



Dear Client

LETTER OF ENGAGEMENT

Thank you for appointing us as accountants and tax advisers to you, your company or business (and its subsidiary undertakings), hereinafter referred to as client(s). We look forward to being of service to you in the coming years.

The purpose of this letter, including all pages and Appendices, is to set out the basis on which we are to act as accountants and tax advisers to you as clients(s) and the respective areas of responsibility of the proprietors/directors/partners and of ourselves.

The Avanti Group (UK) Ltd will be referred to in this document as 'Avanti'.

1 Ethics

We are bound by the ethical guidelines of our professional Institute and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines. We confirm that we will notify you immediately we become aware of any conflict of interest, which we are subject to in relation to the affairs of your company or business and its proprietors, directors or partners.

2 Responsibilities

- a. As proprietor/proprietors/directors/partners of the business/company, you are responsible for maintaining proper records and for preparing accounts that give a true and fair view and comply with the relevant legislation. You are responsible for ensuring that to the best of your knowledge and belief financial information, whether used by the business/company or for the accounts, is reliable.
- b. You are also responsible for determining whether, in respect of the year, the business/company meets the conditions for exemption from an audit of the accounts set out in section 249A of the Act, and for determining whether, in respect of the year, the exemption is not available for any reasons set out in section 249B.
- c. You are responsible for ensuring that the activities of the business/company are conducted honestly and that its assets are safeguarded, and for establishing arrangements designed to deter fraudulent or other dishonest conduct and to detect any that occurs as well as ensuring that the business/company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- d. You have undertaken to make available to us, as and when required, all the business/company's accounting records and related financial information, including minutes of management and shareholders' meetings necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information.

3 Responsibilities of accountants

- a. We shall plan our work on the basis that statute or regulation for the year requires no report; unless you inform us in writing that the business/company requires an audit of the accounts.
- b. Should you instruct us to carry out an audit then a separate letter of engagement will be required.

- c. Our work as accountants will not be an audit of the accounts in accordance with Auditing Standards. Accordingly, we will not obtain any evidence to support the entries in the accounting records, the existence, ownership or value of assets or the completeness of the estimates and judgements made by you in your preparation of the accounts. Consequently, our work as accountants will not provide any assurance that the accounting records or the accounts are free from material misstatement, whether caused by fraud, other irregularities or error.
- d. 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 2006* and applicable accounting standards. Where we identify that accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent we will report this to you.
- e. We have a professional responsibility not to allow our company name to be associated with accounts, which may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the accounts may be misleading, and the matter cannot be adequately dealt with, we will withdraw from the engagement, and will notify you in writing of the reasons.
- f. We shall report, with any variations that we consider may be necessary, that in accordance with your instructions and to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from the accounting records of the business/company and from the information and explanations supplied to us.

4 Services

It is agreed that we will carry out the following services on your behalf as agents and on the basis that you will make full disclosure of all relevant information: ¹

- a. Preparation of accounts/statutory statements and submission to relevant authorities – at 2 & 3 above;
- b. Business planning, analysis and 10 minutes' free advice per month and one free meeting per annum;
- c. Preparation of prime books of record (bookkeeping) and advice – appendix 1;
- d. Preparation of VAT returns and advice – appendix 1;
- e. Payroll services and advice – appendix 2;
- f. Company Secretarial duties and assistance to the Company Secretary, see 11;
- g. Corporate taxation services as detailed in 5 below;
- h. Proprietors/directors/partner's personal taxation services as detailed in 6 below;
- i. Business Coaching
- j. Any other service as designated from time to time.

5 Taxation services

- a. You are legally responsible for making a correct return in respect of the business/company's annual tax liability and for payment of the tax on time.
- b. It is therefore essential that we, as your agents, be supplied with all relevant information concerning the business/company's taxation affairs in good time. Would you please therefore let us have copies of any communications you receive from HMRC?

5.1 Ethics

- a. We are bound by the ethical guidelines of our professional Institute and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

5.2 Tax returns and computations

- b. We will prepare, in respect of each accounting period of the business/company, a computation for corporation/income tax purposes adjusted in accordance with the provisions of the relevant acts and memorandums. We will also prepare the tax return required under tax self-assessment. The tax return, together with the supporting tax computations, will be sent to you for approval and signature prior to submission to the inspector of taxes.

¹This L.O.E. covers the services specified in 4(a)-4(j) and all relevant appendices. If any of these are not relevant or you require additional services to that originally agreed, then only the relevant section and appendices will apply.

- c. It should be recognised that in law a taxpayer cannot contract out of his fiscal responsibilities and that we prepare computations and return forms as agent for the business/company. 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.
- d. We will advise you of the tax payments to which you/company will be liable, together with the due date of payment. [Where appropriate we will appeal against excessive or incorrect assessments to corporation/income tax and apply for the postponement of tax.]
- e. Where necessary we will deal with any enquiries raised by the inspector of taxes and negotiate with HMRC on any question of taxation interest or penalties, which may arise.
- f. Where agreed, we will provide planning and analysis to minimise taxes and maximise profits by different methods determined by us from time to time.

5.3 Other returns

- a. The business/company is responsible for all other returns, particularly including those relating to employees' taxes, PAYE and VAT. We shall, however, be happy to advise in this connection should you not appoint us to act for the business/company in respect of these matters.
- b. Where agreed, we will provide planning and analysis to ensure that taxes due under 5(a) are minimised. These are not regulated tax avoidance schemes as required to be disclosed on the tax return.

6 Proprietors/directors/partners' tax returns

- a. We will prepare on an annual basis, as their agents, the personal tax returns of the proprietors/directors/partners from information supplied by them and the business/company together with supporting schedules of investment income and other relevant information in support of the figures on the return form.
- b. We will also prepare detailed capital gains tax computations if applicable. We will forward the tax returns to the relevant proprietors/directors/partners for their approval and signature and we will then submit the returns and supporting schedules to the inspector of taxes.
- c. Where necessary we will deal with any queries raised on these tax returns by the inspector of taxes and negotiate with HMR&C on any question of taxation, interest or penalties, which may arise.
- d. It is the statutory responsibility of each individual taxpayer to ensure that all returns of income made by him are correct. This responsibility cannot be delegated to an agent. The proprietors/directors/partners should supply us with full details of all sources of income arising together with full information concerning any expenses or allowances, which may be available for tax relief.
- e. Where agreed, we will provide planning and analysis to ensure that taxes due under 5(a) are minimised. These are not regulated tax avoidance schemes as required to be disclosed on the tax return.
- f. Our fees for this work may not be included in our charges to the business/company; however, proprietors/directors/partners are reminded of the requirement to include any resultant benefit arising on forms P11D.

7 General tax advice

- a. We will be happy to help the business/company generally with any matters relating to its taxation affairs. Please advise us in good time of any proposed transactions. Tax legislation changes frequently, and we would recommend that you ask us to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken (complicated and time-consuming advice is chargeable with proprietors/directors/partners' consent). See Appendix 3.

8 Help us to give you the best service

- a. We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please inform us promptly.
- b. We undertake to consider any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action for your benefit.
- c. Should you, at any stage, feel that you have not received an adequate response to a complaint the circumstances should be brought to the attention of Mrs Victoria Sharp – Managing Director - The Avanti Group (UK) Franchise Ltd – victoria.sharp@avantigroup.uk.com.
- d. In the event that your accountant is unable, for unforeseen circumstances, to administer your accounts, tax or agreed services this Letter of Engagement, based on the requirements of the GDPR ensures the continuity of your service by the Franchisor The Avanti Group (UK) Franchise Ltd, who will ensure the highest level of continuity and service to you. In the rare circumstance you will also receive notification of this being the requirement.

9 Fees

- a. Our fees are computed based on time spent on your affairs and the responsibility involved by the proprietors/directors/partners and staff of this firm.
- b. Should you agree to go ahead and accept our proposal, then provide the initial information to set up our systems to allow us to produce the LOE / 64-8 and other related documents, then decide not to go ahead prior to any accounts/tax related work being completed and paid for – we have the right to charge a £25 + VAT admin fee.
- c. 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 year and will include “work in progress” in accordance with the latest A.S.B. guidelines.
- d. We will always attempt to provide an estimate of the potential fees; if this is on a fixed-fee basis we reserve the right to adjust this considering the work experience.
- e. We reserve the right to increase the fees annually at no more than 7.5% without written notice unless documents are received late (within two months of filing deadline) when a further surcharge may be applied if staff are required to work overtime to prevent late filing penalties.
- f. Unless specifically agreed or payment is made by standing order in advance, payment of our invoices is due within 14 days from the date of the invoice. We will file your accounts, tax and other related work with the appropriate authorities only upon receipt of payment of invoice(s).
- g. Late Payment Interest: Unless otherwise agreed you are reminded that if any payment is not received within 14 days a fixed fee charge of £40 will be applied which will be due immediately.
- h. Payment of our invoice is required before any submissions are made relevant authorities and in respect of statutory deadline(s) whichever is earlier, that deadline or 14 days from date of invoice.
- i. A credit limit will be set and once reached we reserve the right to demand immediate payment of any or all the outstanding invoices. The credit limit will be reviewed annually and considering past payment experience.
- j. We reserve the right to charge monthly interest to your account on the outstanding balance at a rate of 2% over bank base rate or fixed at 8% whichever is the greater as applicable each month until the invoice is paid in full. Any decision to charge this fee will be notified to you in writing.
- k. We reserve the right to request a deposit, or take Credit Card details, to use in the event the credit limit is reached, or payments are in default; before further work will be carried out, which will be held in a Client Account and used to offset any defaults and your account will be placed On Hold until full payment is received.

- l. If you are investigated by HMR&C we may ask you to provide a deposit toward the work to be carried out. Once work is completed and all invoice paid we will return any unused deposit held. Should you default on payment of any invoice the deposit will be utilised and the account placed On Hold until full payment has been made.
- m. Should errors arise from HMR&C in the completion of any class of work then we reserve the right to charge you for time taken in responding to and dealing with HMR&C on your behalf
- n. Should any fees be outstanding for more than twenty-one days from the due date then we reserve the right to instruct debt recovery agents (*all costs will be borne by debtor*) and any further work must be paid for in advance.
- o. Additional charges may apply if amendments are required to either printed tax returns or accounts due to further information being subsequently provided or previously omitted.
- p. We reserve the right and this letter is taken as our authority to seek information from Credit Referencing Agencies and to pass your details to a debt collection agency should the need arise.
- q. When we are asked to prepare *financial accounts* for approval then included within your fee will be one meeting per annum, lasting no more than one hour. Any time in excess of that, or further meetings, will be charged at the staff member's applicable hourly rate relevant at that time. This is not applicable to preparation of tax returns only and time not used cannot be carried forward to another period
- r. Any fees paid by an agreed Standing Order are based on an annual period from April to March, thus the figure will be amortised if not commenced on these dates and any adjustments to this will be made annually in April.
- s. In some circumstances, commissions or other tangible benefits may become payable to us in respect of introductions to other professionals or transactions we arrange for you. While we are required to account for commissions received, you agree that we may retain any such commissions*.

10. Individuals Indemnity

- a. In consideration of Avanti entering this agreement with the client(s), the Individual, as primary obligor, irrevocably and unconditionally as separate and independent obligations:
 - guarantees the full, prompt and complete performance by the Clients(s) of each of its obligations under this agreement;
 - guarantees the punctual payment of all sums payable by the Clients(s) under this agreement or in consequence of any breach of the provisions of this agreement;
 - undertakes, immediately on demand, to perform or procure the performance of all the Clients(s) obligations referred to in clauses
 - undertakes to pay to the Avanti, immediately on demand and unconditionally, such sum to make good all losses, damage, costs and expenses arising out of the Clients(s) failure to perform such obligations, or pay such sums on the due date, or the Individual's failure to comply with the provisions of this clause
- b. Before making a demand under this clause 10.a, it shall not be necessary for Avanti to have made a demand on, taken out proceedings against, or taken any action to enforce any security against the client(s) or any other person. The Individual's liability under this clause shall not be reduced, discharged or adversely affected in any way, by:
 - any unenforceability, invalidity, irregularity, frustration or discharge by operation of law of any of the Client(s) obligations under this agreement; or
 - any legal limitation, disability, incapacity, other circumstances relating to the client(s); or
 - Avanti compromising, varying, extending, dealing with, renewing, releasing, refusing or neglecting to perfect or enforce any right, remedy or security against the Client(s) in respect of this agreement or any other document or security; or
 - anything which, but for this provision, might discharge, reduce or extinguish any of the Individual's liabilities under this clause.

The Individual's guarantee is a continuing guarantee and shall continue in effect until the Client(s) has paid and performed all sums and all obligations under this agreement.

11 Applicable law

- a. This engagement letter shall be governed by and construed in accordance with English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it.
- b. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim those Courts do not have jurisdiction.

12 Other services

- a. We will provide assistance to the Company Secretary by preparing and lodging returns with Companies House and drafting minutes for the proprietors/directors/partners' and annual general meetings required in approving and adopting the annual accounts. We will maintain the business/company's registered office facilities and statutory registers.
- b. We shall be pleased to assist you with any other services you may require and these will be invoiced separately.

13 File destruction

- a. Whilst certain documents may legally belong to the business/company, unless you tell us to the contrary, we intend to destroy correspondence and audit and accounts papers, which are more than seven years old unless we think they may be of continuing significance.
- b. If requested, or if paperwork is not collected within one month of request, or if any fees remaining outstanding, our fees may/will include storage facilities for 7 years. Thereafter the documents will be destroyed. Additional charges will apply for retrieval of paperwork during the 7-year storage period.

14 Money Laundering

- a. In accordance with the Terrorism Act 2000, the Proceeds of Crime Act 2002, the Fraud Act 2006 and the Money Laundering Regulations 2007 as updated from time to time, you agree to waive your right to confidentiality to the extent of any report made, document provided, or information disclosed to the National Crime Agency ("NCA").
- b. 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 further evidence after we have begun to act on your instructions and the evidence may include searching by electronic means.
- c. We are required to report directly to N.C.A. without prior reference to you or your representatives if during the course of undertaking any assignment the person undertaking the role of Money Laundering Reporting Officer becomes suspicious of money laundering.
- d. Please ensure **that you provide annually** your passport or driving licence together with a utility bill or bank statement (which must be no older than 3 months, showing your name and address) for purposes of checking identification under the above act. We reserve the right to refuse work should we not hold appropriate I.D.
 - a. Should you not be able to provide two forms of I.D., one being photographed and one being your name and address and/or if you do not meet with one of the Avanti representatives and can only contact us remotely – we will have the right to carry out external verification and a charge may be applied of £10 + VAT for this facility. Any information obtained is held in strictest confidence and will not affect your credit rating in any way.

15 Agreement of terms

- a. Once agreed, this letter will remain effective from the date of signature until it is replaced or terminated.
- b. We may make changes to this or any other Letter of Engagement from time to time without your consent. Any changes to our Letter of Engagement will be updated on the online copy available on our website. By continuing to access and use your Secure Client Portal Account (see para 19) after any changes to our Letters of Engagement you accept and agree to be bound by the updated Letter of Engagement, which is available for inspection on our website.
- c. You will be provided with a copy of the Letter of Engagement each year with your completed Accounts or Tax Returns
- d. Either party may vary or terminate our authority to act on your behalf at any time without penalty, unless invoices are outstanding. One month's notice of termination of any service must be given in writing.
- e. Any outstanding fees and that includes any work, time incurred, advice or services provided, will be invoiced and must be paid within seven days of termination or we reserve the right to instruct debt recovery agents and withhold professional clearance to your new advisers.
- f. Upon notice given by either party, if there are outstanding invoices and/or a payment plan has been agreed – this is withdrawn, and the total payment including any late payment fines and/or any late payment interest due is immediately required to be paid in full.
- g. We will provide Professional Clearance to your new accountants informing them of the outstanding fees and withhold any of our working papers, whether electronic or otherwise, which remain the property of Avanti, until all fees are paid in full. Any documents belonging to you or your company will be returned.
- h. You agree to pay for all work done on your affairs at any time up to the point we receive written notification from you to cease work. This includes any work we may choose to do to prevent any loss or otherwise, including notifications by email, letter or phone, requests for documents including subsequent reminders, at any point in time up to the date we receive the above written notice from you to stop work.
- i. Certain services, for example Newsletters, reminders, some seminars and minimal advice time (less than 15 minutes), are free to fee paying clients. The responsibility to submit any returns or make any payments due to relevant authorities on time is the responsibility of the client - neither HMRC or Avanti can be held responsible if a deadline is missed, whether reminders are provided or not. All other services may be charged in accordance with 15e. above.
- j. Any money paid by Standing Order this will be used to offset against the costs of any work done, advice or services provided. Any remaining costs must be paid in accordance with paragraph 15e. above.

16 General

- a. Whether or not induced by you to leave service with Avanti or any of its subsidiary companies ("Avanti"), should an ex-member of staff of Avanti be employed by you within 12 months of leaving service with Avanti whether or not in the role which would have normally been performed by that person within your business if still employed by Avanti, then a fee of 25% of that person's last annual salary whilst in the employ of Avanti shall be immediately payable by you to Avanti.
- b. Should any member of staff of Avanti or any of its subsidiaries ("Avanti") recommend a business/company or individual to you to perform any services whatsoever, then Avanti or its employees cannot be held responsible for any work undertaken or advice given by that recommended person, business or company.
- c. We are required to provide HMR&C with authority to act and we must hold an authorised 64-8 (authorising your agent) and FBI2 (authorising on-line PAYE) prior to commencing work on your behalf.

- d. Important: authorising the annual accounts, corporate tax returns, personal tax returns, HMR&C agent form 64-8 and or any other documents required for us to complete your work constitutes acceptance of the terms and conditions described herein.
- e. Once we hold your authorisation of engagement (unless otherwise agreed) we will contact your previous accountants for “professional clearance” and until this is received we cannot proceed with any accounting or compliance work on your behalf.

17 Data Protection

- a. We confirm that we will comply with the provisions of the Data Protection Act 1998 and all EU directives under the General Data Protection Regulations (GDPR) when processing personal data about you, your business or company and your family.
- b. 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 and/or your business or company and / or your immediate family.²
- c. You have a right to see the data we hold and on written request this will be provided within one month from the date of the request being received either electronically, registered post or in person to an authorised member of staff, that being a Director of Avanti or their appointed Manager.

18 Professional Indemnity Insurance / disclaimer

- a. Avanti holds PI Insurance to the value of £750,000 for each claim.
- b. Our Insurance Policy has been arranged by reputable UK Insurer and underwritten by their chosen company which is authorised and regulated by the Financial Services Authority. This can be checked on the FSA register by visiting the FSA website at www.fsa.gov.uk/register or by contacting them on 0845 606 1234.
- c. This Policy will cover you for work carried out in Great Britain, Northern Ireland, the Channel Islands and the Isle of Man only.
- d. Any advice provided by Avanti, to the best of our knowledge and belief, is complete and accurate as at the date it is given. However, any advice is based on information provided to us by you and by other third parties (such as HM Revenue & Customs) and we shall have no liability for any errors or omissions in our advice which are attributable to any defects in that information except to the extent we ought reasonably to have been aware of those defects.
- e. You are legally responsible for making correct returns and for payment of tax on time. It should be recognised that in law a taxpayer cannot contract out of his fiscal responsibilities and that we prepare computations and tax returns forms only as agent for the individual, business or company. If we have asked you for information to complete the relevant returns and these have not been provided within the time-scale requested, so that the preparation and submission of these returns is delayed, we accept no responsibility for any penalty or interest that may arise.

19. On-site staff

- a. Should any staff of Avanti, or any subsidiary, visit your office premises, home, or other workplace as designated from time to time, you will be responsible for providing the necessary liability insurance as required by UK law.
- b. By signing a hard-copy, or other electronic signature of this document, you agree that it is your responsibility to ensure the safety and well-being of any staff of Avanti or its subsidiaries, at all times when they are on your premises, home or other work place as designated from time to time.

² Complying with Article 6(1) of the GDPR

20 Third-Party Software

- a. The use of any third-party software supplied, recommended or discussed by Avanti, is done at your own discretion and risk and with agreement that you will be solely responsible for any damage to your computer system or loss of data that results from such activities and is provided without warranty of any kind, either expressed or implied and such software is to be used at your own risk.
- b. You are solely responsible for adequate protection and backup of the data and equipment used in connection with any of the software, and we will not be liable for any damages that you may suffer connection with downloading, installing, using, modifying or distributing such software.
- c. No advice or information, whether oral or written, obtained by you from us or any of Avanti's websites shall create any warranty for the software.
- d. Any links to third-party software available on any Avanti website are provided "as is" without warranty of any kind, either expressed or implied and such software is to be used at your own risk.
- e. Additionally, we make no warranty that:
 - I. That any third-party software will meet your requirements.
 - II. That any third-party software will be uninterrupted, timely, secure or error-free.
 - III. The results from the use of the third-party software will be effective, accurate or reliable.
 - IV. The quality of the third-party software will meet your expectations.
 - V. If errors or problems occur in connection with a download of the third-party software obtained from us or Avanti Websites, they will be corrected.
- f. Any links to third-party software and the related documentation made available on are subject to the following conditions:
 - I. The software could include technical or other mistakes, inaccuracies or typographical errors.
 - II. At any time without prior notice, we may make changes to the links pointing to third-party software or documentation made available on the third-party's website.
 - III. The software may be out of date, and we make no commitment to update such materials.
 - IV. We assume no responsibility for errors or omissions in the third-party software or documentation available from its website.
 - V. In no event shall we be liable to you or any third parties for any special, punitive, incidental, indirect or consequential damages of any kind, or any damages whatsoever, including, without limitation, those resulting from loss of use, lost data or profits, or any liability, arising out of or in connection with the use of this third-party software.

21 Electronic Signatures

- a. We use Advanced Electronic Signatures complying with e-IDAS regulation, qualified electronic signatures (QES) which has the equivalent legal effect of a handwritten signature, and a QES issued in one-member state shall be recognised in all EU member states.
- b. Electronic signatures are a recognised and legally binding means of signing documents and contracts in most countries around the world. Therefore, any document signed via our Client Portal E-Sign facility across the UK and EU member states is legally valid.
- c. In any legal proceedings—
 - (a) an electronic signature incorporated into or logically associated with a particular electronic communication or particular electronic data, and
 - (b) the certification by any person of such a signature, shall each be admissible in evidence in relation to any question as to the authenticity of the communication or data or as to the integrity of the communication or data.

- d. For the purposes of this section an electronic signature is so much of anything in electronic form as—
 - (a) is incorporated into or otherwise logically associated with any electronic communication or electronic data; and
 - (b) purports to be used by the individual creating it to sign.
- e. For the purposes of this section an electronic signature incorporated into or associated with a particular electronic communication or particular electronic data is certified by any person if that person (whether before or after the making of the communication) has made a statement confirming that—
 - (a) the signature
 - (b) a means of producing, communicating or verifying the signature, or
 - (c) a procedure applied to the signature, is (either alone or in combination with other factors) a valid means of signing.
- f. You are responsible for maintaining the confidentiality of your account and password and for all activity on or through your Avanti Secure Client Portal Account (SCPA), including unauthorised access by third parties and you must not sell, transfer, license or assign your account, username, or any account rights, Avanti cannot be held responsible for any breach.
- g. You must notify Avanti immediately of any unauthorised use of your account. Avanti are not liable for any loss or damage arising in connection with any unauthorised use of your account.
- h. We will assume that all correspondence, orders, transfers and instructions made by reference to your username and password are made by you and as such are legally binding under C,D & E above.
- i. We can decline to act on your instructions or suspend your Account if we suspect illegal or fraudulent activity or unauthorised use of your SCPA

Thank you for again appointing us as accountants and tax advisers to you, your company or business. We look forward to being of service to you in the coming years.

Yours sincerely

Avanti

Prime Books of Record (Bookkeeping)

Where we have agreed to write up the financial records of your business on your behalf and as your agents and on this basis, you will make available all necessary prime information for the completion of our work. This information may include:

- All supplier invoices;
- All sales invoices;
- Expense receipts;
- Cheque payment Control Sheets;
- Bank receipts Control Sheets;
- Debit Card & Credit Card statements;
- Bank statements;
- Petty cash vouchers;
- Till rolls;
- Payroll details (staff hours and changes);
- Stock details.

We will provide (where agreed):

- Debtor control;
- Aged debtor report;
- Credit control;
- Aged creditor report;
- Bank control;
- VAT control and reporting;
- Profit & Loss report;
- Asset & liability reports;

Where agreed, we will prepare quarterly management accounts on your behalf (once fully set-up). These will include, where permissible, quarterly comparisons, analysis of trading and advice in respect of trading activities.

We will undertake this work on a weekly or monthly basis always providing the necessary records and information are available on time.

We will meet with you as appropriate to discuss the management accounts and advise as required.

Our work as bookkeepers will not involve any audit. Accordingly, we will not obtain any evidence to support entries in the accounting records, the existence, ownership or value of assets or the completeness of the estimates and judgements made by you. Consequently, our work will not provide any assurance that the accounting records or the accounts are free from material misstatements whether caused by fraud, other irregularities or error. Should you require audit, or we feel that to prevent material misstatements, or for any other reason, an audit is required, then we will provide an estimate for the work required and obtain your approval prior to commencement.

³ If Applicable

Payroll

2.1 Where we have agreed to prepare the payroll for your staff on a weekly, monthly or another basis we will provide you with:

- All staff payslips & envelopes (unless via email);
- Monthly P32 and payment slip;
- Monthly staff historical reports;
- Annual P60's
- P11D's

The following reports will be prepared but copies kept at our offices to enable us to properly complete the work.

- All staff P11 NIC & PAYE
- Payment summaries parts 1,2, & 3;
- Update record check reports
- P45 details in respect of both new staff and staff leaving your employment;
- Annual P14 & P35's;
- Data back-up;

You will undertake to make available to us as and when required all the records and related financial information necessary for the compilation of the staff payroll. You will make full disclosure to us of all relevant information and provide the following:

- Weekly / monthly time-sheets or details of pay for all staff;
- Any changes in standard staff hours/pay relevant to the period (including overtime);
- Staff joining your business/company - P45 or P46;
- Staff leaving your employment;
- Full details of any staff sickness and SSP;
- Staff claiming SMP;
- Staff holidays & details of holiday schemes;
- Full details of any deductions to be made (student loans, attachment orders etc);
- Details of business/company vehicles allocated to staff;
- All details of P11D returnable expenses (benefits in kind);

⁴If Applicable

Specialist or Ad-Hoc Tax Advisory Services

This schedule should be read in conjunction with the attached engagement letter and our standard terms and conditions contained therein.

1. We will provide *ad-hoc tax advisory services* as requested by you from time to time or we will provide one-off *tax advisory services in response to a specific request by you*.
2. Our billable services will include telephone conversations, attendance at meetings and written advice as and when requested by you.
3. If during the tax year (April 6th – April 5th) or your companies accounting year you seek to avail yourself of our advisory services, or receive any recirculated advice, you will by accepting the service be agreeing to our latest Letter of Engagement, a copy of which is always available on our website.
4. Any changes to our Letter of Engagement will be updated on the online copy available on our website
5. Where additional expertise is required we may need to seek this from, or refer you to, another specialist.

Changes in the law

6. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
7. 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

Your responsibilities

8. You agree to provide full information necessary for us to advise in relation to your affairs. We will rely on the information and documents being true, correct and complete and will not audit the information or those documents.
9. If you require tax advice in relation to a proposed transaction, we recommend that you instruct us sufficiently in advance so that we have time to give properly considered advice prior to the transaction taking place.
10. You agree to authorise us to approach such third parties as may be appropriate for information that we consider necessary to provide the advice.
11. You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material or not, please let us know so that we can assess the significance.
12. If applicable, 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 exceed the VAT registration threshold and wish us to assist you in notifying HMRC of your liability to be VAT registered, we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration 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 exceeded the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty because of your inaction or error.

⁵ if required under 4(i)

I/we hereby confirm that I/we have received a copy of this Letter of Engagement for this financial/tax year.

I/we understand that you will safely store my details and contact me from time to time for marketing purposes.

My/our signature(s) hereon or any approved Electronic Digital Signature as regulated by the Electronic Services Regulation 2014 (ESR)⁶ is also an agreement that I/we understand and agree the position of my/our Director Loan Account(s). I/we also agree to the terms and conditions contained herein and relevant appendices. In accordance with the Proceeds of Crimes Act 2002 & Money Laundering Regulations 2007, if I / we have not provided the relevant ID within the last 12 months, I/we hereby attach an updated copy of my/our Driving Licence(s) and/or Passport(s), together with a Utility Bill(s) or Bank Statement(s) dated within the last three months, that shows my/our current address and if not attached we agree to your digital confirmation of proof of ID and address.

⁶ The legal framework for electronic signatures in the UK is based on the Electronic Services Regulation 2014 (ESR), which came into effect on 1 July 2016 and was implemented in the UK by the Electronic Identification and Trust Services for Electronic Transactions Regulations 2016. See 19. above