

The Long Partnership

Our Ref: A100/AL

28 February 2008

A & B Stardust
Starlight Suppliers
Moon Lane
Newtown
Orkness
KW19 1AA

Dear Alvin and Barbara,

Fixed Price Agreement – Annual Contract for Services

I refer to our recent discussion and have set out below the details of our proposed fixed price agreement. The fixed price agreement will cover all the services that we have agreed to provide over the course of the next year.

We like to set out the terms of the contract so that we all know our responsibilities and obligations and avoid any misunderstandings. However, if at any time you are not sure how aspects of the contract operate please do not hesitate to get in touch.

Period of This Agreement

The period covered by this agreement is from 1 October 2007 to 30 September 2008.

Professional Services to be performed and fees

The professional services that we have agreed to perform during this period are as follows:

1. Preparation of partnership accounts of Starlight Suppliers for the year ended 31 July 2007.
2. Preparation and submission of 2007 Income Tax Returns for:
 - a. The firm of Starlight Suppliers
 - b. Alvin Stardust
 - c. Barbara Stardust
3. Calculating your personal tax liabilities.
4. Submitting returns and accounts HMRC, your bank and others as appropriate.
5. Preparation of end of year PAYE returns after 5 April 2008.

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Email firstname.lastname@thelongpartnership.co.uk or advisers@thelongpartnership.co.uk

The Long Partnership is an unlimited company - Number SC259258
Registered with The Institute of Taxation as a firm of Chartered Tax Advisers.

Registered to carry out audit work and authorised to carry on investment business by The Institute of Chartered Accountants in England and Wales.

6. Occasional advice and assistance with tax and accounting matters
7. Checking Inland Revenue Statements of Account and Calculations
8. Dealing with Inland Revenue queries about your accounts or returns but excluding HM Revenue & Customs investigations which are covered by our fee protection insurance.
9. Meetings and telephone calls in connection with the items above.

The agreed fixed fee for these services will be £XXX plus VAT per month.

Annual Consultancy Service (optional extra)

We offer an optional additional service known as an annual consultancy service for an additional £XX per month over the same period.

The annual consulting service provides unlimited meetings and phone calls to discuss the operation of your business, business matters, tax matters and any other topic you wish to discuss. However, if your question or issue requires additional research and analysis beyond the consultation, that work will be subject to an additional charge to be detailed on a change order. A price and the payment terms will be agreed before the additional work is performed.

Unanticipated Services

From time to time an unanticipated need arises. We agree to perform this additional work and we will agree a price for this work in advance so that you know the cost of the additional work before the service is provided. This service will be billed separately, as part of a change order, and will be payable upon presentation or upon such terms mutually agreed upon.

Fee Protection

Anyone can find themselves being scrutinised by HM Revenue & Customs at any time. There does not need to be any reason. It is just a part of the audit procedure of the UK tax system. The cost of dealing with such enquiries can be significant especially if your tax or business affairs are complex or if your records are perhaps not as good as HMRC would like.

We therefore provide you with insurance cover as part of our standard fee. You do not pay any extra but both you and we have the assurance that should you find yourself under investigation, our fees will be paid by the insurance company.

Bookkeeping Software

One of the ways that we can protect you from the taxman is to ensure that your bookkeeping is adequate. Bookkeeping is not very exciting but, like the foundations of a building, it is vitally important but too often taken for granted. Any flaws in the bookkeeping will manifest themselves when the taxman comes along to check if you have paid the right amount of tax. The taxman will be looking to see that you have accounted for all your income and claimed the right expenses. It will not be sufficient to know that is true. You must be able to prove it to the taxman's satisfaction.

The compilation of your tax return starts with the proper gathering of financial information and that is good bookkeeping. We will therefore provide you with bookkeeping software appropriate for your circumstances. There will be no separate charge.

The cost of the software will be included in our standard charges. In addition we will keep the software up to date for no additional charge so that you will always have the latest version. In addition, we will install the software, commission it and show you how to use it.

The software will be registered to The Long Partnership. We are providing it so that we can help you to provide us with the means to provide you with a first class accountancy service and tax consultancy based on the firm foundation of good bookkeeping.

Service Guarantee

Our work is guaranteed to the complete satisfaction of the customer. If you are not completely satisfied with the services performed by The Long Partnership, we will, at your option either refund the price, or accept a portion of said price that reflects your level of satisfaction. We will assume you are satisfied upon final payment received under the terms of this Agreement.

Price Guarantee

Furthermore, if you ever receive an invoice without first authorising the service, terms and price, you are not obligated to pay for that service.

Payment Terms

The payments will be made inclusive of VAT. A standing order mandate is enclosed for you to send to your bank.

First payment	15 October 2007
And monthly thereafter until	
Last payment	15 September 2008.

Each payment will be £XXX (or XXX if you choose to take the annual consultancy service). The price includes VAT.

Termination

Either party may terminate this agreement at any time, for any reason, with 10 days written notice to the other party. It is understood that any unpaid services that are outstanding at the date of termination are to be paid in full within 30 days from the date of termination.

The value of the unpaid services at termination will be the difference between the appropriate proportions of the total agreed annual fee as reflects the proportion of work completed less payments made to date. Therefore, if the agreement is terminated after 6 months and we have completed half the agreed work, no further payment will be due.

Agreement of Terms

If you agree that the above adequately sets forth your understanding of our mutual responsibilities, please authorise this agreement and return it to our office. A copy is provided for your records.

Our fixed price agreement provides ongoing access to the accounting, tax and business advice you need on a fixed-price basis, and ensures that you are not inhibited from seeking timely advice by the fear of a clock running endlessly.

Our services are designed around fixed prices, as opposed to hourly rates, and offer you access to the accumulated wisdom of the firm through qualified and other staff with substantial experience.

We would like to take this opportunity to express our appreciation for the opportunity to be of service to you and your business. Please feel free to contact us at any time to discuss any matters of concern or to arrange a meeting.

Yours sincerely,

The Long Partnership

Agreed to and authorised:

By: _____ Date: _____

For and on behalf of

A & B Stardust trading as Starlight Suppliers.

SAMPLE