**Letter of Engagement**

(1) Zonet Accounting LTD (Company No: **14634349**.) of **Unit 7-8, Delta Bank Road, Metro Riverside Park (Hindsight), Gateshead, England, NE11 9DJ,** (“Zonet Accounting”) and

(2) ...................................................................................................................................................................................................................................

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The purpose of this engagement letter is to set out the basis upon which you have instructed us in connection with your affairs.

**Accountancy Services**

We agree to prepare, draft and finalise the accounts from the information supplied to us either directly by you or under your authority.

We will examine the records and make such inquiries, as we consider necessary to enable us to prepare the accounts for you but will not be performing an audit. If your board of directors (if appropriate) has not already agreed and recorded a decision not

to have an audit, it should do so without delay, and copy of the relevant minutes should be sent to us for our records.

**Bookkeeping Services**

We can offer a range of accountancy services; these will be performed upon receiving specific instructions from you. We understand individual needs vary and are happy to tailor our services to your specific requirements

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As to the specific tasks to be performed, you agree that we will be responsible for:

* keeping the records of receipts and payments.
* reconciling the balances of monthly bank statements.
* keeping posted and balanced the purchase and sales ledgers and the nominal ledger regularly.
* preparing a detailed list of ledger balances regularly and at the end of the year.
* calculating and submitting the PAYE tax liability returns for you and your employees.
* preparing and filing your VAT returns.
* preparing and filing your annual accounts and return and your corporation tax return.
* preparing and filing your ‘self-assessment’ return.
* preparing your monthly management accounts and giving you general business advice.

**Revenue tax returns**

The responsibility for the prevention and detection of irregularities rests with you, and our examination of the accounting records should not be relied upon to disclose irregularities that may exist. We shall discuss the accounts with you prior to their finalisation and after any adjustments arising from these discussions, we shall ask you to approve the

accounts by your to signing of the following statement that will be incorporated into the accounts:

*“I approve these accounts and confirm that I have made available all relevant records and information for their preparation”.*

Our accountant’s report, which will be attached to the accounts will take the following form:

*“In accordance with the instructions given to us by our client we have prepared, without carrying out an audit, the attached accounts from the accounting records and from the information and explanations given to us by our client”.*

We shall send you a questionnaire each April which we hope you will find helpful in collating the material which you will need to send to us. You may find it helpful to arrange with your bank, building society, and broker for them to send the information directly to us on a regular basis and we shall be pleased to help establish such arrangements. Any return will be sent to you for review and signature before it is submitted to the HMRC on your behalf. It is essential that the return is carefully checked by you to ensure that no source of income or gain has been inadvertently omitted, since the accuracy of the return remains your legal

responsibility.

We will also advise you of your tax position for the year and the likely payment date of liabilities. The late submission of a tax return, as well as the omission of a source of income or gain, will give rise to a penalty. To meet that timetable materials should reach us as soon as possible after the end of each year and preferably no later than 3 months after the year end date.

We will be happy to review the interim payments on account shown on the HMRC

statement of account, apply for any postponement which may be necessary and advise you in connection with the payment of tax due thereon. We will ask you to sign the appropriate authority which enables HMRC to send us copies of the statement of account.

**PAYE reporting**

If your company enters into the agreement with businesses as the “Contractor”, situations may arise where it may be necessary for the business to regard the individual as an employee as opposed to a self-employed contractor. If HMRC’s **IR35 rules** are applicable, then we will need to deduct Income Tax and employee National Insurance and Employer

National Insurance contributions as appropriate at source. Where deducted at source we will pay the amounts due directly to HMRC.

Pay and deductions will need to be reported to HMRC using a Full Payment Submission.

HMRC provides some guidance on its website about employment, self-employment, and IR35. Its decisions on these points are often based on a “balancing exercise” in which it gives weightings to various factors. However, neither the HMRC guidance nor

case law is sufficiently precise enough to enable anyone to predict how, in any individual case, the “balancing exercise” would be carried out or what HMRC’s conclusion would be about that case. For that reason, we recommend that before you decide to take on a new contract, you should ask us in relation to the circumstances as to any impact on you and your company of employment law, IR35, tax, and NIC rules.

**Client Identification**

In common with all other professional accountancy and taxation firms, we are required to establish positive identification of our clients, under the UK anti-money laundering legislation (the Money Laundering Regulations 2007 and revised 2011). We will request from you and retain for a period of five years after the conclusion of our business with you, such information and documentation as we require for these purposes and/or make searches of appropriate electronic databases. We regret that this law applies even if you have already been our client for some years. As one of the requirements of the Money Laundering Regulations we will require you to produce evidence of identity, such as

a passport, and evidence of residence. It may be appropriate under the Regulations to seek renewal of these documents from time to time. You agree that we reserve the right to seek independent verification of your identity from a third part and on an ongoing basis if necessary.

We are supervised under the above Regulations by the Institute of Financial Accountants.

In accordance with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007 and revised 2011, you agree to waive your right to confidentiality to the extent of any report made, document provided, or information disclosed to the Serious Organised Crime Agency (SOCA). In signing your copy of this Engagement Letter, you also acknowledge that we are required to report directly to SOCA, without prior or subsequent reference to you or your representatives, if during the course of undertaking any assignment the person undertaking the role of Money Laundering Reporting Officer for this firm becomes suspicious of possible money laundering. Under the provisions of the Proceeds of Crime Act 2002, you will not be informed if or when such a step has been

taken.

**Duration**

Once it has been agreed, this letter will remain effective from one year to the next until this is replaced. This agreement may be ended by either of us giving notice in writing to the other and we will cease to work from the date we become aware that this retainer has ended. Any variations to this agreement must be agreed in writing and you may be required to sign a new engagement letter to continue our instruction.

This letter of engagement is governed by, and is to be construed in accordance with, the laws of England. We hope that this letter summarizes the terms under which you have asked us to act on your behalf, in which case we should be grateful if you could kindly acknowledge receipt of this letter and indicate your agreement to it by signing this copy and

returning it to us. If you do not agree with our understanding of the agreement, please let us know as soon as practicable.

Yours sincerely

Director

**Acceptance**

I acknowledge receipt of your letter and the Standard Terms and Conditions which fully record the agreement between us concerning your appointment to carry out the work described in those documents.

Date (10/10/2023

Sign:

Your Position in the business:

Print Name: