



## Accounts and business tax

Your annual accounts are a very important piece of the compliance jigsaw that you, as a business owner, must complete accurately and promptly. You don't have the time or expertise to produce the accounts yourself and want to outsource this work as painlessly as possible. But you do want to be sure that the figures are reliable, technically compliant and that all possible ways of reducing the taxable profits have been identified and explained to you.

Our accounts and business tax service has been designed to fully meet these needs and includes the following key features:

- we will have a planning discussion with you well in advance of your year end
- just before the year end we will remind you of the information we need and agree a start date
- documents you provide to us will be scanned and returned with a PDF copy for easy retention by you
- we promise to have your accounts and tax computations ready within 30 working days
- if during our work we identify ways to make your record-keeping easier we will help you to implement changes
- we will undertake a full review of the figures and make tax reduction recommendations to you
- you will be provided with a copy of the accounts in PDF format for easy storage and distribution by you

We want you to be clear about what you can expect from us and let you know what we need from you.

### OUR RESPONSIBILITIES

You have asked us to help you prepare accounts for your business, comprising a profit loss account, balance sheet and relevant notes, that provide sufficient and relevant information to complete your self-assessment personal tax return. We will compile the accounts for your approval based on the accounting records that you maintain and the information and explanations that you give us.

We shall plan our work on the basis that no report on the accounts is required by statute or regulation for the year, unless you inform us in writing to the contrary. We will make enquiries of you and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements such as audits or reviews.

Our work will not be an audit of the accounts in accordance with International Standards of Auditing (UK and Ireland). So we will not be able to provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error nor to identify weaknesses in internal controls.

Since we will not carry out an audit, nor confirm in any way the accuracy or reasonableness of the accounting records, we cannot provide any assurance whether the financial statements that we prepare from those records will present a true and fair view.

We will advise you on whether your records are adequate for preparation of the accounts and recommend improvements.

We have a professional duty to compile accounts that conform with generally accepted accounting principles from the accounting records and information and explanations given to us. We also have a professional responsibility not to allow our name to be associated with accounts which we believe 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, we will discuss the matter with you with a view to agreeing appropriate adjustments. In circumstances where adjustments that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the accounts are misleading, we will withdraw from the engagement.

As part of our normal procedures we may ask you to confirm in writing any information or explanations given to us orally during our work.

We have agreed to carry out the following accounting and other services on your behalf:

- write up the accounting records of the company and;
- complete the postings to the nominal ledger.

We will calculate the capital allowances claim and taxable profits of the business from the accounts prepared by us and other information and explanations provided by you. We will advise you on the adequacy of your records for this purpose but we will not carry out an audit of those records.

We will be pleased to assist you generally in tax matters if you wish. To enable us to do this you will need to instruct us in good time and we will issue a separate fee quotation.



# PEARSON & ASSOCIATES

Because tax rules often change, you must ask us to look again at the tax advice we have already given you if a transaction is delayed, or if you are to make an apparently similar transaction.

We will confirm in writing advice upon which company may wish to rely.

## YOUR RESPONSIBILITIES

You have undertaken to make available to us, as and when required, all the accounting records and related financial information that we need to do our work.

You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the accounts, is accurate and complete. You are also responsible for ensuring that the activities of the business are conducted honestly and for safeguarding the assets of the business and for taking reasonable steps to prevent and detect fraud and other irregularities.

You will approve and sign the accounts to acknowledge responsibility for them, including the appropriateness of the accounting basis and for providing us with all information and explanations necessary for its compilation.

You are responsible for ensuring that the business complies with the laws and regulations that apply to its activities, and for preventing non-compliance and for detecting any that occurs.

You have agreed that you will:

- keep the records of receipts and payments;
- reconcile the balances monthly with the bank statements;
- post and balance the purchases and sales ledgers;
- extract a detailed list of ledger balances;
- provide to us a stock valuation at the accounting date
- provide to us a work-in-progress valuation at the accounting date

To enable us to carry out our work you agree:

- that all capital allowances claim and taxable profits calculations are to be prepared on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- 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;

- to provide us with information in enough time for the capital allowances claim and taxable profits calculation to be available for entry on your tax return so that it can be completed and submitted by the due date. To do this, we need to receive all relevant information by 31st August following the the end of the relevant tax year;
- that we can approach appropriate third parties for information that we consider necessary to deal with your affairs;
- to keep us informed about significant transactions or changes in the circumstances of your business if they are likely to affect your business tax position.

You will continue to deal with all matters required by law, such as but not limited to: Pay As You Earn including year end returns P35/P14/P60; forms P11D; returns for sub-contractors; tax credit claims; and VAT returns. If we have agreed to assist you with these matters, our terms for so doing will be specified separately.

## AGREEMENT OF TERMS

These terms take effect when we receive written or email confirmation that you wish us to provide this service and will continue until we receive written or email confirmation that you no longer wish us to provide this service.

We will deal with matters arising in earlier years as appropriate and will cease to deal with matters relating to current years as soon as we receive notice that you no longer wish us to provide this service.

We will provide the service set out above with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or HM Revenue & Customs.

You will not hold us, our directors and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with the service outlined above. You have agreed that you will not bring any claim in connection with the service we provide to you against any of our directors or employees personally.