

Terms and Conditions



SEBBAS Friendly Accountancy

In accordance with the recommendations of our professional body, the Association of Accounting Technicians, these conditions confirm the basis on which we provide services to you so as to avoid any misunderstandings of our respective responsibilities.

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, 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.

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 Serious Organised Crime Agency ("SOCA"), 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 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.

'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.

Fees

Our fees are computed on the basis of time spent on your affairs and the responsibility and skill involved by this firm. Unless otherwise agreed, our fees will be charged separately for each main class of work mentioned above and will be billed at appropriate intervals during the course of the year.

Unless specifically agreed, payment of our invoices is due within 7 days from the date of the invoice.

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.

File destruction

Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers which we store that are more than seven years old, other than documents which we think may be of continuing significance. If you require the retention of any document, you must notify us of that fact in writing.

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.

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.

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.

Applicable law

This engagement 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.

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.

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.

LETTERS OF ENGAGEMENT – APPENDIX

NATURE OF SERVICES

A. ANNUAL ACCOUNTS – SOLE TRADERS/PARTNERSHIPS

1. PERSONAL TAX – INDIVIDUALS/SOLE TRADERS/PARTNERS
2. PAYROLL PREPARATION, P.A.Y.E. AND N.I. RETURNS
3. MAINTAINING ACCOUNTING RECORDS

1. ANNUAL ACCOUNTS – SOLE TRADERS/PARTNERSHIPS

Your responsibility for the preparation of accounts

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 your return on your behalf to HMRC.

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 arrangement designed to deter fraudulent or other dishonest conduct and to detect any that occur.

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.

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 to 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.

1. PERSONAL TAX – INDIVIDUALS AND SOLE TRADERS

(a) We shall be pleased to act as your personal tax advisers in the UK with effect from the date of this letter of engagement.

(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 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 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 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 have submitted form 64-8 to HM Revenue & Customs, 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.

PAYROLL PREPARATION, P.A.Y.E. AUTO ENROLMENT AND N.I.

Payroll, Auto Enrolment 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*

If you have asked us to prepare forms P9D/P11D for your approval then 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.

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.

1. MAINTAINING ACCOUNTING RECORDS

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

- (a) keep the records of receipts, payments and balances;
- (b) prepare the accounts for approval by yourselves.

You 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.