



## **CBOS TERMS OF ENGAGEMENT**

### **Our service**

You must be an active, fully paid-up subscriber in order for us to file any returns on your behalf or to provide any advice. If you choose to leave the Service before filings are due you will need to make your own arrangements for calculation and submission.

You will always be notified of return filing dates by email. We cannot be held responsible for any late filing fees or penalties caused once notification has been sent. As part of our service we will provide you with online accounting software suitable for your requirements.

### **New Company Registrations**

Included in all packages:

- Where required we will incorporate a Limited Company to your specifications on your behalf
- Where required we will register your Limited Company for HMRC's PAYE Scheme
- Where required we will register your Limited Company for VAT and where appropriate particular VAT schemes, such as the VAT Flat Rate Scheme.
- Where required we will register your Limited Company for Corporation Tax
- Where required we will register yourself for Self-assessment
- Limited Company Year End Accounts

**Included in all packages:**

We will prepare your company's year-end financial accounts under UK generally accepted accounting principles ('UK GAAP').

Following your approval we will submit the year end accounts, on your behalf, to Companies House and HMRC as appropriate.

### **Corporation Tax returns**

**Included in all packages:**

- We will prepare your company's annual CT600 (Corporation Tax return).
- Following your approval we will submit the CT600, on your behalf, to HMRC.
- Dealing with routine HMRC correspondence.

### **Paying Yourself**

Included in the CBOS Contractor package.

Available at additional cost for CBOS Business packages:

- We will provide advice on the most tax efficient methods of paying yourself.
- On request we will provide you with an estimate of your tax liabilities based on your current earnings.
- On request we will provide copies of payslips and dividend vouchers
- We will provide general advice around operating PAYE.
- We will make monthly PAYE RTI submissions on your behalf based on a pre-agreed salary.
- We will prepare P11Ds and P11DBs as required and following your approval we will submit to HMRC on your behalf.

- We will prepare P45s as required.
- Dealing with routine HMRC correspondence.

## **VAT**

Included in the CBOS Contractor package:

- Calculation of quarterly VAT returns and following approval we will submit to HMRC on your behalf
- We will provide general advice around VAT, such as the most appropriate VAT scheme for your business.
- Dealing with routine HMRC correspondence.
- Company Administration

## **Companies House**

Included in the CBOS Contractor package:

- Informing Companies House of changes to officer and company information
- Annual Returns prepared and submitted to Companies House

## **Self-assessment tax returns**

Included in the CBOS Contractor package:

- We will calculate and prepare your annual self-assessment income tax return (SA100) based on the information you provide to us.
- Following your approval we will submit your SA100, on your behalf, to Companies House and HMRC as appropriate.

## **Management Accounts**

We will prepare monthly management accounts based on the financial information contained in your online accounting software

We will always strive to deliver management accounts within the first ten days of the subsequent month, however delivery of the accounts may be delayed where we have incomplete information.

## **Bookkeeping**

Available at additional £50 per month for the CBOS Contractor package:

- We will raise and send your Sales invoices to your customers
- We will enter Purchase invoices you provide into your online accounting software.
- We will enter and reconcile bank statements you provide into your online accounting software.
- We will update your online accounting software with the information provided once a week.

## **Out of scope services**

Where you have instructed us to do so, we will also provide other advice and ad hoc services as may be agreed from time to time. These may be the subject of a separate terms of engagement, at our option. Where appropriate we will discuss and agree an additional fee for such work.

Where specialist advice is required on occasions we may need to seek from or refer you to appropriate specialists.

## **YOUR RESPONSIBILITIES**

### **Provision of information**

Our service is wholly dependent upon your online accounting software being kept up to date such that it reflects the true status of your company's financial status.

You agree to keep your online accounting software up to date with all your trading activities, including entering all invoices and expenses, recording withdrawals and payments and reconciling with your company bank and credit card statements on a regular basis. Where we provide our bookkeeping service you agree to send us all documentation required on a regular basis.

It is wholly your responsibility for the accuracy and completeness of the data entered into your online accounting software and we are wholly dependent upon you entering this in a timely way. We are under no obligation to specifically identify missing or incomplete information.

You must ensure that we have complete and accurate information throughout the subscription period, including any changes to company structure, trading activity, business address and personal contact details.

Where we complete your self-assessment tax return (SA100) it is wholly your responsibility to ensure we are aware of all relevant earnings. We will not be held responsible for any errors that arise due to incomplete information being provided to us.

You will forward to us HMRC statements of account, copies of notices of assessment, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the statutory time limits.

### **Earlier accounting periods**

If you have already been trading as a Ltd company and used an agent to look after your company's accounting activities previously we will contact them to gain Professional Clearance and obtain your historical data, which we are required to do immediately upon you joining CBOS.

If you have accounts from previous years that have not yet been finalised and we do not have opening balances from these periods your online accounting software will not be a true reflection of your company's current financial status until we have this information.

If you start to use our Service midway through your current trading year you will be required to enter any trading activities already undertaken into your online accounting software.

CBOS will start acting as your accountant for the financial year in which you sign up to CBOS. Any previous year's Accounts must be completed and filed by your previous agents if you have one, or arrangements can be made separately for CBOS to perform these activities.

### **VAT Registration**

If you are not registered for VAT it is your ultimate responsibility 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.

### **Directors' Legal Responsibilities**

As a company Director you are legally responsible for the following, although we will assist you in each step the ultimate legal responsibility remains with the company Directors.

Ensuring all returns and accounts are correct and complete;  
Providing approval to file any returns by the due date; and  
Making payment of tax on time.

## **SUBSCRIPTION AND PAYMENT TERMS**

A subscription fee for the use of the Service is payable monthly in advance by the Client. Our fees are posted on our website and we may vary these from time to time.

You will be notified of any changes to our current price plan. It is a requirement that all Clients agree to have a direct debit setup for payment of monthly fees.

Please note that the Service relies upon the continuous payment of monthly fees. We will not be under any obligation to provide any part of our Service if monthly fees are not paid to us on time (10 days after invoice date). If fees become overdue we reserve the right to suspend or limit your access to the Service until the balance is paid.

CBOS cannot be held liable for any fines incurred resulting from this, and all our obligations under these terms of engagement are suspended.

Additional charges may apply for activities that fall outside the Service.

Our service is not intended to be one that may be dropped in and out of. As such we reserve the right to charge returning Clients for any fees missed during any period of absence. Similarly where we agree to prepare a set of annual accounts or tax return within the first three months of providing our Service to you we reserve the right to request three months' worth of fees upfront or for written agreement that you will remain an active subscriber for at least three months.

## **Adhoc Work**

From time to time we will complete adhoc work for non-subscribers. Unless the work is of a nature not covered by our services above we will not tend to provide an engagement agreement except upon request.

Our payment terms for such work will be invoice net 14 days once the bulk of the work is complete, in most cases this will be at the same time we provide a final draft report for review.

## **CANCELLATION**

You can close your account with us at any time by putting this in writing to [admin@CBOS.co.uk](mailto:admin@CBOS.co.uk).

If you are leaving immediately no additional fees will be billed and no refund will be made for fees already billed and paid.

On cancellation it will be your responsibility to export all required data from your online accounting software or alternatively to request that we transfer the billing for your online accounting software to your own account.

Following the cancellation of the Service, CBOS will have no further responsibility to provide any part of our Service with immediate effect.

## **OUR TERMS OF BUSINESS**

### **Applicable Law**

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

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

### **Client identification**

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

### **Commissions and other benefits**

In some circumstances we may receive commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits. If we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission.

### **Complaints**

We are committed to providing you with a high quality service that is both efficient and effective. However, should there be any cause for complaint in relation to any aspect of our service please contact Patrick Nicholson, Director (Patrick.nicholson@CBOS.co.uk). We agree to look into any complaint carefully and promptly and do everything reasonable to put it right.

### **Confidentiality**

Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

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

### **Data Protection**

We confirm that we will comply with the provisions of the Data Protection Act 1998 when processing personal data about you and your family. In order to carry out the services of this engagement and for related purposes such as updating and enhancing our client records, analysis for management purposes and statutory returns, legal and regulatory compliance and crime prevention we may obtain, process, use and disclose personal data about you.

## **Electronic and other communication**

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

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications, which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs.

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

## **Intellectual property rights**

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

Internal disputes within a client

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

## **Lien**

Insofar as we are permitted to 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.

## **Limitation of liability**

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

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

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

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

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

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

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

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

### **Indemnity for unauthorised disclosure**

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

### **Limitation of aggregate liability**

Our maximum liability will be capped at our annual fees. That sum shall be the maximum aggregate liability of this company, its directors, agents and employees to all persons to whom the engagement letter is addressed and also any other person that we have agreed with you may rely on our work. By signing the engagement letter you agree that you have given proper consideration to this limit and accept that it is reasonable in all the circumstances. If you do not wish to accept it you should contact us to discuss it before agreeing to our terms of service.

### **Limitation of Third Party rights**

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

### **Period of engagement and termination**

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

Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

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

### **Professional rules and statutory obligations**

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

### **Reliance on advice**

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

### **Retention of papers**

You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you if requested.