writing to make a detailed review. We will, however, ensure that the sales figure in your accounts is reconciled to your VAT returns submitted, provided you:

- (a) let us have copies of all returns submitted; or,
- (b) complete our VAT return form which we will forward to you on request.

Similarly, we will not specifically check the deductibility of input VAT and the validity of supporting invoices unless specifically requested in writing to carry out a detailed review.

Or

At the time of appointing us you are not VAT registered. If registration becomes necessary, we will endeavour to ensure that you register in time provided that:

- (a) you notify us in writing within 14 days of the end of each month of the total value of supplies you have made in that month; and
- (b) you notify us immediately in writing if the value of taxable supplies that you will make in the next 30 days is likely to exceed the annual registration limit then in force.

It should be understood that our appointment as your agent does not absolve the company or its directors from their statutory responsibilities. We would draw your attention to the strict rules and time limits for the submission of such returns and the substantial penalties which

may arise if these are not observed. It is therefore essential that we receive full information from you promptly to enable us to ensure that the returns are made on a timely basis. Completed returns will be sent to you for approval and signature prior to submission on the company's behalf

I. MAINTAINING ACCOUNTING RECORDS

It is agreed that we should carry out the following accounting and other services:

- (a) post and balance the purchase and sales ledgers;
- (b) complete the postings to the nominal ledger; and
- (c) prepare the accounts for approval by yourselves.

It is agreed that you have agreed that you or your staff will:

- (a) keep the records of receipts, payments and balances;
- (b) reconcile the balances monthly with the bank statements;
- (c) prepare details of the annual stocktaking and work in progress, suitably priced and extended in a form which will enable us to verify the prices readily by reference to suppliers' invoices
- (d) prepare the accounts for approval by yourselves.

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.

When appointing Tattoo Accountants as your accountants you will either be asked to complete our online agreement form or you will be sent a copy of our engagement letter to sign. In either case you will be asked to confirm you have read and understood the terms and conditions in this document. These terms should be read in conjunction with your engagement letter or online agreement form.

Any questions on any of our terms and conditions, what services we will or will not be providing or anything else like that please let us know. If you have loads of questions about our terms but then decide not to sign up with us that's OK, there will be no charge at all, we'd rather you fully understood everything rather than agreeing to things you didn't understand.