

CONTRACTORS

5 SIGNS IT'S TIME TO SWITCH ACCOUNTANT

...AND HOW TO
MAKE THE MOVE

CONTRACTOR GUIDE

CONTRACTORS - 5 SIGNS IT'S TIME TO SWITCH ACCOUNTANT

You're a Limited Company contractor who enlists an accountant, but you're not getting what you hoped from the relationship. Maybe you find it hard getting hold of them, you don't feel they grasp your unique needs, or perhaps you're struggling to see how they bring value to you and your business.

If you've got an itch to switch accountants, here are five tell-tale signs it's definitely time to move on to pastures new...



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5 SIGNS:


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Reason to switch no. 1

THEY'RE DIFFICULT TO GET HOLD OF

You want to be able to speak to your accountant when you need to, without being passed from pillar to post. You haven't got time to explain yourself to multiple departments, or wait days for an email or call back. In an effort to cut costs, many contractor accounting firms employ few actual accountants and try to manage the bulk of the workload using admin and account management staff. This can lead to frustration due to lack of accountability and experience.

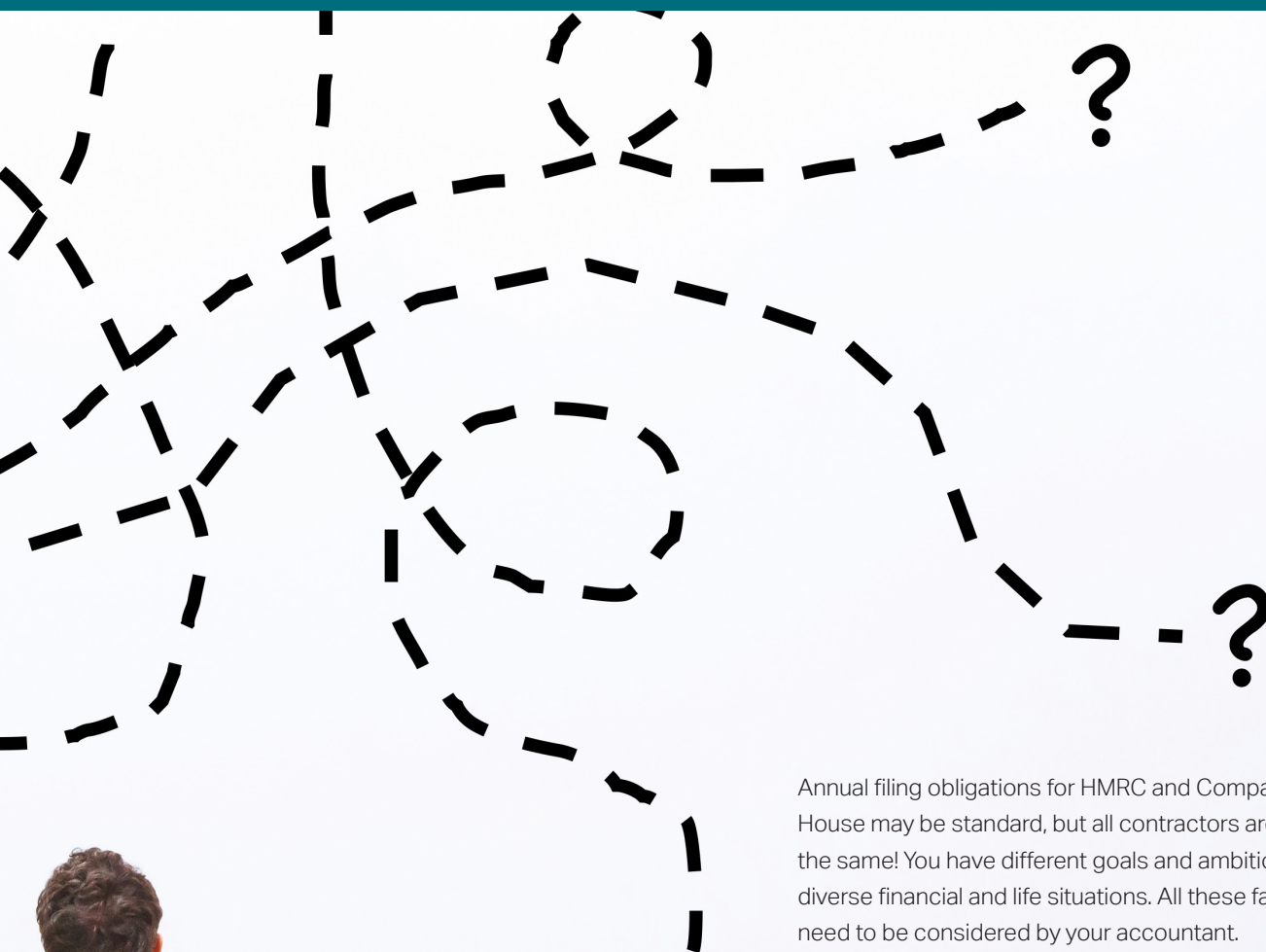
So if you don't have a named accountant or haven't been given their direct contact details then perhaps it's time to switch. Having a single point of contact not only improves communication and saves you time, but also brings peace of mind that someone is personally accountable for your business. You'll spend time explaining your goals to that one person, and they'll help put in place what's needed to achieve them – we call that time well spent!



"My accountant turned out to be an 'account manager' who was unable to give me any technical advice, so I'd end up having to wait whilst my questions and queries were passed onto someone who could help me - very frustrating!!"

Reason to switch no. 2

THEY GIVE YOU GENERIC ADVICE



Annual filing obligations for HMRC and Companies House may be standard, but all contractors are not the same! You have different goals and ambitions, and diverse financial and life situations. All these factors need to be considered by your accountant.

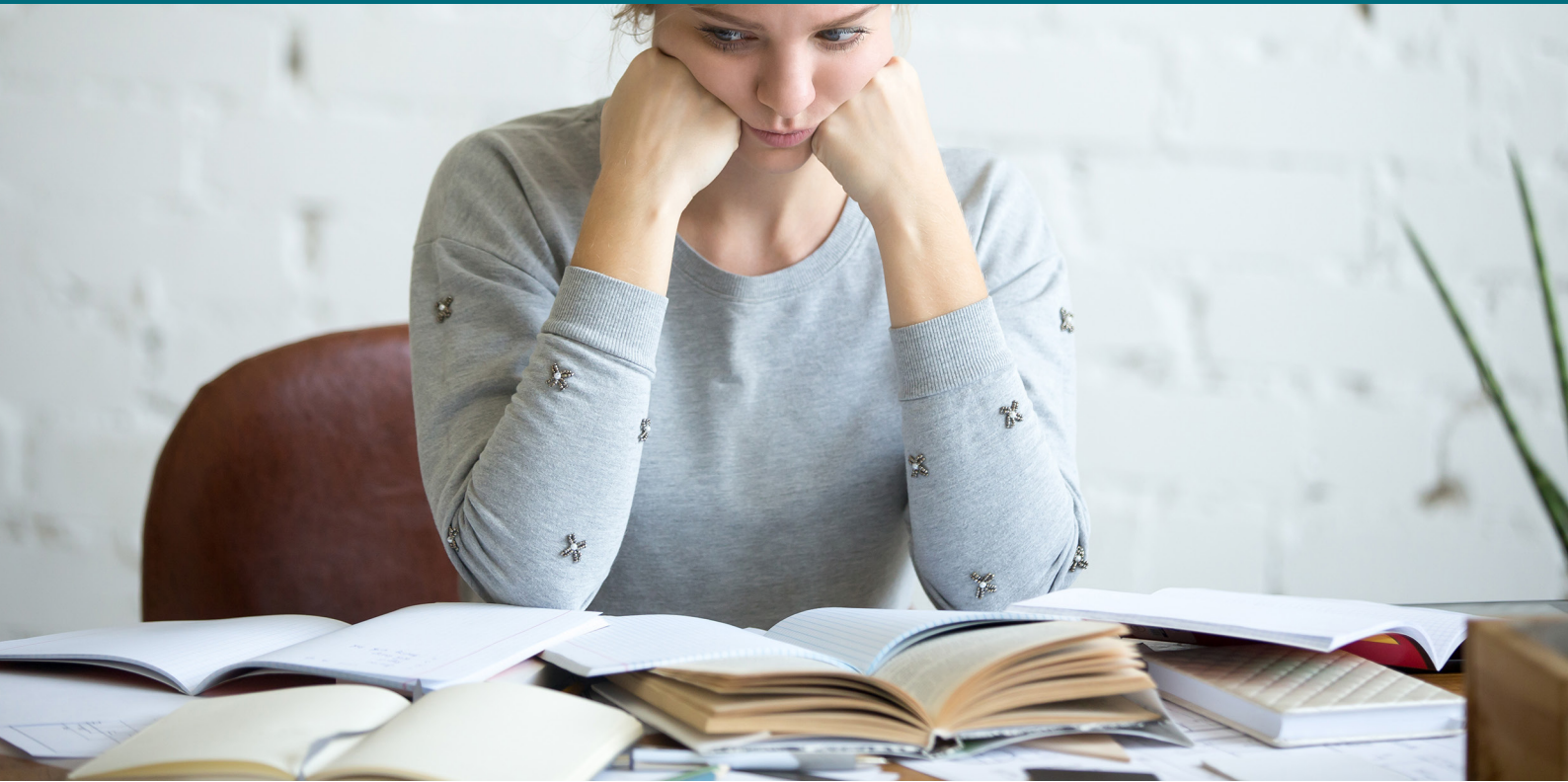
A specialist contractor accountant should be just that; a person who gives contractor-specific advice based on your individual circumstances. It's their job to help you run your company in the most tax efficient way, whether that involves advising on the combination of dividends and salary to take, or which VAT treatment to opt for. And if you need a mortgage or pension, they should be able to point you in the direction of financial service products designed especially for contractors.

It's a sure sign it's time to switch if you're getting "one size fits all" advice and you feel as though you're losing out as a result.

"I'd often be given misleading or confusing advice, rather than being told what was the best option for me and my circumstances"

Reason to switch no. 3

THEY DON'T UPDATE YOU ON CHANGING LEGISLATION



You need an accounting partner that understands all the legislation that affects contractors and who keeps you in the loop about any updates. For instance, someone who takes the time to explain what Making Tax Digital means for you and what they're doing to make it a smooth transition. And then there's IR35...

Does your accountant keep you up to date with the latest on IR35 reform, offering advice and an open invitation to discuss concerns? Are they taking proactive steps to prepare for 2020 Private Sector changes? From April 2020, the IR35 status of contractors will be determined by the end hirer in the private as well as the public sector.

The changes in the public sector caused issues with blanket bans on Limited Company contracting in some public sector organisations and considerable migration to more lucrative private sector contracts. There is now concern about similar reactions by private sector entities, and there's already some turbulence in the marketplace.

An accounting partner with IR35 expertise will be proactively supporting you in reviewing your working practices and contracts to ensure compliance, arming you with the necessary evidence for your end clients if need be.

An accountant who has your back on legislation will not just keep you compliant and confident, but also make sure you're working in the most tax efficient way.



Reason to switch no. 4

THEY CAN'T GET THE BASICS RIGHT

The absolute basic services offered by contractor accountants are the same wherever you go; there are a number of statutory returns to be filed and deadlines to be hit with HMRC and Companies House, otherwise you'll incur penalties.

Your accountant should have this all running like a well-oiled machine so they can spend quality time adding value to your business – not saddling you

with unexpected tax liabilities, penalties and interest charges!

The process should be stress-free with clarity on what you need to do to help your accountant hit the deadlines in plenty of time. If they miss deadlines or hit them only in the nick of time, or you're unsure of your responsibilities then it's time to partner with an accountant who takes greater pride in their job.

Basic responsibilities of a contractor accountant

Prepare and submit legally required information to the government on behalf of clients on a monthly, quarterly or annual basis.

Payroll – Salary payments to employees, including taxes and deductions, must be reported on a pay-as-you-earn [PAYE] basis and submitted via Real Time Information [RTI].

P11D – Expense payments and other non-salary benefits provided to directors and employees outside of payroll are calculated and reported via a P11D form.


Self Assessment Tax Return – Directors receiving income from any source other than PAYE must report this additional income to determine the amount of personal tax they pay.

Value Added Tax – Registered businesses are required to report the VAT payable on the supply of its services and the VAT recoverable on purchases.

Statutory Accounts – A limited company must prepare and report an Income Statement [P&L] and Statement of Financial Position [Balance Sheet] at the end of each accounting period.

Corporation Tax – Tax is payable in relation to the profits a company makes. A corporation tax return [CT600] is calculated and submitted for every accounting period, typically once a year.

Confirmation Statements – A confirmation statement discloses key facts relating to a limited company, including information about its directors, 'persons of significant control' and other administrative arrangements.



"I was always left guessing what needed doing and when. There was little to no management from my accountant and I'd frequently miss important deadlines"

Reason to switch no. 5

YOU FEEL RIPPED OFF

A sign you're with a good contractor accountant is if you feel they're well worth their fee; that the advice they offer and value they add make a discernible difference to both the money in your pocket and your peace of mind.

If you're paying an 'all inclusive' monthly fee, you should expect all statutory returns to be included at the very minimum. The real difference comes with the extra support on offer. IR35 reviews should be included, plus unlimited access and timely advice from a specialist contractor accountant. Another must is access to a user-friendly accounting system to record your financial information and offer insight for planning purposes. None of these elements should ever be seen as 'added extras'.

If you feel you're paying a premium rate for a substandard service, or you keep getting nasty surprises in the form of unexpected hidden fees, it may be time to move on. And on that note – a decent accountant will never charge you to switch your accounts, unless in very extreme cases where your existing accounts are already behind and a catch-up fee will apply.

Value-added support you should expect

Dedicated Personal Accountant – Every Intouch customer develops a strong professional relationship with one of our dedicated Personal Accountants.

They provide high-quality expert advice relating to personal finances and limited company affairs.

Specialist IR35 Advice – Intouch empower clients to better understand their IR35 status. Ongoing review and discussions around working practices and contract engagements help ensure that contractors operate outside IR35 and remain legally compliant.

Online Portal – The Intouch portal helps contractors stay on top of their limited company accounts and bookkeeping, enabling them to create and send invoices, record expenses and monitor the performance of their company.

Management Accounts – Monthly management accounts are generated on the portal for tax planning purposes; allowing clients to optimise their personal income, expenses, company profits and dividend payments.

"I thought my monthly fee included everything I'd need, then I would be hit by unexpected bills for services that many other accountants include for free"

"I was paying well over the odds for a very basic service, and my accountant knew I was paying for services I'd never ever need or use"





HOW TO CHOOSE A NEW CONTRACTOR ACCOUNTANT

Finding a great new contractor accountant is all about doing your research and asking the right questions:

1. Are they specialists?

A specialist contractor accountant will know your industry inside out and how contractors work in practice.

2. Will you have a Personal Accountant?

A one-to-one relationship and direct contact details for your accountant are a must. And beware of the 'Account Manager' - they're unlikely to be able to answer any but the most basic questions.

3. Are they accredited?

The Freelancer and Contractor Services Association (FCSA) accreditation is recognised as the industry's compliance gold standard. Accreditation is awarded to contractor accountants who can demonstrate the highest industry standards, so look out for member firms.

4. Do they know IR35 inside out?

Understanding IR35 will continue to be of utmost importance so make sure they have specialist in-house knowledge that you can easily access.

5. What's included?

You know the monthly fee, but watch out for additional costs that quickly add up. Specifically, make sure that IR35 reviews and advice are included.

6. Trust your peers

Check out online reviews, ask your colleagues and check out what's being said on contractor forums.

HOW TO MOVE ACCOUNTANTS

A great accountant will save you time and money, ensure you meet deadlines and provide expert advice to help you run your business in the most efficient way. But is it a massive pain to move to a new accountant?

The process is actually pretty straightforward. At Intouch, this is how it works:



1

Sign up

Simply give us a call and we'll sort out the rest. You can sign up easily over the phone and get going straight away.



2

Set up

We'll contact your previous accountant to arrange for 'professional clearance' so that we can obtain your last set of accounts, VAT returns, references, and anything else we need.



3

Chat & plan

That's it! Now just get to know your dedicated Personal Accountant, share your goals and familiarise yourself with our portal.



Does it matter when in my tax year that I switch?

No, it shouldn't. There will be a bit more work for your new accountant to do when you move over, depending on where in your tax year you are. At Intouch we see this as all part of our inclusive service, but look out for other providers who may charge 'catch up' or 'switcher' fees.

Why Switch to Intouch?

Specialist support to help optimise the way you work, with your own dedicated Personal Accountant.



Is your current accountant not providing the service you expected? A great accountant will save you time and money, make sure you meet deadlines and provide expert advice to help you run your business in the most efficient way.

Switch to Intouch and your dedicated Personal Accountant will support you with the day-to-day running of your business. You'll have access to our unique IR35 support services and a range of contractor-specific financial services.

We will take care of all your Limited Company's accounting and tax tasks for a monthly fee of £110 + VAT

- Direct line to your dedicated Personal Accountant
- Expert IR35 guidance
- 24/7 portal access (or Freeagent friendly for an additional £15 VAT/m)
- We'll handle the switching process
- No set-up or catch-up fees
- All HMRC and Companies House returns completed and filed
- Contractor-specific mortgages, wealth and protection services

Expert IR35 guidance - all part of the service

Clarity

Unlimited IR35 reviews

- Contract and working practices covered
- Practical end-hirer ready output

Protection

Switch between Limited and Umbrella

- Minimum disruption – just one call
- Finances kept up to date and in one place

Support

IR35 specialist law firm support

- Advising end hirers to mitigate 2020 impact
- Keeping you up to date with legislation

Don't just take our word for it



50% of all our contractors have been referred to us by a friend or colleague



We have an 'excellent' 5 star Trustpilot score



We've won 'Best Contractor Accountant' in the reader-voted ContractorUK Reader Awards for three years running



Freelancer and Contractor Service Association (FCSA) Accreditation - recognised as the industry's compliance gold standard.

It's easy to switch to Intouch

1 Sign up

You can sign up easily over the phone and get going straight away

2 Set up

We'll get everything we need from your current accountant

3 Chat & plan

Get to know your Personal Accountant, share goals and familiarise yourself with the portal