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TERMS OF BUSINESS

This document confirms the basis on which we provide services to you so as to avoid any misunderstandings of our respective responsibilities. It is our policy to confirm in writing advice upon which you may wish to rely and must carry the signature of the principle which will never be provided by any form of electronic communication method such as but not exclusively email. You have been provided with and accepted the firms fixed price quotation provided separately.

Nature of services

This agreement supersedes any verbal or written representation including a quotation of fees by any representative of the firm. Where there is any discrepancy between any terms written and provided prior to the signing of this agreement then the terms in this agreement shall always apply.

The legal parties

'Client': Means the person or person or entity [limited company; sole trader; partnership; Limited Liability Partnership] or legally appointed representative of the partnership such as the managing partner, or director of a limited company.

'Firm': Means Taxsense Accountants see foot of this agreement for full trading style.

Preamble –

This is a multi entity agreement the terms of this agreement apply as follows:

- a) Specific legal entity section
- b) Specific services section
- c) General section (applies to all client entities)
- d) Signature section
- e) Acceptance section

These terms apply only to where a service is ordered separately verbally or in writing by the client to the firm. Example: Where the legal entity is a limited company then the legal conditions for a limited company shall apply, or where they are set out in the firms pro-forma invoice(s), quotations and estimates.

Specific services:

Only those services ordered (verbally or in writing) in the services section shall apply to this agreement. For the purposes of clarity if the client is unsure of which articles of this agreement apply then they should make their concerns known in writing to the firm at their head office within 28 days of receipt of this agreement.

Fees

The primary terms of this engagement expressly state that all actions are to be billed as per the schedule of fees on a time spent basis. The terms of engagement allow for work to be expressly excluded from the time spent billing only where a written quotation is in place, and the exclusion from time spent billing is set out clearly in that quotation. In all other circumstance time spent billing shall apply.

Our fees are computed on the basis of time spent on your affairs and the responsibility and skill involved by the staff of this firm, the charge out rates for these fees it sets out in the attached document 'Schedule of Fees. 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 engagement. It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly direct debit. These payments will be applied to fees arising from work agreed in these terms of business and for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.

The only exclusion from the above time spent billing is where a written quotation is provided by the firm and is accepted by the client. Acceptance by the client means the quotation is signed by the client and is returned to the firm. Until the quotation is signed by the client along and returned any work done shall be billed on a time spent basis as per the current schedule of rates at the time of signing the terms of business.

Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 7 days net. Interest will be charged on all overdue debts at the rate stated on the invoice, which is currently 0.416% (APR5.00%) [or, at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998, whichever is the higher].

Where the Governments retail price index exceeds 5% the client agrees to pay the firm an increase in their fees by an amount of the published retail price index plus an additional 2%, on any work either quoted or carried out in the previous 12 months. For calculation purposes the amount of increase will be charged at the peak retail price index amount in the previous 12 months.

The articles below (1-9) shall only apply where a service instruction is requested by the client (verbally or in writing) or the service is accepted as part of a fee quotation or a pro-forma invoice.

Example:

If bookkeeping isn't a requested service (as described earlier) then bookkeeping isn't selected as a service and those articles 6 shall not apply.

If a client does at a future date decide to instruct the firm verbally to carry out bookkeeping, then article 6 shall in all cases apply, similarly with any other service.

Whilst article 10 shall apply in all cases.

Article 1 – Ref: PLE

SPECIFIC LEGAL ENTITY SECTION

In this section only the terms which relate to the specific legal entity ticked (marked) in the legal entities section shall apply to this agreement. Example where a partnership only the sections relating to the partners and partnership shall apply.

Self Assessment Annual Taxation Return (SA100)

PERSONAL TAX – INDIVIDUALS

[Your spouse is legally responsible for [his/her] own tax affairs and should be dealt with independently. However, if both spouses sign this letter you agree that we can disclose to your spouse such details of your financial affairs as are required to consider your combined tax position.]

- a) We shall be pleased to act as your personal tax advisers in the UK with effect from the date of signing this document.
- b) We will prepare your personal income tax return together with all supporting schedules and prepare your self-assessment of tax.
- c) We will forward to you your tax return form and supporting schedules in duplicate for your approval and signature. Once the return has been approved and signed (see verbal approvals elsewhere in this agreement) by you and returned to us, we will submit it with the computations to the Inland Revenue. You authorise us to file the return electronically under the Inland Revenue Electronic Lodgement Service.
- 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 the Inland Revenue 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 the Inland Revenue.
- g) You have asked us to undertake all correspondence with the Inland Revenue on your behalf. To avoid any problems would you please send to us any forms or correspondence received from the Inland Revenue as soon as you receive them. In particular would you please ensure that no payments are made to the Inland Revenue without our confirmation that the demands are correct. HMRC tax investigations and correspondence relating to the same and or any penalty or fine imposed by HMRC are specifically excluded from any fixed fee quotation.
- h) The Inland Revenue 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) 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.
- j) Please sign and return the enclosed Inland Revenue form 64-8, which authorises the Inland Revenue to send us copies of formal notices. In practice, the Inland Revenue 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 Inland Revenue correspondence, and even where it does, the Inland Revenue sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from the Inland Revenue. 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.

You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.

Your responsibilities: provision of information by you

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) Provide within 90 days of your financial year end all accounting data necessary for the firm to meet its obligations under this agreement.
- 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 by the time requested. If you have asked us to submit your self-assessment tax return by 30 September following the end of the tax year so that the Inland Revenue calculate your tax liability and notify you of your 31 January balancing payment [and code out the first £1,000 of any underpayment]: in order to meet this date you agree to provide us with all relevant information by 30th July;
- e) To forward to us on receipt copies of all Inland Revenue statements of account, [PAYE coding notices,] notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits; and
- f) To keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
- g) The firm operate a planned processing scheduling system. The client will be allocated an accounts data delivery date when all accounting data must be provided by the client to the firm, generally speaking this period is 90 days after the clients company financial year end. Handling additional data after this date is charged at the firms prevailing hourly rate shown elsewhere in this agreement. The firm reserve the right to waive all or some of that amount at their absolute discretion without prejudice to any part of this agreement. Failure to provide the data above within the stated time constraints might lead to a delay in preparing the company's year-end accounts.

Article 2 - Ref: PTST

SPECIFIC LEGAL ENTITY SECTION

In this section only the terms which relate to the specific legal entity ticked (marked) in the legal entities section shall apply to this agreement. Example where a partnership only the sections relating to the partners and partnership shall apply.

Sole Trader Annual Accounts & Self Assessment Annual Taxation Return (SA100)

ANNUAL ACCOUNTS & PERSONAL TAX – SOLE TRADERS

[Your spouse is legally responsible for [his/her] own tax affairs and should be dealt with independently. However, if both spouses sign this letter you agree that we can disclose to your spouse such details of your financial affairs as are required to consider your combined tax position.]

- a) We shall be pleased to act as your personal tax advisers in the UK with effect from the date of signing this document.
- b) We will prepare your personal income tax return together with all supporting schedules and prepare your self-assessment of tax.
- c) We will forward to you your tax return form and supporting schedules in duplicate for your approval and signature. Once the return has been approved and signed (see verbal approvals elsewhere in this agreement) by you and returned to us, we will submit it with the

- computations to the Inland Revenue. You authorise us to file the return electronically under the Inland Revenue Electronic Lodgement Service.
- 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 the Inland Revenue 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 the Inland Revenue.
- g) You have asked us to undertake all correspondence with the Inland Revenue on your behalf. To avoid any problems would you please send to us any forms or correspondence received from the Inland Revenue as soon as you receive them. In particular would you please ensure that no payments are made to the Inland Revenue without our confirmation that the demands are correct. HMRC tax investigations and correspondence relating to the same and or any penalty or fine imposed by HMRC are specifically excluded from any fixed fee quotation.
- h) The Inland Revenue 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. HMRC tax investigations and correspondence relating to the same and or any penalty or fine imposed by HMRC are specifically excluded from any fixed fee quotation
- i) The Inland Revenue 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.
- j) 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.
- k) Please sign and return the enclosed Inland Revenue form 64-8, which authorises the Inland Revenue to send us copies of formal notices. In practice, the Inland Revenue 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 Inland Revenue correspondence, and even where it does, the Inland Revenue sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from the Inland Revenue. 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.

Your responsibilities: provision of information by you

You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.

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 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 by the time requested. If you have asked us to submit your self-assessment tax return by 30 September following the end of the tax year so that the Inland Revenue calculate your tax liability and notify you of your 31 January balancing payment [and code out the first £1,000 of any underpayment]: in order to meet this date you agree to provide us with all relevant information by 30th July;
- (d) To forward to us on receipt copies of all Inland Revenue statements of account, [PAYE coding notices,] notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits; and
- (e) To keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
- (f) The firm operate a planned processing scheduling system. The client will be allocated an accounts data delivery date when all accounting data must be provided by the client to the firm, generally speaking this period is 90 days after the clients company financial year end. Handling additional data after this date is charged at the firms prevailing hourly rate shown elsewhere in this agreement. The firm reserve the right to waive all or some of that amount at their absolute discretion without prejudice to any part of this agreement.
- (g) Failure to provide the data stated in (e) above within the stated time constraints might lead to a delay in preparing the company's year-end accounts.
- (h) Provide within 90 days of your financial year end all accounting data necessary for the firm to meet its obligations under this agreement.

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. 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.

Article 3 - Ref: PTPNR

SPECIFIC LEGAL ENTITY SECTION

In this section only the terms which relate to the specific legal entity ticked (marked) in the legal entities section shall apply to this agreement. Example where a partnership only the sections relating to the partners and partnership shall apply.

Partnership Annual Accounts & and HMRC Taxation Return (SA800)

ANNUAL ACCOUNTS & PARTNERSHIP RETURN(SA800)

- (a) We shall be pleased to act as your personal tax advisers in the UK with effect from the date of signing this document.
- (b) We will prepare the partnership accounts. [All partners to sign separate terms of business/quotations for their own tax affairs and self assessment forms].
- (c) We will forward to you the partnership tax return form [SA800] and supporting schedules in duplicate for your approval and signature. The SA800 partnership return need only be signed by a single managing partner. Once the return has been approved and signed by the managing partner and returned to us, we will submit it with the computations to the Inland Revenue. Please note provision for verbal authorisation set out elsewhere in this agreement. You authorise us to file the return electronically under the Inland Revenue Electronic Lodgement Service.
- (d) We will prepare partners personal income tax (only where they have signed a separate [individual] terms of business/quotations or accepted a

- written quotation for this service).
- (e) We will deal with the Inland Revenue 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 the Inland Revenue
 - (g) You have asked us to undertake all correspondence with the Inland Revenue on your behalf. To avoid any problems would you please send to us any forms or correspondence received from the Inland Revenue as soon as you receive them. In particular would you please ensure that no payments are made to the Inland Revenue without our confirmation that the demands are correct.
 - (h) The Inland Revenue 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) 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.
 - (j) Please sign and return the enclosed Inland Revenue form 64-8, which authorises the Inland Revenue to send us copies of formal notices. In practice, the Inland Revenue 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 Inland Revenue correspondence, and even where it does, the Inland Revenue sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from the Inland Revenue. 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.

Your responsibilities: provision of information by you

You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.

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 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 by the time requested.
- (d) To forward to us on receipt copies of all Inland Revenue statements of account, [PAYE coding notices,] notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits; and
- (e) To keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
- (f) Provide within 90 days of your financial year end all accounting data necessary for the firm to meet its obligations under this agreement.
- (g) The firm operate a planned processing scheduling system. The client will be allocated an accounts data delivery date when all accounting data must be provided by the client to the firm, generally speaking this period is 90 days after the clients company financial year end. Handling additional data after this date is charged at the firms prevailing hourly rate shown elsewhere in this agreement. The firm reserve the right to waive all or some of that amount at their absolute discretion without prejudice to any part of this agreement.
- (h) Failure to provide the data stated above within the stated time constraints might lead to a delay in preparing the company's year-end accounts.
- (i) 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. 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.

Article 4 - Ref: FSLTD

SPECIFIC LEGAL ENTITY SECTION

In this section only the terms which relate to the specific legal entity ticked (marked) in the legal entities section shall apply to this agreement. Example where a partnership only the sections relating to the partners and partnership shall apply.

FINANCIAL STATEMENTS – LIMITED COMPANIES and HMRC Taxation Return (CT600)

Responsibilities of Directors

As director of the company, under the Companies Act 2006 you are responsible for ensuring that the company maintains proper accounting records and for preparing accounts in accordance with that Act.

Guidance for company directors–

1. Act in the company's best interests, taking everything you think relevant into account
2. Obey the company's constitution and decisions taken under it
3. Be honest, and remember that the company's property belongs to it and not to you or to its shareholders
4. Be diligent, careful and well informed about the company's affairs. If you have any special skills or experience, use them
5. Make sure the company keeps records of your decisions
6. Remember that you remain responsible for the work you give to others.
7. Avoid situations where your interests conflict with those of the company. When in doubt disclose potential conflicts quickly
8. Seek external advice where necessary, particularly if the company is in financial difficulty
9. 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 90 days of the year end, and all subsequent queries are promptly and satisfactorily answered.

Our responsibilities

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.

We agree to act as your agent and to carry out the following::

- (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) Prepare the accounts for approval by yourselves.

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) 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.
- (c) to respond quickly and fully to our requests for information and to other communications from us;
- (d) 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 no later than two months after the company's year-end each year;
- (e) and 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.
- (f) the firm operate a planned processing scheduling system. The client will be allocated an accounts data delivery date when all accounting data must be provided by the client to the firm, generally speaking this period is 90 days after the clients company financial year end. Handling additional data after this date is charged at the firms prevailing hourly rate shown elsewhere in this agreement. The firm reserve the right to waive all or some of that amount at their absolute discretion without prejudice to any part of this agreement.
- (g) failure to provide the data stated in (b) & (e) above within the stated time constraints might lead to a delay in preparing the company's year-end accounts.
- (h) Please sign and return the enclosed HM Revenue & Customs form 64-8 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.
- (i) 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.

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) provide within 90 days of the company's financial year end all accounting data necessary for the firm to meet its obligations under this agreement.
- (g) the company will reimburse the firm the cost of any statutory fees fines or penalties that are paid by the firm on behalf of the client entity.

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 to generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Act 1985 and 2006 [amended] 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. 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.

Article 5 – Ref: PAYE

- (a) All P45s received by you.
- (b) If any casual labour is taken on, you are required to operate P46 procedures.
 - a. Completed P46 forms should be passed to us for processing.
- (a) 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.
- (b) Notification of any employee who becomes pregnant. This will enable us to operate statutory maternity pay.
- (c) We will not be responsible for calculating employees holiday allocation
- (d) Details of any money or benefits made available to employees by you or by a third party through you.

- (e) Hours worked, rates of pay, bonuses etc.
- (f) Notification of employees engaged by you or leaving your employment.
- (g) Any notice of coding received by you.

The end of year payroll returns must be received by HM Revenue & Customs by 19th May following the end of the tax year otherwise penalties will be levied. There may also be interest payable if the final tax and National Insurance payment, due by 19th May following the end of the tax year, is late. We cannot guarantee to have the returns etc. completed in time to meet this deadline unless we have all the relevant information within 5 working days of the tax period (5th April). 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 client 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.

P11D benefits for directors*/officers* and higher paid employees*

You have asked us to prepare forms 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*/higher paid employees.* (*Note.* A higher paid employee is someone who received (at the current level [2012]) at least £8,500 pa including the taxable value of benefits, perks and reimbursed expenses, also calculated on a pro-rata basis for part time employees.) Information relating to P11D's shall be provided by the client to the firm before the last day of May of the relevant tax year.

HMRC penalties: There are penalties for the late submission of some payroll forms such as P35's and P11D. In order to avoid these, you must ensure that we receive complete and accurate details of all benefits and expenses for the payroll tax year (*NB:* not accounts year) within 14 days of the end of the payroll tax year. However, the liability for any penalties including the payment of the penalty remains that of the client and under no circumstances transferable or payable by the firm. As detailed above, we have agreed to operate your payroll/P11D system.

Other Areas

We can also offer you advice in the following related areas(not an exhaustive list):

- year end returns P14/P60 and P35;
- casual labour P46;
- subcontractors;
- benefits for employees and directors;
- holiday accrual/allowance calculation;
- statutory actions & deductions such as CSA, loans, etc.;
- Childcare voucher schemes.

The client does warranty that where throughout the tax year they have more than 5 employees on the payroll they will pay any additional billable charge payable for filing P14's, P60, P35's; likewise, where a P46 is filed; where information relating to benefits in kind are required to be entered on a form P11D for more than 3 employees in the tax year will pay additional charges; and additional charges for filing a P9D; construction Industry Scheme CIS; where the client is required to file a P32 form then up to 5 different subcontractors in total in the tax year are included in the fixed price quotation the client will pay extra fees for all additional sub-contractors; additional fees are charged at our published standard rate of fees available upon request.

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.

Article 6 – Ref: BOOK

SPECIFIC SERVICES SECTION

In this section only the services ticked (marked) in the services section shall apply to this agreement. Additional services can be applied later by a separate letter from the firm confirming that the additional service is added, in which case the terms set out within this agreement shall then apply.

BOOKKEEPING SERVICES

This confirms the basis on which we provide bookkeeping services to you so as to avoid any misunderstandings of our respective responsibilities.

MAINTAINING ACCOUNTING RECORDS

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

- (a) keep the records of receipts, payments 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;
- (e) complete the postings to the nominal ledger;
- (f) prepare the year end annuals for approval by yourselves.

You have agreed that you or your staff will:

- (a) 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;
- (b) verify the debtors and creditors ledger based on client working knowledge and provide details of any updates or amendments to those listed and amounts;
- (c) Where these services are provided on a fixed fee basis it is important to note that the price quoted by the firm is based upon information provided by the client and if the amount of work increases then the firm reserve the right to increase their fixed fee price accordingly or charge any work extra over that quoted on a time-spent basis.
- (a) The firm shall enter the clients accounting transactions from paper and electronic records onto the firms electronic proprietary software (the proprietary records remain the property of the firm at all times) provided to the firm, those proprietary records are intended for the use of the firm to produce a set of accounting records (known as annual accounts) for the clients.
- (b) This service is not intended to provide the client with regular updates as to their financial position other than set out elsewhere in this agreement for the provision of annual accounts.
- (c) This service is not an administrative service, where the client requests from the firm a copy document previously provided by the client to the firm then the firm shall charge a fee not less than £25 for duplicate copies of such a record.
- (d) This service does not include providing any monthly profit and loss account figures, that is provided by way of a separate service known as management accounts and this service must be requested separately.

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.

Article - 7 Ref: VAT

SPECIFIC SERVICES SECTION

In this section only the services ticked (marked) in the services section shall apply to this agreement. Additional services can be applied later by a separate letter from the firm confirming that the additional service is added, in which case the terms set out within this agreement shall then apply.

VAT RETURN SERVICES

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 client's VAT records within 7 days of the end of the client entities VAT return period. Any additional work shall be billed as per our schedule of rates.

You have undertaken that you/your staff will ensure that:

- (a) all relevant VAT records are forwarded to us within 7 days of the end of the VAT return period in one single parcel;
- (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.
- (h) Where these services are provided on a fixed fee basis it is important to note that the price quoted by the firm is based upon information provided by the client and if the amount of work increases then the firm reserve the right to increase their fixed fee price accordingly or charge any work extra over that quoted on a time-spent basis.

Further responsibilities of the client

- (a) It should be understood that our appointment as agent does not absolve the client from their statutory responsibilities.
- (b) 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.
- (c) Completed returns will be sent to you for approval and signature prior to submission on the company's behalf.
- (d) Where the firm provides a completed VAT return for the client's approval the client shall respond in good time and no more than 24 hours.

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.

Article - 8 Ref: MAN

SPECIFIC SERVICES SECTION

In this section only the services ticked (marked) in the services section shall apply to this agreement. Additional services can be applied later by a separate letter from the firm confirming that the additional service is added, in which case the terms set out within this agreement shall then apply.

Management Accounts

Preparing management accounts 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 there from for your approval. We understand that where we are not carrying out full bookkeeping services for you then you have agreed that you or your staff will:

- (a) maintain records of all receipts and payments of cash;
- (b) reconcile the balances monthly with the bank statements;
- (c) be responsible for posting and balancing the purchase and sales ledgers; and
- (d) extract a detailed list of ledger balances.
- (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. You will also provide estimates of any stocks at the end of each period.
- (f) provide within 14 days of the end of the period all accounting data necessary for the firm to meet its obligations under this agreement.

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. 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. 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. Where these services are provided on a fixed fee basis it is important to note that the price quoted by the firm is based upon information provided by the client and if the amount of work increases then the firm reserve the right to increase their fixed fee price accordingly or charge any work extra over that quoted on a time-spent basis.

Further responsibilities of the client:

- a) To enable us to carry out our work you agree:
 - b) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- a) 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;
- b) To provide us with information in sufficient time for your management accounts to be completed by the due date. In order that we can do this, we need to receive all relevant information by the time requested. Failure to provide the data stated within the stated time constraints might lead to a delay in preparing the client entities delivery of services.
- c) To forward to us on receipt copies of all Inland Revenue statements of account, [PAYE coding notices,] notices of assessment, letters and other communications received from the Inland Revenue to enable us to take these into account

Where we are carrying out the work on your computer system.

Where 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. The accounts are not suitable for submission within the self-assessment tax return, or for summary thereon.

Article – 9: Ref CIS

SPECIFIC SERVICES SECTION

In this section only the services ticked (marked) in the services section shall apply to this agreement. Additional services can be applied later by a separate letter from the firm confirming that the additional service is added, in which case the terms set out within this agreement shall then apply.

CONSTRUCTION INDUSTRY SCHEME ADMIN (CIS)

You have asked us to undertake the completion of your contractor CIS returns. We cannot be held responsible for any penalties arising from the late submission of returns. However, we will endeavour to meet the relevant deadlines if we receive all the clients' records within 7 days of the end of the relevant return period. Any additional work shall be billed as per our schedule of rates.

When you are acting in the role of a contractor it is agreed that we should carry out the following:

- (a) We will record and file any monthly statements issued to sub-contractors; any information recorded on these statements will be based upon the information provided by you.
- (b) When as a limited company you are acting in the role of a sub-contractor we will assist you to make the appropriate applications to HMRC to obtain the necessary offset/refund.
- (c) We will record and file any statements that are issued to you and make the appropriate applications to HMRC to obtain the necessary offset/refund, including speaking to HMRC on your behalf. You/your management are responsible for the detection of irregularities and fraud.
- (d) We will assist in the preparation and submission of CIS returns as required by the authorities concerned. We cannot guarantee to have the returns etc. completed in time to meet this deadline unless we have all the relevant information within five working days of the end of the tax year [6th April] and in the case of monthly returns no later than 7 days after the month end.
- (e) Completed returns will be sent to the client for approval and signature prior to submission on the client's behalf.
- (f) Where requested we will verify through HMRC subcontractors as requested by the client and using information supplied by the client. We cannot be held responsible for any errors resulting from incorrect or incomplete information supplied by the client for either verification or returns
- (g) We are not responsible for providing payment deduction statements to client subcontractors although we will assist where requested to aid the client fulfil this obligation.

However, it should be understood that our appointment as your agent does not absolve the client 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 (no later than 7 days after the month end). The end of year CIS returns must be received by HM Revenue & Customs by 19th May following the end of the tax year otherwise penalties will be levied. There may also be interest payable if the final payment, due by 19th April following the end of the tax year, is late

Further responsibilities of the client

- (a) You agree to provide full information promptly to enable us to ensure that the returns are made on a timely basis (no later than 7 days after the month end). You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.
- (b) You agree to provide complete and accurate data to enable completion of returns we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- (c) You agree to provide valid invoices for all payments clearly indicating separation of payments made or received
- (d) You agree to provide complete and accurate payment deduction statements as per your statutory obligations as a Contractor.
- (e) To forward to us on receipt copies of all Inland Revenue statements of account, [PAYE coding notices,] notices of assessment, letters and other communications received from the Inland Revenue to enable us to deal with them as may be necessary within the statutory time limits; and
- (f) To keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
- (g) The firm operate a planned processing scheduling system. The client will be allocated an accounts data delivery date when all accounting data must be provided by the client to the firm, this period is 90 days after the clients company financial year end. Handling additional data after this date is charged at the firms prevailing hourly rate shown elsewhere in this agreement.

Our fees in all circumstances are calculated on a time-spent basis, any fixed fee element is only a payment towards the final fee cost, and such regular payments serve only to reduce the client's liability to the firm and no other purpose. 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 other contractors or sub-contractors or others, although we will advise you of any such circumstances that we encounter.

Article – 10: Ref GENERAL

1. **Excluded services** You will continue to deal with other matters required by law, such as (This is not a complete and exclusive list of excluded services and shall serve only as an example):
 - i. Obligations under IR35
 - ii. Inheritance tax returns
 - iii. Capital gains taxation returns
 - iv. Research and development tax credits
 - v. HMRC taxation enquiries and investigations
 - vi. HMRC appeals
 - vii. Working tax or child tax credits and any claims or related correspondence, appeals or other matters in respect of working tax credits and child tax credits. We will be pleased to advise on any of these matters if so requested
2. **Disbursements:** The client agrees to reimburse the firm the cost of any statutory fees fines or penalties that are paid by the firm on behalf of the client entity as set out in the schedule of rates.
3. **Registered office and mailbox services:** Where a limited company or limited liability partnership does register at companies house the firms address as being the registered office of the company or LLP then the company or LLP will in doing so have instructed the firm to act as the company or LLP's register office and in such cases the fee charges for registered office and mail box services shall apply as set out in the schedule of fees.

4. **HMRC (Inland Revenue):** 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.
5. **Losses, Penalties, surcharges:** 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.
6. **3rd Parties:** You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
7. **HMRC 64-8 Authorisation:** Please sign and return the enclosed Inland Revenue form 64-8, which authorises the Inland Revenue to send us copies of formal notices. In practice, the Inland Revenue 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 Inland Revenue correspondence, and even where it does, the Inland Revenue sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from the Inland Revenue. 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.
8. **Unsigned terms:** Where the firm issues these terms to the client and they are not signed by the client and the firm accepts the client and then begins acting upon the client instructions then unless the client informs the firm otherwise in writing within 28 days of the date that the terms of business were delivered by the client (delivered means: by hand the trading offices of the client or where posted 4 days after posting) this agreement will be deemed to apply as though it had been signed by the client.
9. **Responsibilities:** You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.
10. **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 ask exceed the VAT registration threshold and wish us to assist you in notifying HMRC of your liability to be Vat registered we shall be happy to help you in this process. You should notify us 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 late registration penalties as a result.
11. **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. 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 does 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.
12. **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.
13. **Fees:** See the attached document titled schedule of rates. The firms published schedule of rates for different grades of employee and classes of work are set out in the firm's schedule of rates and fees. Additionally, these are published on the firm's website and the client's online platform provided by the firm www.taxsense.co.uk. The schedule of rates is subject to change and it is the client's responsibility to regularly view that schedule to keep them acquainted with any changes. That a client makes regular monthly payments does not imply that any services are provided on a monthly basis. The firms services are provided on a minimum term stated elsewhere in this agreement. None of the services are provided on a monthly purchase basis. In order to maintain the client's obligations under this agreement all the firms invoices to the client must be settled in full within 7 days of the date of the invoice.
14. **Monthly payments** (standing order or direct debit or regular payments from debit cards or by PayPal/world pay) on account are made at the client's discretion and for their convenience in order to avoid a large single payment. In order to prevent the client from breaching the terms of this agreement because of late payment or where an amount exceeding £1000 including VAT remains outstanding for more than 7 days the client warrants that the firm may request payment for such an amount by direct debit or charge those fees to one or more of the clients business or personal debit cards.
15. **Ownership of records:** In the event of non-payment of our fees for services rendered, 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.
16. **File destruction:** Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which 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.
17. **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.
18. **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.
19. **Applicable law:** These terms of business are 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 these terms 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.

20. **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.

21. **Notice of Right to Cancel Contract:** If you are classified as a consumer then the Cancellation of Contracts made in a Consumers Home or Place of Work Regulations 2008 may apply. This means that you have 7 days in which to serve a cancellation notice from the date on which you received this notice. It is important that you read the notice in Appendix 5. This also contains a sample cancellation notice you can use to notify Taxsense of your wish to cancel the contract.

22. **Additional terms**

This agreement constitutes the entire understanding between the parties relating to the subject matter of this agreement and, save as may be expressly either referenced to or referenced herein, supersedes all prior representations, writings, negotiations or understandings with respect thereto" Other than where specifically stated elsewhere in this agreement no statement or representation made by either party has been relied upon by the other in agreeing to enter into the contract. This clause constitutes a binding agreement between the parties that the full contractual terms are to be found in the document containing the clause and not elsewhere, and that accordingly any promises or assurances made in the course of the negotiations (which in the absence of such a clause might have effect as a collateral warranty) shall have no contractual force. This Agreement may only be amended by a written document duly executed by all parties. The Firm's total liability to the Client in connection with the subject matter of this Agreement, whether in contract, or tort (including negligence) or arising in any other way, will not exceed in aggregate £5,000.

- a) Any date, timetable or timescales that the Firm has given to the Client for the performance of any service or the delivery of any goods are merely estimates, and are not binding on the Firm. Should any services or products provided/supplied by the firm become/deemed/discovered defective within 12 months after the date of delivery to the client, the firm will either replace or repair or make good the services or products free of charge. The firm cannot be held negligent as a result of any errors or omissions. Any service
- b) provision quotation provided by the firm to the client is valid for a period of 30 days from the date of this letter thereafter the fees are charged as per the published schedule of rates.
- c) The prices quoted in this agreement and elsewhere are subject to VAT at the prevailing rate 20%.
- d) That a quotation is provided to the client doesn't oblige the firm to carry out such services.
- e) No action, regardless of form, arising out of the transactions in relation to this contract may be brought by either party more than three years after the cause of action has occurred without regard to the date the breach is discovered. Any action not brought within that three year time period shall be barred, without regard to any other limitations period set forth by law or statute.
- f) Issue of a pro-forma invoice by the firm to the client forms a legal binding extension of this agreement for a minimum period of 12 months from the date on the pro-forma invoice. Failure to issue a pro-forma invoice does not constitute a breach of this agreement by the firm and the full terms of this and any quotation agreement shall apply.
- g) The firm may set off any payments made on account by the client to the firm against any of the firms invoices for goods and services provided to the client at the absolute discretion of the firm.
- h) A party is not liable for failure to perform the party's obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity or telephone service. No party is entitled to terminate this Agreement in such circumstances. If a party asserts Force Majeure as an excuse for failure to perform the party's obligation, then the nonperforming party must prove that the party took reasonable steps to minimise delay or damages caused by foreseeable events, that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described in (Force Majeure).
- i) The failure by one party to require performance of any provision shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Contract constitute a waiver of any subsequent breach or default or a waiver of the provision itself.
- j) In the event of litigation relating to the subject matter of this Agreement, the non-prevailing party shall reimburse the prevailing party for all reasonable solicitors/legal fees and costs resulting there from.
- k) If any provision of this Contract is held unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Contract shall remain in full force and effect.
- l) The rights and remedies provided by this agreement are cumulative and (subject as otherwise provided in this agreement) are not exclusive of any rights and remedies provided by law.
- m) All disputes, controversies, or claims arising out of or relating to this contract shall be submitted binding arbitration in accordance with the applicable rules of the Courts then in effect.
- n) All quotations are provided on the understanding that if the nature, quantity, frequency of work changes that the firm reserve the right to increase the amount of the fees on a prorated basis.
- o) Unless the client specifically requests in writing future requests by the client for additional services shall be calculated on a time-spent basis and invoiced on that basis stated elsewhere in this agreement that a quotation is not provided by the firm does not preclude them from billing as per the published schedule of work for any such work.
- p) Once agreed, these terms will remain effective from the date of signature until they are replaced. Additional services and variations of the terms of business; from time to time the client may instruct the firm verbally or in writing, those additional services when accepted by the firm in writing will be deemed to have been appended to this letter and shall form part of this agreement. These terms of business may be updated from time to time at the absolute discretion of the firm. Notice of termination must be given in writing and is subject to the terms of early termination.

Summary of Appendices

Appendix 1 - Schedule of Rates (Fees)

This schedule contains the fees chargeable under the primary terms of engagement being time spent billing, except where expressly excluded as part of a written quotation. Only those items so listed on a signed quotation are excluded from time spent billing.

Appendix 2 - Terms & Conditions of Quotation

These terms apply to all quotations for fixed price work that is to be expressly excluded from the primary terms of engagement being time spent billing and charged as per the schedule of rates.

Appendix 3 - Terms and conditions Fixed Term Deal (FTD) Quotations

These terms apply to all quotations for fixed price work that is to be expressly excluded from the primary terms of engagement being time spent billing and charged as per the schedule of rates. This is for a period as stated.

Appendix 4 - Financial Periods Explanation and Key Terms

This document contains the explanation of the financial periods which are set out in the quotation and other parts of this agreement. Key terms that determine where fees will be applied are set out below.

Appendix 5 - Notice of Right to Cancel (CCR01)

This notice has been provided to you as you may have entered into a contract to which the Cancellation of contracts made in a Consumers home or Place of Work Regulations 2008 (The Regulations) apply. The contract is for the supply to you of services. If this is the case then please read the attached appendix.

Appendix 1 (V2 20/09/2013)

This schedule contains the fees chargeable under the primary terms of engagement being time spent billing, except where expressly excluded as part of a written quotation. Only those items so listed on a quotation are excluded from time spent billing.

Schedule of Rates (Fees)

Our primary terms of engagement expressly state that all actions are to be billed as per the schedule of fees on a time spent basis. The terms of engagement allow for work to be expressly excluded from the time spent billing only where a written quotation is in place.

The fee rates set out in this schedule apply to all actions only excluding those that are expressly excluded by separate provision of a fixed term quotation and a separate fee schedule.

Time Spent Basis

Billed at a minimum of 0.1 of an hour.

Time is recorded on a basis of 6 minute units which equates to 0.1 of an hour.

Time spent rates for different grades of employees and roles:

Administrative staff **£68/hour**

Senior admin staff **£89/hour**

Accountancy staff **£89/hour**

Bookkeeper **£89/hour**

Payroll staff **£131/hour**

Senior accountancy staff **£131/hour**

Proprietor or a chartered accountant **£210/hour**

Vat accountant **£184/hour**

Business consultancy **£184/hour**

Taxation Work Standard **£210/hour**

Taxation Work Senior **£263/hour**

Taxation Work Proprietor **£315/hour**

Bookkeeping cost per entry 50p per line of data entered on to sage computing software.

Bank reconciliation work 75p per line of data on the bank statements entered on to sage computing software and reconciled for accounting purposes.

Filing fees

Limited companies and Limited Liability partnerships

File Annual Return at Companies House: **£105**

File Annual Accounts at Companies House: **£210**

File CT600 with HMRC: **£210**

Sole-trader's individuals and partnerships

File SA100 with HMRC: **£158**

Partnership return (SA800) file with HMRC: **£210**

The above fees are per each return.

Additional charges (additional to the above rates)

A letter writing £48 each

A telephone call £5

Email £1

The above are additional to any professional or administrative staff charges related to the input into either a letter or a telephone call.

Late delivery of paperwork charges

Financial statements: within 30 days of the statutory filing date for Companies House filing, as set out in the Companies Act 2006.

Single fee of £79 + 30% of the fees quoted any time spent actions after the affective period.

Company annual return: within the 14 days* before the statutory filing date for Companies House filing, as set out in the Companies Act 2006.

Single fee of £79 + 30% of the fees quoted any time spent actions after the affective period.

CT600: within 30 days of the HMRC statutory filing date for that financial period.

Single fee of £79 + 30% of the fees quoted any time spent actions after the affective period.

VAT returns: within 7 days of the HMRC statutory filing date for that financial period.

Single fee of £79 + 30% of the fees quoted any time spent actions after the affective period.

SA100: Individual tax returns within 30 days of the HMRC statutory filing date for that financial period.

Single fee of £79 + 30% of the fees quoted any time spent actions after the affective period.

SA800: Partnership tax returns within 30 days of the HMRC statutory filing date for that financial period.

Single fee of £79 + 30% of the fees quoted any time spent actions after the affective period.

*Effective period

Forensic work

Which means any investigation of former periods or for carrying out periods prior to engagement or back analysis of any former years shall be applied a surcharge of 25% of the above schedule of fees.

Records of actions

Attendance notes: These are records which are kept by the firms employees of the instruction you may give from time to time, and of the actions they have taken to fulfil your instructions.

Time spent record summary

A summary of those actions detailing when the action was carried out shall be noted by the firm. Those summaries show the date of the action, and shall be recorded either contemporaneously (made at the time) or forensically (at a later date). Contain a brief description of the action, who carried out the work, their charge out rate and the amount of time they expended on the action, along with a total of the cost of that action.

Company registered office and mail box fees

The firm charge a fee of not less than £11/week for use of their address as the client's limited companies or Limited Liability Partnership registered office.

Registered Office

Ref: TOB 2012 V2

Set-up fee: £158

Ongoing charges: £11/week (min 52 weeks).

Commencement of the service shall be the first day that the limited company registered office appears on the register at companies' house.

Termination shall be the same as the day before the firms address is removed from the companies register as the companies registered office.

Termination fee: £48

Mail Box services: Where any mail is sent to the firms address and then forwarded by any method to the client then a fee shall apply of £11 per item and £1/page there attached along with any postage fee.

Set-up fee: £158

Ongoing charges: £5/week (min 52 weeks).

Commencement of the service shall be the first day that firm receive postage on behalf of the client which is unrelated to the services which the firm has agreed to provide on behalf of the client and or where any postal items are received by the firm for any client who has terminated the firm's services. Termination shall be 52 weeks after the first item is received (commencement) or where the client does terminate in writing and does authorise the firm to destroy any further such items received after that date.

Termination fee: £48.

Disbursements

These are when the firm incurs a third party charge on behalf of the client and shall be charged at cost plus any administrative charge incurred by the firm.

Early termination charges

Annual accounts: **£315**

Financial statements: **£473**

Bookkeeping: **£105**

Payroll: **£158**

VAT: **£158**

Management accounts: **£105**

The above are additional to any agreed fee quotes and shall apply separately to each service subject to early termination.

All the above fees are subject to VAT at the prevailing rate (20%).

Schedule of rates of Michelle Eames t/a Taxesense Accountants and her employees.

Appendix 2 (V2)

These terms apply to all quotations (inc. Appendix 3[FTD's]).

Terms & Conditions of Quotation

1. This quotation is valid for a period of 30 days from the date of this letter.
2. The prices quoted are subject to VAT at the prevailing rate 20%. VAT registration number: 936 8050 10
3. The monthly payment illustrations do not imply monthly services. Monthly payments are for comparison purposes only and if made are done so on a voluntary payment on account basis.
4. Quotations, unless specifically stated (such as 3 and 5 year FTD's see appendix 3) shall be subject to a minimum period of 18 months and the fee charges shall apply to one or more of the client entities financial period, plus any increase as set out in any pro-forma issued as stated elsewhere in this agreement. For example where the client entity financial period quote is for the period 1st April 2013 – 31st March 2014, and the ToB is dated 14th February 2014, then the agreement shall be interpreted as being for the provision of services by the firm to the client for a minimum of 3 client financial periods being 1st April 2013 – 31st March 2014 and 1st April 2014 – 31st March 2015 and 1st April 2015 – 31st March 2016 and be subject to any annual fee reviews and fee increases.
5. This quotation is a fixed term basis and is subject to fee reviews at the end of any financial period (usually annually). The extent of the will affect the quotation in future years. For example the fees will be reviewed each year and shall automatically increase on the anniversary of the agreement by the annual amount of price increase calculated by the UK Government published Retail Price Index RPI. For the purposes of clarity the previous 12 monthly RPI totals shall be added together and then divided by the number of months (12). The resulting figure shall be the amount of percentage increase. For example where the average increase is 2% and the fees are £1000 the fees shall increase by £20. The fees for the following year shall then be £1020, plus a further 5% increase on the previous period fees. Example previous year fees £1000 + 5% (£50). Total increase previous years fees + RPI + 5%. Example £1000 + (2%RPI) £20 + (5%) £50 = £70 fee increase (total £1070 + VAT. Monthly payments by direct debit will automatically be increased to account for any increase and any balance of payments outstanding from the previous 12 months. Fixed term fees only apply to specific fixed services where a fixed fee is appropriate. Where we provide advice and services additional to the expressly excluded fixed fee elements fees will be charged as per the schedule of rates (please read the schedule of rates). Monthly payments by direct debit will automatically be increased to account for any increase and any balance of payments outstanding from the previous 12 months.
6. Fixed term fee agreements are subject to annual review where a new fee agreement is not agreed separately then the firm reserve the right to record all the hours worked after, as per the firms schedule of rates, for the proportion of work over and above the original fee quotation. Each quotation includes an exact amount of work, for example;
 - a. Bookkeeping quotations state the number of lines of data, which correspond to sales and purchase receipts and bank statement entries. The number of entries on the quotation once exceeded shall be subject to an additional charge which shall be per line of data as per the schedule of rates.
 - b. Annual accounts/financial statements the quotation assumes that the bookkeeping will be completed before it is presented to the firm. If the firm has to enter sales purchase receipts and other entries then these shall be charged as though they were bookkeeping and incur an additional charge as per the schedule of rates bookkeeping charge.
 - c. Data formats for Annual accounts; Financial statements and VAT the quotation is based upon the client providing the clients bookkeeping on one of the following software options:
 - i. Sage line 50 latest version
 - ii. QuickBooks latest version
 - iii. The firm's own software or spreadsheet.
 - d. Where the bookkeeping is presented in any other format then the work involved in converting the information into one of the above formats if carried out the firm shall be charged as per the schedule of rates on a time spent basis.
 - e. A line of data is equal to a single transaction for purchases and sales and bank statement lines of entry. The quote will include a figure example: 1000 lines of data (always per annum). This is the maximum number of lines of data that will be added for the

quoted price for carrying out bookkeeping. If the number of lines of data entry exceeds that quoted then the client will be charged for the additional lines of data as per the schedule of fees. Example where a quotation is provided say for £100 for 1000 lines of data and 1200 lines of data are added then the client will be billed separately for the additional 200 lines of data. There are no refunds for un-entered or underused allocation of lines of data. At the end of each financial year any under used lines of data shall by the client be forfeit.

- f. Errors and omissions in the accounting software submitted by the client. Where such errors and omissions are identified by the firm the client shall be given 30 days in which to rectify the errors and omissions and re-submit the software. Where the firm is requested to carry out such amendments to or because of such errors and omissions, the firm shall charge for such work as per the schedule of fees. Where quotations do not include a fixed number of lines of data then fees shall be charged by the number of lines of data entered by the firm as per the schedule of rates (fees).
7. This quotation is subject to the terms of business provided separately. This quotation doesn't imply that the firm will accept the prospective client as a client. No professional advice can be provided by any representative or employee of the firm unless it is in writing and is signed by the principle Michelle Eames and that information is headed "Professional Advice".
8. The Taxsense Client Tax Referral scheme price is subject to other terms and conditions and is subject to acceptance by the firm.
9. Payroll: *1 The PAYE services quote includes for setting up the initial systems and then dealing with ongoing payroll issues such as when an employee takes a holidays, maternity leave or is off through sickness. Filing of the following statutory forms P45, P35 are included in the quoted price. The client should note the following exclusions: (Where an employer client has throughout the tax year registered more than 5 employees then an additional billable charge is payable for filing each P14's, P60, P35's at £60 per item (individual form). Similarly in relation to company vehicles an additional charge of £60 for the P46, and £60 per vehicle will apply where more than 3 company vehicles are included on any payroll form. For every 'new starters' employee and for every leaver each will incur a charge of £20. P11D and a P9D will incur a charge of £60 each form. **CIS:** P32 sub-contractors forms, up to 5 in total in the tax year are included in the quoted fees however, any additional sub-contractors will incur a separate charge; of £10 per sub-contractor per form on which they appear. If you require a fixed fee quotation for any additional charges, so they are excluded from the above schedule then you should request one and a fixed fee agreed before our instructions commence. Failing which the firm shall charge at its current (prevailing) standard fee rate. The quotation and this schedule assumes that no more than 12 payroll runs will be made by the firm in any 12 month period. Additional pay periods/payslips will be charged at the standard prevailing fee rate or £3/payslip (pay run). From 6th April 2013 the way HMRC process payroll will change and in due course we reserve the right to amend our fees in accordance with those changes.
10. This quotation document does not constitutes the entire understanding between the parties relating to the provision of services, the terms of engagement are set out with this quotation and are available on the firm's website www.Taxsense.co.uk and are available upon request by post or email and those terms set out the entirety of our agreement with the client, regardless whether they have been signed by the client or not and shall, supersede all representations, writings, negotiations or understandings with respect thereto; other than where specifically stated in the terms of business no statement or representation made by either party shall be relied upon by the other in agreeing to enter into the contract. This clause constitutes a binding agreement between the parties that the full contractual terms are to be found in the document stated earlier 'the published terms of business' and not elsewhere, and that accordingly any promises or assurances made in the course of the negotiations (which in the absence of such a clause might have effect as a collateral warranty) shall have no contractual force. This Agreement may only be amended by a written document duly executed by all parties.
11. Any date, timetable or timescales that the firm has given to the Client for the performance of any service or the delivery of any goods are merely estimates, and are not binding on the firm. Should any services or products provided/supplied by the firm become/deemed/discovered defective within 12 months after the date of delivery to the client, the firm will either replace or repair or make good the services or products free of charge. The firm cannot be held negligent as a result of any errors or omissions.
12. Any service provision quotation provided by the firm to the client is valid for a period of 30 days from the date of this letter thereafter if the firm is engaged then unless a new fee quotation is drawn up then the fees shall be charged by the firm as per the published schedule of rates.
13. Special terms: The Taxsense Client Tax Referral Scheme price quotation is subject to other terms and conditions and is subject to acceptance by the firm. Where the firm accepts a client on those terms then both those terms and these shall apply.
14. Quotes for intangible amounts of work such as bookkeeping are based upon an assumption of an acceptable amount of work. In the case of bookkeeping the quote is based upon an amount of data entered into our sage software programme. If the number and frequency of the work is greater than the quantity quoted then additional fees shall be charged to the client by the firm for the delivery of those services.
15. Termination of instructions: The terms of engagement are ongoing and shall remain in place until they are terminated by either party. As set out elsewhere in this agreement where a quotation expires then the fees charged on that quotation shall expire and cease to be excluded from the primary terms of engagement being that all actions by the firm shall be recorded on a time spent basis and charged as per the schedule of rates. Where a client demands in writing to the firm a termination earlier than set out in the agreement then the client entity does warranty to compensate the firm the full balance of the agreement term, or where no such term is in force until the end of the current client entity's financial period (usually 12 months) at the time of termination. Such payments shall fall due immediately upon termination, along with any early termination fee as set out in the schedule of rates (fees).
16. Fixed term quotation (excluded from the time spent billing) are valid only for the period stated on the quote summary. When the period of that written quotation is completed, usually a 12 month financial period, the contract payment terms automatically revert to the primary terms of engagement being time spent billing. It is therefore of paramount importance that the client does accept any new quotation within 35 days of receipt of the pro-forma invoice, failing which the fee agreement will revert to the time spent billing and the fees charged as per the schedule of rates. To avoid any misunderstanding the firm will no later than 90 days after the beginning the client entities new financial period (year), issue the client a pro-forma invoice expressly stating the services to be excluded from the time spent billing. If the fees stated on the pro-forma invoice are greater than the amount charged during the previous year, then the client may challenge the firm on those fees, provided that they do so in writing, to the firms then current trading address, and no later than 35 days after receipt of the pro-forma invoice. The parties then shall have 30 more days in which to conclude an agreement on the value of the fees to be charged for that financial period under negotiation. In no circumstances can the fees for the coming year be reduced without the written consent of both parties. Where there is no agreement reached between the parties on the fees, then the firm may elect to either terminate the contract without penalty, and charge the client for all services provided at the time of termination for that financial period as per the primary terms of engagement being time spent billing as set out in the schedule of rates, or provide the fixed fee services at the same rate as the previous year.
17. Bank reconciliation: The firm will reconcile purchase and sales invoice entries in sage bookkeeping at the cost to the client set out in the schedule of rates (fees).
18. Late delivery of documentation/data essential for the completing of the accounting service(s): which means any document required by the firm in order to complete the services which they are contracted to carry out for the client. Example, of such documentation, sales and purchase receipts and invoices, bank statements and other similar records in whatever form was agreed, paper documents, written ledgers

paper and electronic, Sage software, QuickBooks software, excel spreadsheets. Late delivery of documentation incurs the firm in extra charges including but not exclusively employee wages. Where the client provides data late or near to deadlines outside the terms of the terms of business the firm reserves the right to increase the above fees by an amount not exceeding 30% of the fixed fee quoted rate for that element of the work. For the purposes of clarity submission of data, documents or information pertaining to the nature type of work specified in the agreement shall mean:

- a. Financial statements: within 30 days of the statutory filing date for Companies House filing, as set out in the Companies Act 2006.
- b. Company annual return: within 30 days of the statutory filing date for Companies House filing, as set out in the Companies Act 2006.
- c. CT600: within 30 days of the HMRC statutory filing date for that financial period.
- d. VAT returns: within 21 days of the HMRC statutory filing date for that financial period.
- e. SA100: Individual tax returns within 30 days of the HMRC statutory filing date for that financial period.
- f. SA800: Partnership tax returns within 30 days of the HMRC statutory filing date for that financial period.

Any submission after the deadline shall incur a penalty as set out in the schedule of rates – late submission fees.

19. For the purposes of clarity the firm reiterates here again that all services are delivered on the basis that all time actions carried out by the firm and its employees shall be recorded on a time spent basis and charged as per the schedule of rates. Only items expressly stated in a fixed fee quotations are excluded from the time spent billing and therefore any other actions carried out for or on behalf of the client by the firm and or its employees shall be charged on a time spent basis.

These are the terms and conditions of quotation of Michelle Eames t/a Taxesense Accountants

Appendix 3 (V2)

Additional terms which apply to:

Terms and conditions Fixed Term Deal (FTD) Quotations

Please note that Appendix 2 also applied to FTD's.

1. All other terms relating to terms of engagement, schedule of fees, and quotation terms set out elsewhere in this document shall apply to FTD's.
2. The fees for a FTD quotation take into account that the client is committed to a minimum term of engagement of at least 3 years and therefore that level of security is rewarded by the firm providing a fee rate which reflects that security of term of engagement.
3. Terms and conditions relating specifically to fixed term deals (FTD) these terms and conditions are additional to the terms and conditions set out elsewhere in this document. The additional terms apply specifically and only to fixed term deals.
4. Services quoted on FTD's are expressly excluded from the primary terms of engagement being time spent billing. As with all quotations only those services listed on the quotation are exempt from time spent billing.
5. The terms of engagement and quotation terms set out elsewhere in this agreement shall also apply to all fixed term deals.
6. The term: Fixed term deals have a start and end date. This applies only to the billing terms and the amount of the fees.
7. Renewal: This agreement automatically renews at the end of the term. No later than 90 days before the term of the FTD expires the firm shall send out a reminder to the client that the term is about to end. The renewal term shall be identical to the original agreement. For the purposes of clarity where the original FTD was for 3 years, then all subsequent renewals shall be for 3 years.
8. Where the client instructs the firm to carry out services in addition to the services listed, or increases the quantity and or frequency of those services itemised on the FTD quotation then those services shall be charged as per the primary terms of engagement being time spent see appendix 2.
9. Where the client wishes to the firm to carry out additional services or increases the quantity and or frequency of those services itemised on the FTD quotation and where the firm deem them appropriate then the firm shall issue another quotation for the additional service. The acceptance procedure shall be as this agreement. The term of the new agreement shall be quoted on 2 basis:
 - a. Concurrent: Where the term of new service agreement shall run concurrently with the original agreement.
 - b. New term: This agreement is separate to the existing agreement and shall be subject to new terms of agreement the 2 agreements shall in this case not be linked.In both concurrent and new term agreement the client shall state which quotation if any is accepted and in all other circumstances and where no quotation is accepted and services are instructed by the client and carried out by the firm then time spent billing shall apply.
10. Early termination of this agreement by the client shall be subject to the early termination articles and clauses set out elsewhere in this document.

Appendix 4.

FINANCIAL PERIODS EXPLANATION

KEY TERMS

This document contains the explanation of the financial periods which are set out in the quotation and other parts of this agreement. Key terms that determine where fees will be applied are set out below.

Table 1. Key terms

Ref	Period	Description
1	Prior (P-2)	Before the period of engagement *1
2	Prior (P-1)	Before the period of engagement *1
3	Prior	Before the period of engagement *1
4	Current	the period that the agreement is reached and LoE signed.
5	Live current	The balance of the current period *#
6	Opening	The first full year of services *3
7	Future (F1)	The first year following the first year *2
8	Future (F2)	Each subsequent year is referred as future year 1,2,3 etc.

*1 Prior period. It isn't possible to deliver live services prior to our engagement. All work on prior period is regarded as forensic, both descriptively and contractually. Example the date of agreement is 6th June 2012. The business financial trading period at the time of agreement is 1st October 2011 to 30th September 2012. The quote is given for the 'First' period example 1st October 2012 to 30th September 2013. Any services delivered which relate to any prior period aren't exempted from time spent billing, and will be charged forensically as per the schedule of rates (fees), unless a written quotation is in place.

*# live current period: Example the date of agreement is 6th June 2012. The business financial trading period at the time of agreement is 1st October 2011 to 30th September 2012. The quote is given for the 'First' period example 1st October 2012 to 30th September 2013. Where the client wishes the firm to begin delivering services immediately, such as bookkeeping, VAT returns and payroll this refers to the live current period of 6th June 2012 to September 30th 2012. Then the services delivered in this period aren't exempted from time spent billing, and will be charged as per the schedule of rates (fees), unless a written quotation is in place.

*3 The opening period quotation delivered at the outset of this agreement always applies to the first full period regardless of any other dates written on the quotation where any ambiguity exists in relation to these dates then this definition shall always prevail.

*2 Future periods (years). The quotation and exemption of those services from the time spent billing always applies to the first full period (regardless of the dates printed on the quotation and its description, if there is any doubt then this interpretation shall prevail. Therefore, at the start of the future period if the firm is still engaged, that is the clients hasn't expressly stated that they wish to terminate the agreement, then the future period and subsequent future periods shall be determined to have started. Where services of any kind are delivered in such a circumstances then all actions carried out by the firm shall be chargeable by time spent billing as per the then current schedule of rate (fees) and payable immediately by the client. Only where there is a quotation tendered by the firm to the client and such quotation is accepted in writing will the services expressly stated on that quotation be exempt from time spent billing. In all other cases time spent billing shall apply. Example, Limited Company A, where a fixed fee exemption quotation is in place.

Table 2.

Periods	Dates	Dates	Notes
Date of signing LoE	14 January 2012		
Financial period **	1 st June – 31 st May		
Prior	Start 1 st June 2010	End 31 st May 2011	
Current	Start 1 st June 2011	End 31 st May 2012	Charged Time spent unless exemptions quote in place.
Live current period	Start 14 th January 2012	End 31 st May 2013	
First	Start 1 st June 2012	End 31 st May 2013	Quoted period Exempt from Time spent billing
Future 1	Start 1 st June 2013	End 31 st May 2014	
Future 2	Start 1 st June 2014	End 31 st May 2015	
Future etc.	1 st June – 31 st May	Each new future period	

**Financial period as determined by HMRC at time of signing LoE.

Example, an individual, where a fixed fee exemption quotation is in place.

Table 3.

Periods	Dates	Dates	Notes
Date of signing LoE	14 January 2012		
Financial period **	6 th April – 5 th April		Always 6 th April – 5 th April
Prior	Start 1 st June 2010	End 31 st May 2011	
Current	Start 1 st June 2011	End 31 st May 2012	Charged Time spent unless exemptions quote in place.
Live current period	Start 14 th January 2012	End 31 st May 2013	
First	Start 1 st June 2012	End 31 st May 2013	Quoted period Exempt from Time spent billing
Future 1	Start 1 st June 2013	End 31 st May 2014	
Future 2	Start 1 st June 2014	End 31 st May 2015	
Future etc.	1 st June – 31 st May	Each new future period	

Ref: TOB 2012 V2

**Financial period as determined by HMRC at time of signing LoE.

Example, a sole trader, where a fixed fee exemption quotation is in place.

Table 4.

Periods	Dates	Dates	Notes
Date of signing LoE	14 January 2012		
Financial period **	1 st June – 31 st May		
Prior	Start 1 st June 2010	End 31 st May 2011	Charged Time spent unless exemptions quote in place.
Current	Start 1 st June 2011	End 31 st May 2012	Charged Time spent unless exemptions quote in place.
Live current period	Start 14 th January 2012	End 31 st May 2013	Charged Time spent unless exemptions quote in place.
First	Start 1 st June 2012	End 31 st May 2013	Quoted period Exempt from Time spent billing
Future 1	Start 1 st June 2013	End 31 st May 2014	Proforma sent- exempt from Time spent billing
Future 2	Start 1 st June 2014	End 31 st May 2015	Proforma sent- exempt from Time spent billing
Future etc.	1 st June – 31 st May	Each new future period	Proforma sent- exempt from Time spent billing

**Financial period as determined by HMRC at time of signing LoE.

Sole Traders

In the case of a sole trader if the trading business is different to the HMRC self assessment taxation declaration period 6th April – 5th April, then there will be 2 applicable dates in this agreement. These are the individual element and the business element.

The individual element is always 6th April – 5th April.

The business element is determined by the financial period declared in the trading accounts of the business. This can be different to the actual HMRC self assessment dates for the individual being 6th April – 5th April.

Example, if the sole traders business accounts start 1st January and finish 31st December then in this case the income (profits) will be included in the next HMRC Self Assessment Taxation Return (SA100); In this case for the return (SA100) period 6th April 2011 – 5th April 2012. Then the profits or losses from the financial trading element ending in that period being 1st January 2011 and ending on 31st December 2011, shall be included in that return (11/12).

Table 5. Sole trader example

Row	Period	Dates	Description
1.	SA100 tax return for Individual.	6 th April 2011 – 5 th April 2012	
2.	Period of trading for the trading business.	1 st January 2011 – 31 st December 2011	The profits/losses from this trading period will be included in the tax return at Row 1.

Partnerships

In the case of a partnership if the partnership trading accounts are for a period other 6th April – 5th April, then there will be 2 applicable dates in this agreement. These are the individual element and the partnership (business) element.

The individual element is always 6th April – 5th April.

The Partnership (business) element is determined by the financial period declared in the trading accounts of Partnership (business). This can be different to the actual HMRC self assessment dates for the individual being 6th April – 5th April.

Example, if the Partnership (business) accounts start 1st June and finish 30th May then in this case the income (profits) that will be included in the next HMRC Self Assessment Taxation Return (SA100). In this case for the return (SA100) period 6th April 2011 – 5th April 2012 then the profits or losses from the partnerships financial trading element ending in that period. That being 1st June 2010 and ending on 30th May 2011, shall be included in that return (11/12).

Table 6. Partnership example.

Row	Period	Dates	Description
1.	SA100 tax return for Individual.	6 th April 2011 – 5 th April 2012	
2.	Period of trading for the trading business.	1 st June 2010 – 30 th May 2011	The profits/losses from this trading period will be included in the tax return at Row 1.

Company directors and company financial periods

In the case of a limited company, if the company's financial period isn't 6th April – 5th April, then there will be 2 applicable dates in this agreement. These are the individual director's element and the limited company (business) element.

The individual element is always 6th April – 5th April.

The limited company (business) element is determined by the financial period declared in the trading accounts of Partnership (business). This can be different to the actual HMRC self assessment dates for the individual being 6th April – 5th April.

Regardless of the company financial period remuneration, meaning salary and/ or company issued dividends shall apply to the period for the director (SA100) being 6th April to 5th April, unless the director tells us otherwise.

Table 7. Director of a limited company example.

Row	Period	Dates	Description
1.	SA100 tax return for Individual.	6 th April 2011 – 5 th April 2012	
2.	Period of trading for the trading business.	1 st September 2010 – 30 th August 2011	The remuneration from the company in this trading period will be included in the tax return at Row 1.

Appendix 5

Ref:NORTC01

NOTICE OF RIGHT TO CANCEL

This notice has been provided to you because you have entered into a contract to which the Cancellation of Contracts made in a Consumer's Home or Place of Work Regulations 2008 ("the Regulations") apply. The contract is for the supply to you of services.

Under the Regulations, you have the right to cancel this contract if you wish to do so. This Notice explains how to exercise this right. It also gives you other information which is required by the Regulations.

In order to exercise your right to cancel the contract, you need to deliver or send a cancellation notice, that is, a written notice that you wish to cancel the contract. You can use the cancellation form provided overleaf if you wish, but you do not have to do so. You can send your notification by e-mail if you prefer.

Any cancellation notice should be delivered or sent to TaxSense.

You have 7 days in which to serve a cancellation notice. The period of 7 days begins on the date when you received this notice. The 7 day period is referred to in the Regulations as "the cancellation period".

Under the Regulations the cancellation notice is treated as being served as soon as it is sent or posted to us and a cancellation notice sent by electronic communication is treated as being served on the day when it is sent.

If you agree in writing that the performance of this contract should begin before the end of the cancellation period, then, even if you cancel the contract, you may still be required to pay for the services supplied before the cancellation.

The reference number to enable the contract to be identified is can be found on your quotation.

This Notice is dated as per the terms of business or the date posted/emailed

The cancellation sheet sample is below. Please copy this and send to Taxesense if you wish to cancel the contract within 7 days of receipt of the terms of business

If you have any questions then please do not hesitate to contact us.

CANCELLATION NOTICE

TO: Taxsense Accountants

I/We hereby give notice that I/we wish to cancel my/our contract under the file reference [XXXX]

Signed:

Client Name

Client address:

.....

Date:



Padnell Grange
Padnell Road
Waterlooville
PO8 8ED

Confirmation of Acceptance of Terms of Business

Client (Name):

Address

Post code:

I/we sign this agreement on the following basis and confirm that I/we have been provided:

1. The firm's Terms of Business for my/our perusal which I/we have accepted and signed.
 - a. I/we understand that under those terms of business any instruction I/we give to the firm shall be recorded on a time spent basis and charged as per the schedule of rates, which I/we have seen.
 - b. The only exception to time spent billing I/we understand is where services are set out in a separate written quotation.
2. I/we have received such a written quotation referred to in article 1. b. Above, and confirm I/we have accepted that quotation and the terms attached to it.

Quotation ref No:

Having accepted the above quotation and having had the above listed documents explained to me/us and had the opportunity to raise any issues of ambiguity with the firms representative(s), and I/we have been offered the opportunity to have the documents examined by an independent legal professional, I/we am/are satisfied that I/we understand the full implications of the above documents and the contract which I/we am entering into by signing this confirmation of my acceptance of the terms of business and the quotation which I/we have signed separately.

Please confirm your agreement to the terms set out in this letter by signing below. If anything is unclear to you or you require any further information please advise TaxSense.

PLEASE USE A DARK INKED PEN TO COMPLETE THIS DOCUMENT (PREFERABLY BLACK)

I/We* confirm that I/we* have read and understood the contents of the terms of business and agree that it accurately reflects the services that I/we* have instructed you to provide.

Signed: Dated:

Name:

Second signatory

Signed: Dated:

Name:

For and on behalf of the Board.* (Where there is only one director/partner a second signature is not required as the sole director is deemed to be acting on behalf of the board). [Likewise, a single director/officer/partner who is acting in both the capacity of director/partner and chairperson may sign both as a director and on behalf of the board/partnership].