



Compliance Questionnaire

Please read and complete only the sections indicated in the accompanying cover letter. Without this information our payments to you may be delayed.

The information you provide will be treated as confidential.

Everyone should complete the section below:

First Name																			
Last Name																			
Mobile Number																			
*Unique ID	O	P																	
Date	d	d	m	m	y	y													

***Unique ID:** Please enter the number shown on the cover letter.

Returning the questionnaire to Ship Shape:

You may send the questionnaire by Freepost to FREEPOST SHIPSHAPE (no other address details required and no stamp necessary). This service typically takes four days.

Alternatively, if we have asked you to return the questionnaire as a matter of urgency, please use a first class stamp and mail to Ship Shape Resources, 12 London Mews, London W2 1HY.

Should you have any questions please call Ship Shape on 020 7706 5200.



SECTION (A): EMPLOYMENT STATUS QUESTIONNAIRE (LTD. COMPANY)

If you are working under the status of a Limited Company it is essential that you can explain to the HMRC why this is a better description of your operating status than that of 'Employee' or 'Self Employed'.

If you complete this interview having ticked "Yes" to all questions this will help confirm to the HMRC that you understand your position of Limited Company Director, have requested to be paid in this fashion and are correctly classified as such. If you answer "No" to any questions you should contact Ship Shape to discuss an alternative employment status that better suits your working practices, such as PAYE employment.

Ship Shape needs to ensure that you understand your employment status and must keep a record of your answers to the following questions. Please also read the explanatory notes for Company Directors overleaf.

Please tick the 'Yes' or 'No' box below for each question below:

QUESTION	Y	N
You understand that you are not an employee, but are working in business on your own account?		
You have the right to send a substitute (and this right is not restricted beyond the client being satisfied that the substitute is suitably qualified, skilled and experienced).		
There is no obligation for you to take on work from any contractor should you not wish to, nor be offered ongoing work by any contractor?		
As you are experienced, the 'how' you do your work day to day is in your control and you are unsupervised?		
You don't expect to be continuously monitored and told how to complete your tasks.		
You have been engaged to provide specific services and can't be told to perform an unrelated service.		
You have the expertise to start providing these services without needing to be shown how to perform the services.		
If there is more than one possible way in which your work might be done, you are free to choose which way.		
You are being engaged for this because you already know how to do the work.		
You would not accept anyone attempting to tell you how to organise your work for you.		
Once you have been told what work needs to be done, you organise how to achieve it.		
You cannot be told to move to a completely different task without your agreement.		
You receive payment that reflects your ability to perform the work unaided.		
You confirm that you receive payments from your limited company in the form of dividends plus a salary taxed as employment income.		
You confirm that you are specifically not paid as a contractor to your own company, nor in company loans.		

X Please sign below

Should you have any questions about this don't forget that you can contact your Consultant at any time on 020 7706 5260.

Introduction for Company Directors

There are various reasons for having a company, for example, it could involve ownership of property, obtaining investment funds, taxation or contractual relationships. The key point to recognise is that a company is a separate entity; this means that it is a legal "person" in its own right; it is separate from those who own or run it, and usually has 'limited liability'.

Limited liability gives the owners of the company (its shareholders) protection if the company fails. This means that if a company is put into liquidation, the people who own the company will only be required to pay what they have already paid or agreed to pay towards settling its debts - usually what they have paid or agreed to pay for their shares.

Ship Shape will assume that you will have taken suitable advice before taking the decision to set up a Limited Company. We do not provide any services to promote or facilitate Limited Companies, but we do want to ensure that you understand the obligations that this brings, alongside any benefits.

The duties of a Company Director

A director has certain duties to the company and these are set out in the Companies Act 2006. In addition, a director has a personal responsibility to deliver statutory documents to Companies House as and when required by the Companies Acts. These include, in particular: accounts; annual returns; and notice of change of directors or secretaries or in their personal details.

As a director of a company Companies House can prosecute for not submitting these documents on time. These strict requirements are the trade-off for the benefits of trading with limited liability. The information is made available for inspection by the public so that they can make informed decisions about companies that they may wish to invest in or do business with.

Working under Limited Company status

All contracts for work must be struck with your Limited Company and not with you personally. The HMRC will scrutinise your contractual status, as there are different income tax treatments for Limited Companies versus the Self Employed and Employees, for example. It also determines the class of National Insurance Contributions (NICs), which are to be paid.

A person working with a tax status of a Limited Company must be able to demonstrate that this classification correctly describes the circumstances of their work. The short questionnaire overleaf is designed to verify the accuracy of this or otherwise.

SECTION (B): IDENTITY VERIFICATION (LIMITED COMPANY)

In order to confirm your identity and your eligibility to work in the UK please fill out the following information and provide copies of your identification documents.

Nationality

Please select (tick) one of the options below and send copies of your ID documents along with this form.

Note: it is essential that your ID documents are legible.

I have the right to live and work in the UK indefinitely. I have supplied at least one ID document(s) from List A or B	
I have a right to work in the UK for a specified period of time. I have supplied a copy of my passport and copies of my proof of right to work documents from list List C.	

List A (Only for a British citizen or a citizen of the UK and colonies)	List B (For EEA** and Swiss Nationals)	List C (Non EEA Nationals)
<ul style="list-style-type: none">• British Passport• Driving Licence *• Birth Certificate *• HM Forces ID card *• Firearms Licence *• Adoption Certificate *• Certificate of registration or naturalization as a British Citizen *	<ul style="list-style-type: none">• EEA or Switzerland Passport• National Identity Card• Residence permit• Permanent residence card	<ul style="list-style-type: none">• Copy of your passport <p style="text-align: center;">and</p> <ul style="list-style-type: none">• Proof of your right to work e.g. UK Ancestry visa, tier 1 General, Tier 2 (Skilled Worker), Tier 2 (student)

*Only valid when produced in combination with an official document giving the person's National Insurance Number and their name issued by a Government agency or a previous employer (P45, P46, National Insurance Card, or letter from Government agency)

** The European Economic Area (EEA) consists of Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, the Republic of Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK. Although Iceland, Liechtenstein and Norway are not members of the European Union (EU), their citizens have the same rights as EU citizens to enter, live in and work in the UK.

X Please sign below

SECTION (C): CONTRACT FOR SERVICE (LIMITED COMPANY)

Your personal circumstances will determine your correct employment status while working on Ship Shape projects. These circumstances will be discussed with you and your employment status agreed. If working as self-employed (including through a limited company) the following contract will apply.

SUBCONTRACTORS

Ship Shape Resources Limited and Ship Shape Standard Limited (from here "Ship Shape") subcontracts for services to self-employed operatives and to limited companies (from here "The Sub Contractor") under the following terms.

THIS CONTRACT FOR SERVICES is made today

BETWEEN:

- (1) Ship Shape ("The Contractor")
- (2) "The Sub Contractor"

RECITALS

The Sub Contractor is in business on his/her/its own account as an independent provider of services, having the required skills and resources to fulfil part or all of the Contract for Works owned by The Contractor from time to time.

The Contractor and Sub Contractor agree and intend that where the Sub Contractor agrees to provide services to the Contractor this contract has the effect that the status of The Contractor is that of a client or customer of a profession or business undertaking carried on by the Sub Contractor, whether an individual, individuals, partnership or ltd company. The Sub Contractor further agrees and intends he will provide services in accordance with the Provisions of this Contract for Services.

PROVISIONS, THE CONTRACT WORKS, CONTRACT PRICE, SUBSTITUTIONS AND ASSOCIATED MATTERS

1. This Contract for Services shall commence immediately on acceptance of these terms. (Online Registration Acceptance & Agreement)
2. The Sub Contractor agrees to provide Services to the Contractor ("The Works").
3. The Sub Contractor agrees to undertake the Works in a professional work like manner at all times.
4. The Contractor shall not control, nor have any rights of control as to how the Sub Contractor is to perform the Works.
5. The Sub Contractor will use his own initiative in how and by whom the Works are to be completed and will have flexibility as to the hours worked on site, but will nonetheless assist the Contractor by making all reasonable attempts to work within an overall agreed deadline, will observe Health and Safety regulations regarding working hours and will comply with all reasonable site codes of conduct and operational matters relating to working hours and site security.
6. The Sub Contractor is not obliged to seek permission from the Contractor to leave a site at any time and if requested to do so by the Contractor will maintain a timesheet record of time on site for the specific purposes of Health and Safety legislation, or other site operational requirements.
7. The Sub Contractor may, at his absolute discretion, send a suitably qualified and experienced substitute or delegate to perform the Works. This right to send a substitute or delegate is unfettered and unlimited and agreement of the Contractor is not required in any circumstances, nor does notice of sending a substitute or delegate need to be given to the Contractor.
8. Where a substitute or delegate is sent by the Sub Contractor the Contractor shall have no contractual or financial relationship with the substitute or delegate. The Sub Contractor is solely responsible for arranging payments to the substitute or delegate and the substitute or delegate is answerable only to the Sub Contractor.
9. The Sub Contractor may, at his absolute discretion, hire his own assistance in order to complete the Works. Such hired assistance will be answerable solely to Sub Contractor and the Contractor shall have no contractual or financial relationship with the hired assistance. Payments to the hired assistance will be the sole responsibility of the Sub Contractor.
10. The Contractor price for the Works will be negotiated and agreed as between the Contractors and Sub Contractor on a verbal basis from time to time. Written tenders are not required.
11. The Contractor cannot require the Sub Contractor to undertake the Works at a different site or location from that verbally agreed at the outset of this Contract for Services. The Sub Contractor may at his own absolute discretion agree to undertake the Works at a different site or location from that originally agreed but reserves the right to renegotiate the price for the contract works.
12. Materials, plant, tools and equipment may be provided by the Sub Contractor where specifically agreed with the Contractor and usually in return for higher negotiated rates. Both Contractor and Sub Contractor agree that this is generally a Contract for Services essentially in respect of labour only, and recognise that the materials, plant and equipment can generally be sourced and supplied more economically by the Contractor or the Contractor's end client; as a point of sound management by both parties.
13. The Sub Contractor can benefit from his own sound management of the execution of the Works by adopting efficient working methods, working longer hours, negotiating effectively and using hired assistance or substitutes.
14. The Contractor and Sub Contractor agree and intend that each week, Monday to Sunday, represents the commencement and termination of an individual Contract for Services, and that a new Contract for Services commences on the next day contract works are undertaken. All clauses in this Contract for Services will be operative during any such individual contracts, but specifically both parties agree that no umbrella or composite contract is being entered into.
15. The Contractor is not obliged to pay the Sub Contractor for incomplete Contracts for Services unless adequate time has been given for the logistics of contracting with an alternative Sub Contractor. For the purposes of these terms of contract that time is defined as 7 days.
16. Where a Sub Contractor can commence but not complete a Contract for Services the Sub Contractor will inform the Contractor of this fact at least 7 days prior to the commencement of the next Contract for Services.
17. Where a Sub Contractor within a Contract for Services cannot complete the current or commence the subsequent Contract for Services the Sub Contractor will inform the Contractor of this fact at least 7 days prior to the last day they can continue with the Works, to allow logistical planning for an alternative Sub Contractor to be placed.
18. The Contractor runs an internet based business and all communications will be electronic via email, SMS, and / or stored on secure internet pages personalised for the Sub Contractor's use. It is the Sub Contractor's responsibility to provide to the Contractor a valid email address and mobile telephone number, to ensure that the email and SMS inbox will receive the Contractor's communications and to check those services and personalised internet pages regularly for communications from the Contractor. The Sub Contractor warrants that the Contractor may treat any such communications sent or published as having been received and read by the Sub Contractor.

FINANCIAL RISK

19. The Sub Contractor will negotiate the price for services and is obliged to honour any agreed price.
20. Defective work by the Sub Contractor, his substitutes or hired assistance will be corrected by the Sub Contractor at his own cost or in his own time.
21. The Sub Contractor will not be entitled to receive holiday pay or Bank Holiday pay or special absence pay in any circumstances.
22. The Sub Contractor will not be entitled to receive sick pay in any circumstances. The Sub Contractor will bear the cost of his own health insurance, which he may arrange at his own discretion. The Sub Contractor agrees he is not entitled to any employment law rights, which may be available to direct employees.
23. The Sub Contractor will not be entitled to receive payment for cancelled Works or where a site is closed due to inclement weather, or any other factor other than for the proportion of the completed Works.
24. This Contract for Services can be immediately terminated by either party for whatever reason and no notice is required to be given. The Sub Contractor is not entitled to partake in any grievance procedure offered by the Contractor.
25. The Contractor is not obliged to pay the Sub Contractor for Works within an incomplete Contract for Services terminated by the Sub Contractor or for a completed Contract for Services where the subsequent agreed Contract for Services is not commenced, unless adequate time has been given for the logistics of contracting with an alternative Sub Contractor. For the purposes of these Operative Provisions that time is defined as 7 days.
26. Subject to clause 25, the Contractor is obliged to pay the Sub Contractor for the proportion of Works carried out within a Contract for Services terminated by the Contractor.
27. The Sub Contractor acknowledges the volatility of sub contracting and accepts that there is the increased financial risk of bad debt in the contractor supply chain when operating as an independent Sub Contractor on his own account. The Contractor is not obliged to pay the Sub Contractor where payment to the Contractor from the end Client has been refused or failed, for any reason, for the works delivered by the Sub Contractor. The Contractor is not obliged to offer ongoing contracts or Works to the Sub Contractor nor is the Sub Contractor obliged to accept such contracts or Works if offered. The Sub Contractor is not obliged to make his services available. Specifically both parties accept that they do not wish to create or imply any mutuality of obligations whatsoever, at any time, either during or in between any individual Contracts for Services.
28. The Sub Contractor will be responsible for bearing the costs of acquisition and maintenance of transport, appropriate hand tools, and the expenses of an accountant, business stationary and any other incidentals of being in business on his own account.

29. Where for operational reasons; the Contractor at his own discretion provides transport facilities to the Sub Contractor, the Contractor, shall either make a charge to the Sub Contractor, to be negotiated and agreed, or shall take into account such costs when negotiating and agreeing the contract price for the Works to be executed.
30. The Sub Contractor will be responsible for providing his own personal safety equipment. Where such items can be supplied more economically by the Contractor, the Sub Contractor in soundly managing his own business may allow the Contractor to supply the safety equipment but will then agree to pay or discount charges to the Contractor an amount to be agreed verbally.
31. The Sub Contractor is not entitled to receive any company benefits. Personal pension provision may be made by the Sub Contractor at his own discretion.
32. The Sub Contractor will be liable to pay for the repair or replacement of any property, plant equipment or materials he damages.

INSURANCE

33. The Sub Contractor accepts he has legal risk in respect of public liability insurance premiums. Where such insurance can be arranged more economically by the Contractor the Sub Contractor in soundly managing his own business, may allow the Contractor to arrange the insurance but will then agree to discount his contract rates to allow for the Contractor's costs for the administration of the insurance.
34. Full insurance cover is compulsory for any Sub Contractor working with the Contractor under these terms.
35. To ensure full cover, the Contractor has arranged for Public Liability, Employers Liability and Accident Insurance to cover the Sub Contractor during all Contractor Assignments with an administration cost of £2.99 per week. This cost may change from time to time with notice in writing. This cover will be in place any week that the Sub Contractor is working on an assignment for the Contractor unless the Sub Contractor has informed the Contractor the insurance is not required.
36. If the Sub Contractor does not want the cover arranged by the Contractor the Sub Contractor will provide details of independently arranged insurance cover in writing to the Contractor in a timely fashion.

FREEDOM OF THE SUB CONTRACTOR TO UNDERTAKE OTHER WORKS

37. The Sub Contractor is free to undertake other contracts for services for other parties at any time, either before, after, or concurrently with this Contract for Services.
38. The Contractor acknowledges and agrees that he does not have first call on the services of the Sub Contractor and cannot require the Sub Contractor to give him, the Contractor any priority over another Contractor.
39. The Sub Contractor may advertise in any way he sees fit and the Contractor shall not raise any objection.
40. The Sub Contractor may sign write his own vehicle and equipment with his own business name in any way he sees fit and the Contractor shall not raise any objection.
41. The Sub Contractor may use his own business name and the Contractor will not object.

INTRODUCTION FEES

42. The Engagement by a Client of a Sub Contractor introduced by SSR, or the introduction by the Client of a Sub Contractor to any third party resulting in an Engagement (whether as an employee, self-employed or limited company) shall render the Sub Contractor liable to the payment of an introduction fee provided that the Engagement takes place within a period of six months from the termination of the Assignment under which the Sub Contractor was last supplied to the Client, or if there was no Assignment, within six months of the Introduction of the Sub Contractor by SSR.
43. The Introduction fee shall be calculated at 17.5% of the annual gross taxable remuneration and emoluments payable to the Sub Contractor under the Engagement, or the greatest sum permitted by law.
44. The Sub Contractor agrees to inform SSR in writing, 7 days prior to any such Engagement, including full details of the terms. Where the Sub Contractor fails to inform SSR of the annual remuneration, SSR may calculate the introduction fee by multiplying the appropriate hourly rate that it would have charged for that Sub Contractor by 52 and then multiply that by the number of hours as SSR may reasonably determine as being an appropriate working week for that Operative.
45. Fees will be invoiced on the commencement of the candidate's Engagement and are payable in 7 days.
46. No refund of the introduction fee will be paid in the event that the Engagement subsequently terminates.

TAXATION AND NATIONAL INSURANCE

47. The Sub Contractor agrees that, as an independent person in business on his own account is responsible for his own tax and National Insurance.

BUSINESS ORGANISATION

48. The Sub Contractor will prepare invoices for all Works undertaken. Where the Contractor is willing to provide secretarial or administration assistance to the Sub Contractor in any respect, a discount to contract rates will be agreed verbally.
49. The Sub Contractor, being in business on his own account will have his own business stationary and business card will, if requested by the Contractor, supply a specimen for the Contractor's records.
50. The Sub Contractor will at all times represent himself as an independent Sub Contractor and will in no circumstances represent himself or hold himself out as a servant or employee of the Contractor. The Sub Contractor hereby acknowledges he is in business on his own account and is not part and parcel of the Contractor's business.
51. The Contractor may provide online facilities for your utility and convenience. The Sub Contractor agrees to use these facilities in accordance with the Contractors online Conditions of Use as published and updated from time to time on these pages.

OTHER CHARGES & SERVICES

52. Should the Sub Contractor choose to adopt Ship Shape Pay the additional charges and services shall apply
 - a. The Sub Contractor agrees to discount contract rates (usually 4% or £16.90 but not lower than £4.99; plus £2.99 for Insurance admin where required; or as otherwise agreed) to allow for the cost of the services.
 - b. The Contractor will contract with any Client or Agency, not just Ship Shape Clients, to promote and supply the construction services including those that may be completed by the Sub Contractor.
 - c. The Contractor will execute debt collection on all legitimate assignments.
 - d. The Contractor will arrange for the completion of personal tax returns for the Sub Contractor in any financial year where the subcontractor has operated for 12 weeks or longer.
 - e. The Contractor will coordinate and pay for or refund any CITB CSCS test passed by a Sub Contractor (or any other specific health and Safety exam with agreement in writing)
 - f. The Contractor will arrange for public and employers liability and accident insurance cover during any assignment paid through Ship Shape Pay.
 - g. The Contractor will appoint a personal consultant who will stay with the Sub Contractor for the length of time they are assigned to Ship Shape Pay to update the Sub Contractor CV, Market the Sub Contractor to Construction Companies and Agencies (unless restricted by end client or partner agency contract), administrate claimable expenses and generally advise the Sub Contractor for advancement of their safety, compliance and business interests.
 - h. Where a subcontractor is paid outside of the Ship Shape Pay structure these services may be withdrawn by the Contractor.
 - i. Where no business has been transgressed through Ship Shape Pay for a period of 12 weeks, the services and obligations will cease unless otherwise agreed in writing.
53. Timesheets for which the Contractor must acquire authorisation on your behalf will incur a £5 administration fee (per Timesheet). The Contractor reserves the right to charge £2.50 for any remittance slips or other communications that must be posted by the Contractor due to no valid email being available, or at the request of the Sub Contractor. The Sub Contractor agrees to pay these fees.

INTENTION OF THE PARTIES

54. Both parties agree and intend that this legal relationship is one of Contractor and independent Sub Contractor and specifically is not a relationship of master and servant or employee.

OPT OUT NOTICE

55. The Sub Contractor has given notice that it is their intention that the provisions of the Conduct of Employment Agencies & Employment Businesses Regulations 2003 do not apply to any Works undertaken by the Sub Contractor and the worker(s) it supplies.

LEGAL ADVICE AND OTHER MATTERS

56. Both parties hereby acknowledge that they have had an opportunity to take independent legal advice before accepting this contract.
57. Both parties acknowledge that their contractual relationship is governed by this Contract for Services as a legally binding agreement.
58. Both parties acknowledge that this Contract for Services is the whole agreement governing the contractual relationship between them with the exception of any subsequent verbal negotiations.
59. These terms and conditions may change from time to time, and may always be found at www.shipshaperesources.com. Any changes will be notified in writing and will be binding 30 days from such notification unless otherwise agreed. If the Sub Contractor has any objections to any changes they should notify the Contractor in writing with that 30 day time frame.

- 60. This Contract is governed by the laws of England, Wales, Scotland or Northern Ireland as appropriate.
- 61. Breach of any clause in this contract will not void or annul this Contract for Services as a whole in any circumstances.
- 62. In the event of any dispute arising from this Contract an independent solicitor or accountant will be appointed to arbitrate in the first instance.
- 63. The Parties agree and intend to be bound by the foregoing Contract for Services

ENTIRE AGREEMENT

- 64. This Contract for Services will stand in place and to the entire exclusion of all previous agreements between the Sub Contractor yourself and the Contractor relating to the Sub Contractor's services.

DATA TRANSFER PERMISSION

- 65. I warrant that all information provided by me to the Company and the Company's clients is, and will be, correct to the best of my knowledge. I agree to allow the Company's Clients to share my personal and payment data with the Company, and vice versa as required to ensure efficient calculation and payment to me including all statutory deductions.

DECLARATION

- 66. I will keep a copy of this document for future reference. I understand the difference between bona fide subcontracting and employment and I have elected to work as a subcontractor and have notified Ship Shape of this choice. By online agreement or by printing, signing and return by Freepost, I hereby agree to the foregoing Contract for Services as corresponds to my current circumstances and choice notified to Ship Shape.

X Please sign in box below

C2_SUB_V109

SECTION (D): OPT OUT NOTICE (LIMITED COMPANY)

PARTIES

- A. Ship Shape ("the Contractor")
- B. [Name of individual supplied to do the work] of [address] (the "Individual")
- C. The Sub Contractor

- 1. This Opt Out Notification is supplemental to the contract for services appended hereto between the Contractor and the Sub Contractor. The terms used in this notification shall have the same meaning as those defined in the Agreement.
- 2. The Sub Contractor and the Individual acknowledge that it is their intention that the provisions of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (the "Conduct Regulations 2003") do not apply to any Works.
- 3. The parties hereto have freely entered into this Opt Out notification.
- 4. The Sub Contractor and the Individual are free to withdraw from this Opt Out notification at any time by giving not less than one week's written notice to the Contractor. However, where notice is given during an assignment it will not take effect until the Individual stops working in that assignment and commences a new assignment.

We the undersigned have read, understand and agree to be bound by the terms of this Opt Out notification. In particular, we understand that by signing this Opt Out notification we are agreeing that the provisions of the Conduct Regulations 2003 shall not apply to any Works carried out by the parties.

Signed: *P. Longega (Managing Director)*

For and on behalf of the Contractor (date as below)

Signed: _____

For and on behalf of the Sub Contractor

Date: _____

I confirm I am authorised to sign this Opt-Out notification for and on behalf of the Sub Contractor.

Signed: _____

The Individual

Date: _____

I confirm I am authorised to sign this Opt-Out notification for and on behalf of the Sub Contractor.

SECTION (E): UNIQUE TAX REFERENCE (LIMITED COMPANY)

If you are working as self employed you must register with HM Revenue and Customs (HMRC) and provide Ship Shape with your Unique Tax Reference (UTR) 10 digit number.

Your Company Name

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Your Company Number

--	--	--	--	--	--	--	--

Your Company UTR

--	--	--	--	--	--	--	--	--	--

X Please sign below

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I don't have a UTR yet - how do I apply?

If you need to apply for a unique tax payer reference number, you can call the HMRC on 0845 915 4515 or download an application from their website.

Please ensure you register with HMRC and provide Ship Shape with your 10 digit UTR number as soon as possible.

Failure to do so may force us to withhold your pay under HMRC rules.

If you have any questions about this please give us a call on 0207 706 5260

SECTION (F): STATUS CONFIRMATION (LIMITED COMPANY)

Introduction

There are various reasons for having a company, for example, it could involve ownership of property, obtaining investment funds, taxation or contractual relationships. The key point to recognise is that a company is a separate entity; this means that it is a legal "person" in its own right; it is separate from those who own or run it, and usually has 'limited liability'.

Limited liability gives the owners of the company (its shareholders) protection if the company fails. This means that if a company is put into liquidation, the people who own the company will only be required to pay what they have already paid or agreed to pay towards settling its debts - usually what they have paid or agreed to pay for their shares.

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All contracts for work must be struck with your Limited Company and not with you personally. The HMRC will scrutinise your contractual status, as there are different income tax treatments for Limited Companies versus the Self Employed and Employees, for example. It also determines the class of National Insurance Contributions (NICs), which are to be paid.

If you are working under the status of a Limited Company it is essential that you can explain to the HMRC why this is a better description of your operating status than that of 'Employee' or 'Self Employed'. In a recent telephone/online interview you informed us that you wanted to be paid through your Limited Company, and the answers you gave to the questions below (shown in the table) lead us to believe that this is the correct employment status for you.

Question	Response
You understand that you are not an employee, but are genuinely in business on your own account (operating as a Limited Company)?	Yes
You understand you are running your own business, and that in this relationship we are therefore your client or customer?	Yes
You are not due holiday or sickness pay?	Yes
There is no obligation for you to take ongoing work from Ship Shape or other contractor, nor be offered ongoing work?	Yes
You can substitute yourself for another qualified and verified person to do your work?	Yes
"How" and "when" you do your work on a day to day basis is for the most part in your control?	Yes
That you do not have National Insurance or PAYE tax deducted from you, but are responsible for your own tax affairs?	Yes
You may have a retention held against you and deductions may be made should there be any doubt as to the standard of your work, professionalism and conduct.	Yes

X Please sign to confirm your agreement

Taxes payable in the Construction industry

If you work in Construction, tax is deducted at source and paid over to HMRC by the contractor when making payments to each limited company subcontractor through the **Construction Industry Scheme (CIS)**. The current CIS deduction rates are:

- 20% for subcontractors registered with HMRC for payment under deduction
- 30% for subcontractors not registered with HMRC

Ship Shape will deduct the tax payable under CIS before making payment to your Limited Company. The CIS is held at HMRC as an advance payment of taxes which can be later offset against actual company taxes, firstly PAYE and NI on your employees, and later against any outstanding corporation taxes due by the company. Note it is still the responsibility of the limited company to report the actual PAYE, NI and Corporation taxes due.

For all limited companies who operate outside the construction industry, tax deductions are not made at source, but the company will still be responsible for all payroll (PAYE and NI) and corporation taxes as and when they are due.

National Insurance Contributions (NICs) explained

As an employer you are required by law to operate the National Insurance Contributions (NICs) system accounting for your own and employees contributions. This is normally done through the Pay As You Earn (PAYE) system.

You may have to deduct Class 1 NIC from your employees. You may also have to pay Class 1A and Class 1B NIC after the end of the tax year. A brief description of each follows:

Class 1: Paid by people who work as employed earners, and their employers

Class 1A: Paid by employers who provide certain directors and employees with benefits in kind which are available for private use, for example, cars and fuel

Class 1B: Paid only by employers who enter into a Pay As You Earn (PAYE) Settlement Agreement (PSA) with HM Revenue and Customs for tax purposes

Further guidance can be obtained directly from the HMRC web site.

You will also need to register for VAT if your turnover reaches the threshold level which is currently at £73,000 per year.

The Company Secretary

A private company does not have to have a company secretary, whose duties may include maintenance of the statutory registers, ensuring that the company files statutory information promptly, providing members and directors with notice of meetings *and all other relevant information including* written resolutions and accounts.

Should you have any questions about this don't forget that you can contact your Consultant at any time on 020 7706 5260.