

# Engagement letter – Specific terms for services

Date: 25 May 2018

## 3 Bookkeeping services

### 3.1 Responsibilities

3.2 You are responsible for providing us with the following information required for us to prepare the accounting records:

3.2.1 Sales invoices;

3.2.2 Purchase invoices;

3.2.3 Bank statements;

3.2.4 Details of bank and cash payments;

3.2.5 Details of bank and cash receipts;

3.2.6 Stock details;

3.2.7 Access to your accounting records.

3.2.8 A record of the amounts owed to the business;

3.2.9 A record of amounts owed by the business;

3.2.10 You are responsible for monitoring the monthly turnover to establish whether the company is liable to register for VAT, if it is not already registered. If you do not understand what you need to do, please ask us. If the company turnover exceeds the VAT registration threshold, and you wish us to assist in notifying HMRC of the company's obligation to be VAT registered, we will be pleased to assist in the VAT registration process. You should notify us of your instructions to act in relation to the company's VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which the current VAT registration turnover threshold was exceeded. We will not be responsible if we are not notified in time and a late registration penalty is incurred.

3.2.11 Where you are involved in other businesses, you are responsible for monitoring your total combined turnover for VAT purposes and also the potential liability of another business to charge VAT should you, as an individual, become registered. ***It is vital to understand that if an individual is VAT registered, then income from all businesses are relevant for considering the VAT position.***

### 3.3 Our service to you

3.4 We will prepare from the information and explanations provided by you, your books of prime entry as follows:

3.5 Records of bank receipts and payments;

3.6 Records of cash receipts and payments;

3.7 Reconciliations of the bank and cash control accounts;

3.8 A record of sales;

3.9 A record of purchases;

Agreed

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- 3.10 A record of amounts owed to the business;
- 3.11 A record of amounts owed by the business;
- 3.12 A list of accruals; and
- 3.13 A list of prepayments.

Agreed