



Brian Cohen
Chartered Accountant



A GUIDE TO MY ACCOUNTANCY PRACTICE



A GUIDE TO MY ACCOUNTANCY PRACTICE

Introduction

My name is Brian Cohen. I am a chartered accountant, based in north London. I have an accountancy practice.

I qualified as a chartered accountant in 1992, with the Institute of Chartered Accountants in England and Wales (ICAEW). Having worked in practice for many years, I have carried out accountancy work for many clients.

If you want detailed information that will help you to decide whether you want me to undertake any accountancy work for you, please read this guide to my accountancy practice.

Are my accountancy services suitable for you?

My accountancy services may be suitable for you if:

- you have a small service-based business;
- you need to complete annual self-assessment tax returns; or
- you need to use Making Tax Digital for Income Tax Self-Assessment to file quarterly updates and year-end tax returns.

Making Tax Digital for Income Tax Self-Assessment

If you have received income from self-employment or property, you may need to use Making Tax Digital for Income Tax Self-Assessment.

Making Tax Digital for Income Tax Self-Assessment is a new digital service for reporting self-assessment information to HM Revenue & Customs (HMRC). It is part of the overall self-assessment tax system and does not change the underlying tax rules or legal obligations under the self-assessment system.

If you need to use Making Tax Digital for Income Tax Self-Assessment, you or your agent will need to use software that works with it to:

- create, store and correct digital records of your self-employment and property income and expenses;
- send quarterly updates to HMRC – these are summaries of your self-employment and property income and expenses, they are not tax returns; and
- send year-end tax returns to HMRC.

Making Tax Digital for Income Tax Self-Assessment (MTD for ITSA) is also commonly referred to as Making Tax Digital for Income Tax (MTD for IT). HMRC uses both terms.

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If you have a small service-based business

If you have a small service-based business, you may prepare your books of account for the business yourself. If the business is registered for VAT, you may also prepare your VAT returns for the business yourself. However, there are a number of potential disadvantages of preparing your books of account and any required VAT returns yourself rather than hiring a professional bookkeeper or accountant to prepare them for you. For example:

- You may find that preparing your books of account and VAT returns, and submitting the VAT returns to HM Revenue & Customs (HMRC), is too complicated or time-consuming, which may be stressful for you.
- You may find it difficult to keep track of balances due from or to customers or suppliers, which may result in overdue amounts.
- Without a background in bookkeeping or accounting, you are more likely than a professional bookkeeper or accountant to make errors or omissions in your books of account and VAT returns. Such errors or omissions may result in you overpaying HMRC, or HMRC underpaying you. Conversely, they may result in you underpaying HMRC, or HMRC overpaying you, which may result in HMRC charging you interest and penalties.
- If you produce messy books of account, your accountant may charge you additional fees for untangling and cleaning up the messes you leave in your books. Such additional fees may be substantial, as your accountant may need to spend substantial amounts of time untangling and cleaning up the messes in your books.
- You may be less aware than a professional bookkeeper or accountant of your current and future VAT obligations. If you do not comply with your VAT obligations, HMRC may charge you penalties. Such penalties may be substantial.

By hiring me to prepare your books of account and VAT returns, you can avoid these potential problems and enjoy the following benefits:

- You can spend the time that you would have spent preparing your books of account and VAT returns, and submitting the VAT returns to HMRC, doing other types of work – such as work relating to providing your business's services, improving your business's services, managing your business or marketing your business.
- You can get accurate and reliable books of account and VAT returns prepared for you.
- You can get peace of mind knowing that your books of account and VAT returns are prepared by a qualified and experienced accountant.
- You would not normally need to pay for accounting software, as I would normally use my own accounting software to prepare your books of account and VAT returns.

If you need to complete annual self-assessment tax returns or use Making Tax Digital for Income Tax Self-Assessment

If you need to complete annual self-assessment tax returns, or you need to use Making Tax Digital for Income Tax Self-Assessment to file quarterly updates and year-end tax returns, you may prepare and file them yourself. However, there are a number of potential

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disadvantages of preparing and filing your tax returns, and any quarterly updates, yourself rather than hiring a professional accountant to prepare and file them for you. For example:

- You may find that preparing your tax returns and any quarterly updates, and submitting them to HM Revenue & Customs (HMRC), is too complicated or time-consuming, which may be stressful for you.
- Without a background of preparing or reviewing self-assessment tax returns, you are more likely than a professional accountant to make errors or omissions in your tax returns. Such errors or omissions may result in you overpaying HMRC, or HMRC underpaying you. Conversely, they may result in you underpaying HMRC, or HMRC overpaying you, which may result in HMRC charging you interest and penalties.
- You may be less aware than a professional accountant of changes to the tax return forms and how they should be completed. HMRC revises its self-assessment tax return forms, guidance notes and helpsheets every year.
- You may be less aware than a professional accountant of your current and future legal obligations under the self-assessment tax system. If you do not comply with these obligations, HMRC may charge you penalties. Such penalties may be substantial.

By hiring me to prepare and file your tax returns, and any quarterly updates, you can avoid these potential problems and enjoy the following benefits:

- You can spend the time that you would have spent preparing your tax returns and any quarterly updates, and submitting them to HMRC, doing other things.
- You can get accurate and reliable tax returns prepared for you.
- You can get peace of mind knowing that your tax returns are prepared by a qualified and experienced accountant, who can help you to comply with your legal obligations under the self-assessment tax system.
- I may be able to identify tax reliefs, tax-free allowances, allowable expenses, capital allowances or loss reliefs that you did not know you were entitled to claim, and therefore enable you to obtain tax savings that you would not have obtained by yourself.

What are the main types of accountancy work that I undertake?

The main types of accountancy work that I undertake are:

- bookkeeping (preparation of books of account);
- preparation of VAT returns;
- preparation of annual accounts*; and
- preparation of self-assessment tax returns.

* *I can prepare annual accounts for individuals and partnerships. I do not prepare final annual accounts (or tax returns) for limited companies or limited liability partnerships (LLPs). However, I can prepare draft annual accounts for a company or LLP, ready for finalisation by another accountancy firm.*

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These four types of accountancy work – bookkeeping, VAT returns, annual accounts, and self-assessment tax returns – are discussed in Appendices 1 to 4.

Please note that I will normally only agree to prepare your VAT returns and/or annual accounts if you agree to let me do your bookkeeping: if you are not willing to let me do your bookkeeping, then I will not normally be willing to prepare your VAT returns and/or annual accounts. This is because I can prepare your VAT returns and/or annual accounts more easily and quickly – maybe much more easily and quickly – if I do your bookkeeping myself than I would if you or a third party did your bookkeeping.

I do not undertake payroll work, or similar work in relation to payments by contractors to subcontractors under the Construction Industry Scheme (CIS). Instead, I refer clients who require a payroll or CIS service to a payroll firm. This is discussed in Appendix 5.

Where would I carry out my accountancy work?

Depending on the type of work to be carried out and the circumstances, I may choose to carry out my accountancy work either on your premises or off your premises.

If I choose to carry out my accountancy work off your premises:

- I will collect the books and records that I require from you, or you can send them to me by post.
- I will return your books and records to you – you will not need to collect them from me.
- I will accept digital copies of any books or records, via the internet.

High-quality accountancy services at reasonable prices

I provide high-quality accountancy services at reasonable prices.

I do this by:

- providing a personal service;
- providing a professional service;
- providing a visiting service;
- providing efficient accountancy services; and
- charging reasonable fees for my accountancy services.

These five principal selling points – a personal service, a professional service, a visiting service, efficient accountancy services, and reasonable fees – are discussed in the next five sections below.

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A personal service

I provide a personal service.

I am a sole practitioner. This means that I am the sole proprietor of my accountancy firm. Furthermore, I am a very hands-on accountant. I do not employ staff or use subcontractors to carry out accountancy work for my practice: I carry out all of my firm's accountancy work myself. I therefore provide a truly personal service to my clients.

By providing you with a personal service throughout the year, year after year, I would enable us to build a strong mutual relationship.

A professional service

I provide a professional service.

I carry out my work in a very professional manner. I am very thorough and my work is of a very high standard. I pride myself on my professional approach, my attention to detail and the quality of my work.

If I prepare your books of account, VAT returns, annual accounts or tax returns, I will carry out various procedures to check whether the details that I have recorded in your books of account, VAT returns, annual accounts or tax returns are correct. If I find that the details need to be corrected, I will correct them as necessary.

I carry out my work using computers and high-quality computer software. This helps me to provide professional and efficient accountancy services.

By providing you with a professional service, I would give you peace of mind that your affairs are being dealt with professionally.

A visiting service

I provide a visiting service.

I may visit your premises in order to:

- carry out my accountancy work on your premises;
- collect the books and records that I require from you;
- return your books and records to you; or
- attend meetings with you.

By providing you with a visiting service, I would give you convenience. You would not need to visit me – I would visit you at your convenience. As a result, you would save time and effort. This could be particularly beneficial if you have busy schedules or difficulty travelling. You could also save money, by not incurring travel costs in order to visit me. I

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would only charge you for the daily travel costs that I incur in order to visit you if and to the extent that they exceed Transport for London's daily pay-as-you-go cap for Tube and rail journeys within Zones 1-4.

The provision of a visiting service would be subject to availability. The availability of a visiting service would depend on the location of your premises, and could be affected by other factors, such as public transport disruptions.

I am willing to offer a visiting service in the following postcode districts:

- N1, N2, N3, N6, N10, N11, N12, N13, N14, N20 and N21.
- NW1, NW3, W1, WC1, WC2, EC1, EC2 and EC3.
- EN4 and EN5.
- Any other postcode districts where I am willing to provide a visiting service.

Please note that, in some cases, I may not be willing to provide a visiting service in the whole of a postcode district in which I offer a visiting service.

Efficient accountancy services

I provide efficient accountancy services.

Efficient accountancy services are good for my clients because their accountancy work will be done within a reasonable timescale. Efficient accountancy services are therefore good for me, too, because I will earn my fees within a reasonable timescale.

I provide efficient accountancy services by, for example:

- specialising in providing accountancy services to small service-based businesses and individuals who need to complete annual self-assessment tax returns;
- specialising in undertaking just a few types of accountancy work;
- doing a client's bookkeeping myself; and
- carrying out my work using computers and high-quality computer software.

Doing a client's bookkeeping myself helps me to prepare the client's VAT returns and/or annual accounts efficiently, because I can prepare a client's VAT returns and/or annual accounts more easily and quickly – maybe much more easily and quickly – if I do their bookkeeping myself than I would if the client or a third party did their bookkeeping.

Reasonable fees

I charge reasonable fees for my accountancy services.

My fees are both reasonable for my clients and reasonable for me, reflecting the value of the accountancy services that I provide.

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If you are looking for high-quality accountancy services at fair and commercially realistic prices, then my accountancy firm may be suitable for you. However, if your priority is to obtain accountancy services at very low prices, then my accountancy firm would not be suitable for you and you should choose another bookkeeper or accountancy firm instead.

How would I calculate my fees?

In order to charge reasonable fees for my accountancy services, I calculate my fees on reasonable fee bases and using reasonable fee rates.

Bookkeepers and accountancy firms traditionally calculated their fees on the basis of the time spent on a client's affairs, using hourly fee rates, and many still do. However, I normally calculate my fees on various other bases, using non-time-based fee rates.

My fees for the main types of accountancy work that I undertake would normally be calculated on the following bases, using the applicable fee rates:

- My fee for standard bookkeeping work carried out during a given period would normally be calculated partly on the basis of the number of accounting transactions recorded in your books of account during that period, and partly on the basis of the number of debit and credit entries recorded in your books of account during that period.
- My fee for preparing a VAT return would normally be calculated on the basis of the number of pages in the supporting VAT return schedules that I prepare using the accounting software that was used to prepare your books of account for the return period, and on the basis of the number of pages in any other supporting VAT return schedules that I may prepare.
- My fee for preparing a set of annual accounts for an accounting period would normally be calculated on the basis of the number of debit and credit entries recorded in your books of account for that accounting period (including debit and credit entries in respect of accounting adjustments that I make during the course of preparing the accounts).
- My fee for preparing a self-assessment tax return would normally be calculated partly on the basis of the number of pages in the tax return, and partly on the basis of the number of pages in the supporting tax return schedules.

My current standard fee rates for these four types of accountancy work are included in Appendices 1 to 4.

My normal fee bases and fee rates for the above types of accountancy work would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the next section below, headed 'Minimum fees, premium fee rates and additional fee rates'.

By calculating my fees for the main types of accountancy work that I undertake on the above bases, I would enable you to verify my fee calculations for those types of accountancy work. You should be able to verify the number of accounting transactions, debit entries, credit entries or pages that are included in a fee calculation by counting the relevant items on a computer screen or in a paper document. By contrast, if your accountancy fees are calculated on a time basis, it will generally be impractical or impossible for you to verify calculations of

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those accountancy fees, because it will generally be impractical or impossible for you to verify the amounts of chargeable time that are included in the fee calculations.

Although I do not calculate my fees for the main types of accountancy work that I undertake on a time basis, I may calculate my fees for other types of accountancy work that I undertake on a time basis. I will calculate my fees for a particular type of accountancy work on a time basis, using hourly fee rates, if I have not yet been able to come up with any non-time-based fee rates for that type of accountancy work that I can confidently rely on to calculate fees that will be both reasonable for my clients and reasonable for me.

Minimum fees, premium fee rates and additional fee rates

I normally calculate my fees using my default standard fee rates. However, I reserve the right to charge you the following in circumstances where I consider that it is reasonable to do so for any specific work:

- a standard minimum fee instead of my default standard fee rates; or
- premium fee rates instead of my default standard fee rates; or
- a premium minimum fee instead of my standard minimum fee, my default standard fee rates or premium fee rates; or
- one or more standard fee rates in addition to my default standard fee rates; or
- premium fee rates instead of my default standard fee rates, and one or more premium fee rates in addition to those substitute premium fee rates.

An example of circumstances where I consider that it is reasonable to charge you a standard minimum fee for specific work would be if the numbers of chargeable entries recorded in your books of account during or for a given period are so low that charging my default standard fee rates for the work would produce a fee that is significantly less than I require for the amount of working time I require to carry out the work.

An example of circumstances where I consider that it is reasonable to charge you premium fee rates or a premium minimum fee would be if I need to deliver your work faster than I would otherwise deliver it in order to meet an official deadline or your own timescale for delivery of the work. By reducing the turnaround time for delivery of the work and meeting the required deadline or timescale, I would give you extra value. I would consider it reasonable to charge you extra for this extra value – especially if I give your work urgent priority over other clients' work, and if necessary work on your affairs outside my normal working hours, in order to provide the extra value. Many other accountancy firms would also charge you extra in these circumstances – and in other circumstances where they consider it reasonable to charge you extra.

An example of circumstances where I consider that it is reasonable to charge you one or more additional standard or premium fee rates would be if I record and review any non-standard details in respect of the accounting transactions that I record and review in your books of account. Non-standard transaction details, in this context, are defined in Appendix 1, in the section headed 'Minimum fees, premium fee rates and additional fee rates for standard bookkeeping work'.

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Do I charge VAT on my fees?

I do not charge VAT on my fees. This is because I am not registered for VAT. I am not required by law to register for VAT, and I have not registered for VAT voluntarily.

In the long term, I intend to keep my taxable turnover below the VAT registration threshold, which generally increases each year in line with inflation, so that I will still not be liable to register for VAT, and I do not intend to voluntarily register for VAT. As long as I do not register for VAT, I will not charge VAT on my fees. This would enable you to avoid paying VAT on my fees or a competitor's fees, and avoid any need for you to reclaim such VAT via your VAT returns (if you would be able to reclaim VAT on your accountancy fees).

If you want to ask me any questions before you decide whether you want me to undertake any accountancy work for you

If you want to ask me any questions before you decide whether you want me to undertake any accountancy work for you, please submit your questions in writing to the email address or mailing address given in the section below headed 'Contact details'. I will then reply to you in due course.

If you want me to consider undertaking any accountancy work for you

If you want me to consider undertaking any accountancy work for you, please fill in my 'Enquiry form to gather information from a prospective client' and send your completed form to me. I will then contact you in due course.

Contact details

If you wish to contact me, my contact details are as follows:

Email address: briancohen.accountant@gmail.com

Mailing address: Brian Cohen
 483 Green Lanes
 London
 N13 4BS

Telephone number: 020 8447 9400

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Appendices

The subsequent pages in this document contain the following appendices:

Appendix 1: [Bookkeeping](#)

Appendix 2: [Preparation of VAT returns](#)

Appendix 3: [Preparation of annual accounts](#)

Appendix 4: [Preparation of self-assessment tax returns and additional tax work](#)

Appendix 5: [Payroll and CIS work](#)

Appendix 6: [Working together with another accountancy firm](#)

Appendix 7: [Administrative details](#)

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Appendix 1: Bookkeeping

I can prepare your books of account from the records made available to me and the information and explanations given to me.

You should organise and keep your records in an orderly fashion, and prepare your books of account properly. Your books of account and the records from which they are prepared will be used in preparing annual accounts and tax returns. They may also be used for other purposes, such as:

- Preparing VAT returns, if your business is registered for VAT.
- Preparing management accounts, if you require them.
- Dealing with queries about accounting transactions, balances due from or to debtors or creditors, and balances included in annual accounts, tax returns, VAT returns or management accounts. Such queries may be raised by your business's owners, customers, suppliers or employees, HM Revenue & Customs or others.

Many accountancy firms would distance themselves from the details of your daily transactions and focus instead on the big picture work. They would help you to structure your bookkeeping work and then leave you or your bookkeeper to do the bookkeeping work. In contrast to this hands-off approach to your bookkeeping, I would have a very hands-on approach to your bookkeeping. I personally would do your bookkeeping for you. By doing your bookkeeping myself on a regular basis throughout the year, I would be able to spot problems as they arise and deal with them promptly.

If I prepare your books of account, I will carry out various procedures to check whether the details that I have recorded in your books of account are correct. If I find that the details need to be corrected, I will correct them as necessary.

Accounting software

If you want me to prepare your books of account, I will choose the accounting software that I will use to prepare your books.

I will normally use my default choice of accounting software to prepare a client's books of account. By using my default accounting software to prepare a client's books of account, I will be able to perform my bookkeeping work (and any other accountancy work in which I will use the client's books of account) more easily and quickly, and might be able to produce better-quality books of account.

If I take over your bookkeeping from you or a third party, then, depending on the circumstances, I might be willing to complete your books of account for the remainder of an accounting period using your or the third party's existing accounting software, spreadsheets or handwritten books of account, and then use my own choice of accounting software to prepare your books for subsequent accounting periods. However, even if I am willing to do so, I will prefer to use my chosen accounting software for both the remainder of the accounting period and subsequent accounting periods.

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Appendix 1: Bookkeeping

You would not normally need to pay for accounting software, as I would normally use my own accounting software to record all the accounting transactions recorded in your books of account during a given period. I would normally run my accounting software on my own computer.

Although I prefer to run my accounting software on my own computer, the license agreement for my default accounting software permits me to operate the software on a client's computers provided that I am the sole operator of the software on all of the client's computers. As I would normally record all the accounting transactions recorded in a client's books of account during a given period, I would normally be the sole operator of the software on all of the client's computers. If I were not the sole operator of the software on all of a client's computers, then the client would be required to acquire an additional license to permit me to operate the software on their computers.

Anyone who operates my default accounting software on your computers would need to be licensed to operate the software on your computers (unless they are using the software within the 60-day free trial period), regardless of how long or how often they use the software. However, anyone who is not licensed to operate the software on your computers can open a data file created by the software and view the accounting transactions and balances saved in the data file by using a free program that can be downloaded from the software company's website. This free program can run various reports and copy them to a spreadsheet, including transactions reports, ledgers and accounts reports, profit and loss account reports, and balance sheet reports.

Fees for standard bookkeeping work

My fee for standard bookkeeping work carried out during a given period would normally be based on the number of accounting transactions recorded in your books of account during that period, the number of debit and credit entries recorded in your books of account during that period, and the applicable fee rates. Each accounting transaction recorded in your books of account requires at least one debit entry and at least one credit entry in the books of account.

My current standard fee rates for standard bookkeeping work carried out during a given period are £0.68 for each accounting transaction recorded in your books of account during that period, and £0.34 for each debit or credit entry recorded in your books of account during that period.

For example, suppose that 100 accounting transactions are recorded in your books of account during a given period, and that 300 debit and credit entries are recorded in your books of account during that period. My fee for standard bookkeeping work carried out during that period would normally be calculated using my current standard fee rates for standard bookkeeping work as follows:

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	£
100 accounting transactions @ £0.68 per transaction	68.00
Plus: 300 debit and credit entries @ £0.34 per debit or credit entry	102.00
	170.00

My normal fee basis and fee rates for standard bookkeeping work would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the next section below, headed 'Minimum fees, premium fee rates and additional fee rates for standard bookkeeping work'.

My fees for standard bookkeeping work would cover the following tasks:

- Recording details of your accounting transactions in your books of account. The standard types of accounting transactions include bank transactions, credit card transactions, cash transactions, sales invoices, sales credit notes, purchase invoices, purchase credit notes, payroll report transactions and accounting adjustments.
- Reconciling, on a periodic basis, the bank balances recorded in your books of account with the bank balances recorded on your bank statements. This process is called bank reconciliation.

Bank reconciliation is used to detect bookkeeping errors in respect of bank transactions, such as bank transactions that have been omitted from your books, recorded in your books in the wrong period, recorded in your books in the wrong bank account, incorrectly included more than once in your books, or understated or overstated in your books. Bank reconciliation is also used to identify any cheque transactions, or other bank transactions, recorded in your books that may need to be reversed in your books because they have not appeared as cleared transactions on your bank statements. If it is reasonable to assume that such a transaction will never appear as a cleared transaction on your bank statements, then it will be reasonable to reverse the transaction in your books. Bank reconciliation can also detect bank errors. Bank errors are errors or omissions on your bank statements.

- Reconciling, on a periodic basis, any credit card balances recorded in your books of account with the credit card balances recorded on your credit card statements. This process is called credit card reconciliation and is similar to bank reconciliation.
- Checking transaction details recorded on your source records against the transaction details recorded in your books of account.
- Carrying out, on a periodic basis, an account-by-account review of the transaction details recorded in your books of account.
- Correcting any errors found in the transaction details recorded in your books of account.
- Amending as appropriate the narrative transaction details recorded in your books of account.
- Creating backup copies of your books of account, on a regular basis.
- Any other tasks that I decide will be covered by my fees for standard bookkeeping work.

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Appendix 1: Bookkeeping

Minimum fees, premium fee rates and additional fee rates for standard bookkeeping work

I normally calculate my fees for standard bookkeeping work using my default standard fee rates for standard bookkeeping work. However, I reserve the right to charge you the following for the work in circumstances where I consider that it is reasonable to do so:

- a standard minimum fee instead of my default standard fee rates; or
- premium fee rates instead of my default standard fee rates; or
- a premium minimum fee instead of my standard minimum fee, my default standard fee rates or premium fee rates; or
- one or more standard fee rates in addition to my default standard fee rates; or
- premium fee rates instead of my default standard fee rates, and one or more premium fee rates in addition to those substitute premium fee rates.

An example of circumstances where I consider that it is reasonable to charge you a standard minimum fee for standard bookkeeping work would be if the numbers of chargeable entries recorded in your books of account during a given period are so low that charging my default standard fee rates for the work would produce a fee that is significantly less than I require for the amount of working time I require to carry out the work.

An example of circumstances where I consider that it is reasonable to charge you premium fee rates or a premium minimum fee would be if I need to deliver your books of account for a given period faster than I would otherwise deliver them in order to meet an official deadline or your own timescale for delivery of the books. By reducing the turnaround time for delivery of the books and meeting the required deadline or timescale, I would give you extra value. I would consider it reasonable to charge you extra for this extra value – especially if I give the preparation of your books urgent priority over other clients' work, and if necessary work on your books outside my normal working hours, in order to provide the extra value.

An example of circumstances where I consider that it is reasonable to charge you one or more additional standard or premium fee rates would be if I record and review any non-standard details in respect of the accounting transactions that I record and review in your books of account. Non-standard transaction details, in this context, are types of transaction details that I do not generally need to record and review when I prepare books of account because such types of transaction details are generally not applicable to the accounting transactions that I record and review when I prepare books of account. These include details of any conversions of non-sterling transaction amounts into sterling amounts, and any tags that assign specific transaction amounts to specific projects, departments, offices, shops, properties, etc.

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Appendix 1: Bookkeeping

If you require bookkeeping to be done more frequently than monthly

If you require bookkeeping to be done more frequently than monthly, premium fee rates or a premium minimum fee would be applicable for that work. There are several major reasons for this. These include:

1. More up-to-date information

If I prepare your books of account more frequently than monthly, the information recorded in the books will be updated more frequently than monthly. The more frequently I prepare your books of account, the more up-to-date the information recorded in the books will be between updates, and therefore the higher the applicable premium fee rates or premium minimum fee would be to reflect the extra value provided.

2. Reduced scheduling flexibility due to additional scheduling constraints

If I do your bookkeeping more frequently than monthly, I will need to allocate time for your bookkeeping more frequently and more rigidly than I would otherwise need to. This will place additional constraints on my schedule and therefore reduce my flexibility to schedule other clients' work. The more frequently I do your bookkeeping, the higher the applicable premium fee rates or premium minimum fee would be to reflect the reduced scheduling flexibility caused by the additional scheduling constraints.

3. Reduced efficiency due to more frequent switching between clients

If I do your bookkeeping more frequently than monthly, I will need to switch between your work and other clients' work more frequently. This will reduce my efficiency, as I will need to re-familiarise myself with your work each time I switch to your work and re-familiarise myself with their work each time I switch to their work. The more frequently I do your bookkeeping, the higher the applicable premium fee rates or premium minimum fee would be to reflect the reduced efficiency caused by more frequent switching between clients.

4. Increased working time due to more frequent workflow transitions, internal checks and workflow cycles

If I do your bookkeeping more frequently than monthly, I will need to carry out more frequent workflow transitions (for example, moving between receiving your records, entering transactions, reconciling balances and reviewing the updated books), more frequent internal checks, and more frequent complete workflow cycles. As a result, the total amount of working time that I will need to prepare your books of account for a given month will increase. The more frequently I do your bookkeeping, the higher the applicable premium fee rates or premium minimum fee would be to reflect the extra working time.

5. Increased working time due to more frequent reconciliations, error-checking and technical review cycles

If I do your bookkeeping more frequently than monthly, I will need to carry out more frequent reconciliations, more frequent error-checking, and more frequent technical

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Appendix 1: Bookkeeping

review cycles (for example, checking that balances reconcile and remain accurate, that VAT codes and categories are correct, and that previous errors corrected in earlier updates have not reappeared). As a result, the total amount of working time that I will need to prepare your books of account for a given month will increase. The more frequently I do your bookkeeping, the higher the applicable premium fee rates or premium minimum fee would be to reflect the extra working time.

6. Increased opportunity cost of doing your bookkeeping

If I do your bookkeeping more frequently than monthly, I will need to allocate a greater proportion of my available working time to your bookkeeping. This will reduce the amount of working time I have available to carry out more profitable work for other clients. As a result, the opportunity cost of carrying out your bookkeeping will increase. The more frequently I do your bookkeeping, the higher the applicable premium fee rates or premium minimum fee would be to reflect the additional opportunity cost of doing your bookkeeping.

Fees for additional work

In addition to charging you fees for standard bookkeeping work, I would charge you fees for any additional work that I may do for you. These could include fees in relation to, for example:

- Carrying out a preliminary review of your existing books and records. This preliminary review of your existing books and records is discussed in the next section below.
- Sorting any disorderly records that I may receive from you, such as a bag or box of unsorted records.
- Installing accounting software on your computer and using the accounting software to create a new data file for your books of account.
- Creating your sales invoices and sales credit notes, if you want me to do so. Creating sales invoices and sales credit notes is discussed in the section below headed ‘Creating sales invoices and sales credit notes’.
- Preparing your VAT returns. Preparation of VAT returns is discussed in Appendix 2.
- Preparing your annual accounts. Preparation of annual accounts is discussed in Appendix 3.

Preliminary review of your existing books and records

If I take over your bookkeeping from you or a third party, then I will carry out a preliminary review of your existing books and records before I prepare your books of account or, if applicable, before I use your existing books and records in preparing a Making Tax Digital for Income Tax quarterly update, VAT return or set of annual accounts. In the preliminary

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Appendix 1: Bookkeeping

review, I will review your books and records for the period since the end of the most recent accounting period for which your annual accounts have been prepared and finalised. You should organise and keep your records for the period under review in an orderly fashion, and prepare your books of account for the period under review properly.

My preliminary review of your existing books and records would include the following work:

- Checking the balances included in the finalised annual accounts for the most recent accounting period for which your annual accounts have been finalised against the balances recorded in your books of account as at the end of that accounting period, and checking any accounting adjustments recorded in your books of account in respect of the opening balances as at the beginning of the next accounting period.
- Reconciling, for the period under review, the bank balances recorded in your books of account with the bank balances recorded on your bank statements. If any bank reconciliation documents for the period under review were provided to me, then I would review those documents.
- Reconciling, for the period under review, any credit card balances recorded in your books of account with the credit card balances recorded on your credit card statements. If any credit card reconciliation documents for the period under review were provided to me, then I would review those documents.
- Checking transaction details recorded on your source records for the period under review against the transaction details recorded in your books of account for the period under review.
- Carrying out, for the period under review, an account-by-account review of the transaction details recorded in your books of account.
- Correcting any errors found in the transaction details recorded in your books of account for the period under review.
- Amending as appropriate the narrative transaction details recorded in your books of account for the period under review.
- Creating a backup copy of your books of account for the period under review.

My fee for carrying out a preliminary review of your existing books and records would normally be based on the number of accounting transactions recorded in your books of account for the period under review, the number of debit and credit entries recorded in your books of account for the period under review, and the applicable fee rates. Each accounting transaction recorded in your books of account requires at least one debit entry and at least one credit entry in the books of account. The numbers of accounting transactions, debit entries and credit entries recorded in your books of account for the period under review would include any recorded during the course of the review.

My current standard fee rates for carrying out a preliminary review of your existing books and records are £0.68 for each accounting transaction recorded in your books of account for the period under review, and £0.34 for each debit or credit entry recorded in your books of account for the period under review.

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Appendix 1: Bookkeeping

I would normally calculate my fee for carrying out a preliminary review of your existing books and records using my default standard fee rates for that work. However, I reserve the right to charge you a minimum fee, premium fee rates and additional fee rates for the work in circumstances where I consider that it is reasonable to do so, in the same way as I do for standard bookkeeping work – as discussed in the preceding section headed ‘Minimum fees, premium fee rates and additional fee rates for standard bookkeeping work’.

Creating sales invoices and sales credit notes

Sales invoices and sales credit notes can be created using my chosen accounting software, any other suitable software or no software. If you want me to create your invoices and credit notes, I would normally do so using my chosen accounting software.

Anyone who creates your invoices and credit notes using my chosen accounting software would need to be licensed to operate the software. The preceding section headed ‘Accounting software’ sets out the requirements for me to be licensed to operate my default accounting software on a client’s computers, and the need for anyone who operates my default accounting software on your computers to be licensed to do so.

If I create your sales invoices and sales credit notes, this work would be in addition to my standard bookkeeping work, and therefore I would charge you additional fees for this additional work.

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Appendix 2: Preparation of VAT returns

I can prepare VAT returns from your books of account, your other accounting records, and the additional information and explanations given to me, and submit the VAT returns to HM Revenue & Customs (HMRC).

If I prepare your VAT return, I will do the following:

- I will prepare detailed schedules to support the amounts entered in the VAT return.

These schedules to the VAT return will show how I derived the amounts entered in the VAT return, unless there are any discrepancies between the amounts recorded in the schedules and the amounts entered in the VAT return. Subject to any such discrepancies, the schedules and your books of account will provide a two-way audit trail between your VAT return and your source records (i.e. the records from which your books of account and your VAT return were prepared). The audit trail from your VAT return to your source records should enable data entered in your VAT return to be traced back from your VAT return, via the schedules and your books of account, to your source records. The audit trail from your source records to your VAT return should enable data which is included in your source records, and which should be included in your VAT return, to be traced forward from your source records, via your books of account and the schedules, to your VAT return. By checking this two-way audit trail, I, you, HMRC or anybody else can check for possible errors and omissions in the VAT return.

- I will carry out various procedures to check whether the details that I have recorded in the schedules to the VAT return and the details that I have recorded in the VAT return are correct. If I find that the details need to be corrected, I will correct them as necessary.
- I will give you copies of the VAT return and the supporting VAT return schedules, and ask you to review them. After you have approved the data to be included in the VAT return, I will submit it online to HMRC.

Fees for preparing and filing VAT returns

My fee for preparing and filing a VAT return would normally be based on the number of pages in the supporting VAT return schedules that I prepare using the accounting software that was used to prepare your books of account for the return period, the number of pages in any other supporting VAT return schedules that I may prepare, and the applicable fee rates.

My current standard fee rates for preparing and filing a VAT return are £25.50 for each page in the supporting VAT return schedules that I prepare using the accounting software that was used to prepare your books of account for the return period, and £51.00 for each page in any other supporting VAT return schedules that I may prepare.

For the purpose of counting the number of pages in the supporting VAT return schedules, I would count each page in the supporting VAT return schedules on the following basis:

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Appendix 2: Preparation of VAT returns

If I rule that the text on the page (excluding any text in a footer) extends	I would count the page as
Not more than a quarter of the way down from the top of the page	One-quarter of a page
More than a quarter but not more than half of the way down from the top of the page	One-half of a page
More than half but not more than three-quarters of the way down from the top of the page	Three-quarters of a page
More than three-quarters of the way down from the top of the page	One page

Minimum fees, premium fee rates and additional fee rates for preparing and filing VAT returns

My normal fee basis and fee rates for preparing and filing VAT returns would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the body of this document, in the section headed 'Minimum fees, premium fee rates and additional fee rates'.

A GUIDE TO MY ACCOUNTANCY PRACTICE

Appendix 3: Preparation of annual accounts

I can prepare annual accounts as follows:

- I can prepare annual accounts for individuals and partnerships. These will normally be final annual accounts. However, if the final annual accounts will be prepared by another accountancy firm, I can prepare draft annual accounts and the other accountancy firm can then finalise them.*
- I do not prepare final annual accounts (or tax returns) for limited companies or limited liability partnerships (LLPs). However, I can prepare draft annual accounts for a company or LLP, ready for finalisation by another accountancy firm.*
- I only prepare annual financial accounts: I do not prepare periodic management accounts (e.g. monthly or quarterly management accounts). However, if you require management accounts, I can prepare your books of account and another accountancy firm can then use them to prepare your management accounts.*

* *I discuss working together with another accountancy firm in Appendix 6.*

If I prepare your annual accounts, I will do the following:

- I will prepare your annual accounts from your books of account, your other accounting records, and the additional information and explanations given to me.
- I will prepare detailed schedules to support the balances included in the annual accounts.
These accounting schedules will show, in detail, what the balances included in the annual accounts relate to. Subject to any discrepancies between the amounts recorded in the schedules and the balances included in the annual accounts, the schedules and your books of account will provide a two-way audit trail between your annual accounts and your source records (i.e. the records from which your books of account and your annual accounts were prepared). The audit trail from your annual accounts to your source records should enable balances included in your annual accounts to be traced back from your annual accounts, via the schedules and your books of account, to your source records. The audit trail from your source records to your annual accounts should enable data which is included in your source records, and which should be included in your annual accounts, to be traced forward from your source records, via your books of account and the schedules, to your annual accounts. By checking this two-way audit trail, I, you, HM Revenue & Customs (HMRC) or anybody else can check for possible errors and omissions in the annual accounts.
- I will carry out various procedures to check whether the details that I have recorded in the accounting schedules and the details that I have recorded in the annual accounts are correct. If I find that the details need to be corrected, I will correct them as necessary.

Annual accounts for sole traders and partnerships

When I prepare annual accounts for a sole trader or a partnership, I use the accounting software that records the business's accounting transactions (including any accounting adjustments) in its books of account to produce a set of annual accounts directly from the

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Appendix 3: Preparation of annual accounts

accounting balances recorded in the books. These annual accounts comprise a profit and loss account for the accounting period and a balance sheet as at the end of the accounting period. Such annual accounts are sufficient for use in preparing the Self-Employment pages of a personal tax return or the Partnership Trading pages of a partnership tax return.

If required, I can also produce a second version of the annual accounts using specialist accounts production software. This software produces accounts documents for sole traders and partnerships that resemble the accounts documents it produces for limited companies or limited liability partnerships. The software would produce a document comprising the following sections:

1. a cover page;
2. a contents page;
3. an approval of accounts section, for you to sign and date to confirm that you have approved the accounts that I have prepared;
4. an accountant's report on the accounts that I have prepared and you have approved, for me to sign and date after you have signed and dated the approval of accounts section;
5. a profit and loss account;
6. a balance sheet; and
7. notes to the accounts (unless there are no notes to the accounts).

If I sign and date an accountant's report on a set of annual accounts, I refer to the accounts as 'signed annual accounts', 'signed accounts', a 'signed set of annual accounts' or a 'signed set of accounts'.

If you carried on your business as a sole trader or as a partner in a partnership, you may not require signed annual accounts for the business. I would therefore let you choose whether you want signed accounts to be produced. If you only require a profit and loss account and balance sheet for your own use, including for use in preparing your tax return, then you may not require signed annual accounts. However, if a third party – such as a bank or mortgage lender – requests a copy of your annual accounts, they may require an accountant's report on the accounts, in which case signed accounts would be required.

Draft annual accounts for finalisation by another accountancy firm

If you wish me to prepare draft annual accounts for finalisation by another accountancy firm, I will use the accounting software that records the business's accounting transactions (including any accounting adjustments) in its books of account to produce a draft set of annual accounts directly from the accounting balances recorded in the books. These draft annual accounts will comprise a draft profit and loss account for the accounting period and a draft balance sheet as at the end of the accounting period. Another accountancy firm of your choice would then finalise the draft annual accounts and produce a final version of the annual

A GUIDE TO MY ACCOUNTANCY PRACTICE

Appendix 3: Preparation of annual accounts

accounts using its accounts production software. I discuss how I can work together with another accountancy firm that will produce the final annual accounts in Appendix 6.

Fees for preparing annual accounts

My fee for preparing a set of annual accounts for an accounting period would normally be based on the number of debit and credit entries recorded in your books of account for that accounting period (including debit and credit entries in respect of accounting adjustments that I make during the course of preparing the accounts), multiplied by the applicable fee rate. In this context, 'a set of annual accounts for an accounting period' means a profit and loss account for the accounting period and a balance sheet as at the end of the accounting period.

My current standard fee rate for preparing a set of annual accounts for an accounting period is £1.02 per debit or credit entry recorded in your books of account for that accounting period (including debit and credit entries in respect of accounting adjustments that I make during the course of preparing the accounts).

My fee rate for preparing a set of annual accounts is the same irrespective of whether I prepare final annual accounts or draft annual accounts that will be finalised by another accountancy firm.

My normal fee basis and fee rate for preparing annual accounts would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the section below headed 'Minimum fees, premium fee rates and additional fee rates for preparing annual accounts'.

If I had previously carried out a preliminary review of your books and records for part or all of the accounting period for which I prepare a set of annual accounts, then part of my fee for carrying out the preliminary review would be deductible in my calculation of my fee for preparing the annual accounts, unless I charge you a minimum fee for preparing the annual accounts or charged you a minimum fee for carrying out the preliminary review. A preliminary review of your books and records is discussed in Appendix 1.

The amount that would be deductible in my fee calculation for preparing the annual accounts would be based on the number of debit and credit entries included in my fee calculation for carrying out the preliminary review of your books and records and dated in the accounting period for which I prepare the accounts, multiplied by the fee rate applied to those debit and credit entries in my fee calculation for carrying out the preliminary review.

Fees for producing signed annual accounts for sole traders and partnerships

If you want me to produce signed annual accounts for your sole trader or partnership business, I would need to produce a second version of the annual accounts, comprising the sections listed in the preceding section headed 'Annual accounts for sole traders and partnerships'. I

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Appendix 3: Preparation of annual accounts

would need to produce this second version of the annual accounts using specialist accounts production software. While accounting software for preparing books of account can produce a profit and loss account and a balance sheet, it is not suitable for producing accounts documents like those produced by accounts production software.

As I would need to produce a second version of the annual accounts using accounts production software, I would charge an additional fee for the additional work required to produce signed annual accounts for your sole trader or partnership business.

My fee for producing a signed set of annual accounts for an accounting period would normally be based on the number of pages in the signed annual accounts, multiplied by the applicable fee rate.

My current standard fee rate for producing a signed set of annual accounts for an accounting period is £25.50 for each page in the signed annual accounts.

My normal fee basis and fee rate for producing signed annual accounts would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the next section below, headed ‘Minimum fees, premium fee rates and additional fee rates for preparing annual accounts’.

Minimum fees, premium fee rates and additional fee rates for preparing annual accounts

I normally calculate my fee for preparing a set of annual accounts using my default standard fee rate for preparing a set of annual accounts. However, I reserve the right to charge you the following for the work in circumstances where I consider that it is reasonable to do so:

- a standard minimum fee instead of my default standard fee rate; or
- a premium fee rate instead of my default standard fee rate; or
- a premium minimum fee instead of my standard minimum fee, my default standard fee rate or a premium fee rate; or
- one or more standard fee rates in addition to my default standard fee rate; or
- a premium fee rate instead of my default standard fee rate, and one or more premium fee rates in addition to that substitute premium fee rate.

In this context, ‘preparing a set of annual accounts’ may mean either:

- preparing a profit and loss account and a balance sheet using accounting software for preparing books of account; or
- producing a signed set of annual accounts using accounts production software.

An example of circumstances where I consider that it is reasonable to charge you a standard minimum fee for preparing a set of annual accounts for an accounting period would be if the

A GUIDE TO MY ACCOUNTANCY PRACTICE

Appendix 3: Preparation of annual accounts

numbers of chargeable entries recorded in your books of account for that accounting period are so low that charging my default standard fee rate for the work would produce a fee that is significantly less than I require for the amount of working time I require to carry out the work.

An example of circumstances where I consider that it is reasonable to charge you a premium fee rate or a premium minimum fee would be if I need to deliver your annual accounts faster than I would otherwise deliver them in order to meet an official deadline or your own timescale for delivery of the accounts. By reducing the turnaround time for delivery of the accounts and meeting the required deadline or timescale, I would give you extra value. I would consider it reasonable to charge you extra for this extra value – especially if I give the preparation of your accounts urgent priority over other clients' work, and if necessary work on your accounts outside my normal working hours, in order to provide the extra value. Many other accountancy firms would also charge you extra in these circumstances – and in other circumstances where they consider it reasonable to charge you extra.

An example of circumstances where I consider that it is reasonable to charge you one or more additional standard or premium fee rates would be if I review any non-standard details in respect of the debit and credit entries recorded in your books of account. Non-standard transaction details, in this context, are types of transaction details that I do not generally need to review when I prepare annual accounts because such types of transaction details are generally not applicable to the debit and credit entries that I review when I prepare annual accounts. These include details of any conversions of non-sterling transaction amounts into sterling amounts, and any tags that assign specific transaction amounts to specific projects, departments, offices, shops, properties, etc.

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Appendix 4: Preparation of self-assessment tax returns and additional tax work

I can prepare your annual self-assessment tax returns from the information and explanations that you provide to me, submit the tax returns to HM Revenue & Customs (HMRC), and help you to comply with your legal obligations under the self-assessment tax system.

I can prepare self-assessment tax returns for individuals, partnerships, trusts or estates of deceased individuals. I do not prepare tax returns for companies or limited liability partnerships (LLPs).

If I prepare your tax return, I will do the following:

- I will prepare detailed schedules to support the amounts entered in the tax return.
These schedules to the tax return will show, in detail, what the amounts entered in the tax return relate to and how I calculated them, unless there are any discrepancies between the amounts recorded in the schedules and the amounts entered in the tax return. Subject to any such discrepancies, the schedules will provide a two-way audit trail between your tax return and your source records (i.e. the records from which your tax return was prepared). The audit trail from your tax return to your source records should enable data entered in your tax return to be traced back from your tax return, via the schedules, to your source records. The audit trail from your source records to your tax return should enable data which is included in your source records, and which should be included in your tax return, to be traced forward from your source records, via the schedules, to your tax return. By checking this two-way audit trail, I, you, HMRC or anybody else can check for possible errors and omissions in the tax return.
- I will carry out various procedures to check whether the details that I have recorded in the schedules to the tax return and the details that I have recorded in the tax return are correct. If I find that the details need to be corrected, I will correct them as necessary.
- I will give you copies of the tax return and the supporting tax return schedules, and ask you to review them. After obtaining your approval, I will submit the tax return to HMRC.

If you carried on a business

If you carried on a business, I can prepare books of account and annual accounts for the business. I can then record the accounting balances included in the annual accounts in the relevant boxes in your self-assessment tax return.

Preparation of books of account is discussed in Appendix 1. Preparation of annual accounts is discussed in Appendix 3.

Fees for preparing and filing self-assessment tax returns

My fee for preparing and filing a self-assessment tax return would normally be based on the number of pages in the tax return, the number of pages in the supporting tax return schedules, and the applicable fee rates.

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Appendix 4: Preparation of self-assessment tax returns and additional tax work

My current standard fee rates for preparing and filing a tax return for an individual or a partnership are £25.50 for each page in the tax return, and £51.00 for each page in the supporting tax return schedules.

My current standard fee rates for preparing and filing a tax return for a trust or an estate are £38.25 for each page in the tax return, and £76.50 for each page in the supporting tax return schedules.

For the purpose of counting the number of pages in a tax return, I would include or exclude each page in the tax return on the following basis:

- I would include the page if I entered anything on the page (excluding the name and tax reference in the boxes at the top of the first page in a set of supplementary pages).
- I would exclude the page if I did not enter anything on the page (except for the name and tax reference in the boxes at the top of the first page in a set of supplementary pages).

For the purpose of counting the number of pages in the supporting tax return schedules, I would count each page in the supporting tax return schedules on the following basis:

If I rule that the text on the page (excluding any text in a footer) extends	I would count the page as
Not more than a quarter of the way down from the top of the page	One-quarter of a page
More than a quarter but not more than half of the way down from the top of the page	One-half of a page
More than half but not more than three-quarters of the way down from the top of the page	Three-quarters of a page
More than three-quarters of the way down from the top of the page	One page

Minimum fees, premium fee rates and additional fee rates for preparing and filing self-assessment tax returns

My normal fee basis and fee rates for preparing and filing self-assessment tax returns would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the body of this document, in the section headed 'Minimum fees, premium fee rates and additional fee rates'.

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Appendix 4: Preparation of self-assessment tax returns and additional tax work

Fees for additional tax work

In addition to charging you fees for preparing and filing your self-assessment tax returns, I would charge you fees for any additional tax work that I do for you. These would include fees in relation to my communications with you and HMRC regarding any matters not covered by my fees for preparing and filing your self-assessment tax returns. The fees that I would charge you for these communications would cover communications via email, post, phone, HMRC's website, or any other means of communication.

My fees in relation to my communications with you and HMRC regarding any matters not covered by my fees for preparing and filing your self-assessment tax returns would normally be based on the number of pages in the letters that I send to you and HMRC regarding such matters (including any letters that I send via email), and the applicable fee rates.

Matters not covered by my fees for preparing and filing your self-assessment tax returns could be either routine or non-routine, depending on how often I communicate with clients and HMRC about them. In this context, a routine matter is a type of matter that I communicate with clients and HMRC about on a routine basis, and a non-routine matter is a type of matter that I do not communicate with clients and HMRC about on a routine basis.

Examples of routine matters are:

- Your self-assessment payments on account in respect of a tax year.
- Your self-assessment balancing payment or repayment in respect of a tax year.
- Your self-assessment account with HMRC.
- Your PAYE tax code(s) for a tax year, if applicable.

Examples of non-routine matters are:

- An enquiry by HMRC into a tax return.
- The cessation of your business.
- Matters relating to capital gains tax.
- Matters relating to inheritance tax.

My current standard fee rate in relation to my communications with you and HMRC regarding routine matters is £25.50 for each page in the letters that I send to you and HMRC regarding such matters (including any letters that I send via email).

My standard fee rate in relation to my communications with you and HMRC regarding a non-routine matter would be calculated by applying a multiplier to my standard fee rate in relation to my communications with you and HMRC regarding routine matters. For example, using my current standard fee rate of £25.50 for each page in the letters that I send to you and HMRC regarding routine matters:

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Appendix 4: Preparation of self-assessment tax returns and additional tax work

If the applicable multiplier for a non-routine matter is	My standard fee rate for each page in the letters that I sent to you and HMRC regarding the non-routine matter would be
1	£25.50
1.5	£38.25
2	£51.00
3	£76.50
4	£102.00

The applicable multiplier for a non-routine matter would be a time-related multiplier. It would be my estimate of the total time that I spent to produce the letters that I sent to you and HMRC regarding the non-routine matter as a multiple of the total time that I would spend to produce the same number of pages in letters to you and HMRC regarding routine matters. This estimate would be rounded up to the nearest 0.25 (i.e. the estimate would be divided by 0.25, the result of this division would be rounded up to the nearest integer (whole number), and the rounded-up result of the division would then be multiplied by 0.25).

For the purpose of counting the number of pages in a letter that I send to you or HMRC, I would count each page in the letter on the basis set out in the table in the preceding section headed 'Fees for preparing and filing self-assessment tax returns'.

My normal fee basis and fee rates in relation to my communications with you and HMRC regarding any matters not covered by my fees for preparing and filing your self-assessment tax returns would be applicable subject to the minimum fees, premium fee rates and additional fee rates discussed in the body of this document, in the section headed 'Minimum fees, premium fee rates and additional fee rates'.

A GUIDE TO MY ACCOUNTANCY PRACTICE

Appendix 5: Payroll and CIS work

Payroll work needs to be done correctly and on time, so that employees and HM Revenue & Customs can be paid the correct amounts by the due dates. However, payroll work can be complicated and time-consuming. The taxation and employment legislation relating to payroll work is complex and ever-changing. Furthermore, employers can be liable to substantial penalties for non-compliance with this legislation. For these reasons, it is best for payroll work to be done by a payroll specialist.

As it is best for payroll work to be carried out by a payroll specialist, I do not undertake payroll work. Instead, I refer clients who require a payroll service to a payroll firm. Many accountancy firms refer clients who require a payroll service to a payroll firm or subcontract their payroll work to a payroll firm, rather than carrying out the payroll work themselves. This allows them to leave the payroll work to payroll experts and focus instead on other types of work. In addition, some employers outsource their payroll work to a payroll firm without their accountancy firm having referred them to the payroll firm or subcontracted the payroll work to the payroll firm.

In addition to payroll work in relation to payments by employers to employees under the Pay As You Earn (PAYE) scheme, many payroll firms undertake similar work in relation to payments by contractors to subcontractors under the Construction Industry Scheme (CIS). For the same reasons that it is best for payroll work to be done by a payroll specialist, it is best for CIS work to be done by a CIS specialist. Therefore, I do not undertake CIS work. Instead, I refer clients who require a CIS service to a payroll firm that provides a CIS service. Some payroll firms refer to a CIS service as a 'CIS payroll service'.

If you require a payroll or CIS service, I can refer you to a payroll firm that provides high-quality payroll and CIS services at reasonable prices.

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Appendix 6: Working together with another accountancy firm

If you will be using another accountancy firm to prepare your business accounts, then I can work together with your other accountancy firm as follows:

- If you will be using another accountancy firm to prepare periodic management accounts (e.g. monthly or quarterly management accounts), I can prepare your books of account and the other accountancy firm can then use them to prepare your management accounts.

Preparation of books of account is discussed in Appendix 1.

- If you will be using another accountancy firm to prepare your annual financial accounts, I can prepare draft annual accounts and the other accountancy firm can then finalise them.

I would prepare a draft set of annual accounts together with detailed schedules to support the balances included in the draft accounts. These would include any accounting adjustments that I make during the course of preparing the draft accounts. I would give your other accountancy firm copies of the draft accounts and supporting schedules. The other accountancy firm would then not need to prepare the final annual accounts and supporting schedules from scratch. Instead, they would simply need to review the draft accounts and supporting schedules that I had given them and make any necessary adjustments to those schedules and draft accounts.

Preparation of draft annual accounts is discussed in Appendix 3.

- I would be available to provide additional information and explanations to the other accountancy firm, via email, post, phone or in-person meeting.

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Appendix 7: Administrative details

Please note the following administrative details.

My business address

The business address shown in my firm's letterhead is a mailing address only. I use a company that provides mailing address services to many thousands of business and personal users.

Meetings

I cannot hold meetings with you at my business address or home address. Therefore, all meetings between us would be held at your business address or home address or, in exceptional circumstances, at another mutually convenient location.

Telephone calls

Due to my work schedule and other commitments, I will often be unavailable to answer telephone calls. Therefore, if you call my telephone number, your call may be answered by an answering machine or a voicemail system, or not answered at all.

If your call is answered by an answering machine or a voicemail system, please leave your name, your telephone number and a message after the tone. If the answering machine or voicemail system will not allow you to record a message, please call again later or send me an email or text message.

If your call is not answered at all, please call again later or send me an email or text message.

I will reply to voice, text or email messages that require a response in due course.