

Career Management Limited

Umbrella Company Services

to

Contractors & Freelance Consultants

Hillman & Co

Chartered Certified Accountants

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Introduction

The decision to become a contractor or freelance consultant is not an easy one to make, the loss of job and financial security and the burdens of 'going it alone' can be awesome. To assist in this process **Career Management Limited (CML)** was established to provide accountancy and administration services to contractors and consultants. We recognise that whilst many contractors are highly skilled and can command premium salaries, they are not specialists in accountancy or administration and that it is both inefficient and uneconomic for them to divert their time to attend to these matters.

In the past many contractors set up 'personal service' limited company. The contractor then became a director and employee of that Company. They are usually set up for the professional status they give you - a lot companies prefer to deal with other limited companies rather than sole traders. A limited company gives you total control over the funds that go through it, and as such, control on how much remuneration is taken as salary, dividends or legitimate expenses. In this way the contractor could manage their affairs to reduce their tax burden. However, the implementation of IR35 took away the tax advantages of working through a limited company, as it prevented individuals using dividends for most of their remuneration.

At **Career Management limited (CML)** we offer an umbrella company for contractors and freelancers, which combines the simplicity of being a salaried employee with the advantages of your own limited company. **CML** offers many of the benefits of limited company flexibility, with a generous Expense Policy, and a comprehensive payroll ensuring that you remain compliant with Inland Revenue regulations. You will no longer have any of the administrative worries of running a limited company, and will therefore save on accountancy fees. All directors' responsibilities, administrative burdens and regulatory compliance are removed from the individual and handled by ourselves, leaving you free to concentrate on your work and or your quality free time.

Your services will be provided to your client/agency through our umbrella company – **Contract Associates Limited (CAL)**. You can continue to use the umbrella company even when you change contract or restart after a period of not contracting.

CML specialise in serving the needs of the contracting community, we aim to provide a premium service at a competitive price. Our Managing Director has over 11 years experience as a contractor, he is well aware of the advantages and disadvantages of contracting. In addition as a Certified Accountant with his own practice, Hillman & Co. he is best placed to advise on tax and accounting matters.

We believe that each contractor is an individual, and that no one set of rules can fully accommodate the needs of all contractors, to this end we aim to tailor our advice to the specific needs of each contractor. If any contractor has a query we will endeavour to resolve the matter in their best interests.

If there are any matters within this brochure you wish clarified or you have any questions regarding our service please feel free to contact us at the number below, we will be happy to deal with any enquiry.

01325 300526

or

email: ed.hillman@careermanagementltd.co.uk

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Bureau Services

We believe that to fully benefit from contracting, a contractor needs to trade through a limited company. However, we acknowledge that it is expensive and inefficient to run a limited company for every contractor, also IR35 and S660A severely limited the effectiveness of trading through an individual personal service company. At **CML** with our associate company **Contract Associates Limited (CAL)**, contractors 'pool' their activities and thus reduce the costs in both time and money. We have managed to keep most of the benefits of independence, but have removed many of the responsibilities.

How does it work?

1. Each Contractor becomes an employee of CAL. This means you do not have to form your own company.
2. CAL will invoice your clients on the terms agreed by you, and undertake credit control to ensure collection on the due date.
3. CAL is VAT registered and will handle all vat on behalf of the company
4. CML operate a full PAYE and NI payroll, this is calculated after business expenses and allowances in order to minimise your tax position.
5. All earnings are paid out either as salary or as expenses. We do not operate a dividend policy.
6. You can join CAL at any time, simply complete the attached application form (appendix A). There are no set-up costs.
7. You can leave CAL at any time, although we do require one week's notice, this is to give us time to finalise any documentation.
8. We provide services to the contractor, we do not find contracts for individuals, this is down to the contractor.
9. We can only pay out of monies we have received from your clients. We do not pay you when you are sick, out of work or if your client defaults or pays late.
10. All our contractors are required to have Professional indemnity insurance, if you do not have this we can arrange it for you. This is an allowable expense!

Advantages

- a. You only pay for our service whilst you are in work, if you are between contracts our charges are suspended, this applies to any complete month\week.
- b. Our charges are fixed, subject to periodic review, there are no hidden extras and so there are no surprises.
- c. As an employee of a larger company, your own affairs are hidden amongst many, so your anonymity is maintained.
- d. As an employee receiving a regular salary, your credit rating is maintained for mortgage or loan purposes.
- e. You do not need to pay an accountant or have time off to do your books, VAT returns, etc.
- f. You do not need to file company accounts
- g. Allowable expenses can be paid before the calculation of tax and NIC (employers and employees!).

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- h. A 'non contributory' pension can be arranged, again this is deductible before calculating tax and NIC (employers and employees!). As this is a stakeholder pension it is entirely portable.

Existing Contractor

If you are already a contractor with your own company, you will have some idea of the time and cost involved. This does not preclude you from taking advantage of our service. You can try our service on a temporary basis, your own company will simply not trade while you are with CML.

However, you are still obliged to complete the annual return and statutory accounts. We can advise you in this matter where appropriate.

If you decide to continue with CML, we will assist you with either making your company dormant or winding up the company. With our expertise you can make a smooth transition from an own company administrator to an employed contractor with more free time a fewer administrative worries!

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Own Company Services

If you decide that the 'in-house' CML service is not for you, we can still assist by setting up a company for you and undertaking all the administrative functions on your behalf. This involves:

- i. Registering a company with your choice of name and you as a director.
- ii. Registering the company for VAT and PAYE.
- iii. Advice on setting up a bank account.
- iv. Maintenance of accounts.
- v. Payroll administration.
- vi. Quarterly VAT return.
- vii. Statutory accounts preparation and tax computations.
- viii. Company secretarial function if required.

The company bank account is maintained by yourself, we have no access to your funds. However our fees must be paid by standing order.

We can advise on an appropriate dividend\salary policy. The current benefit of taking a dividend instead of a salary has been eroded significantly since the introduction of IR35 and more recently the 'dividend tax' may make this uneconomical in the future.

If you have an existing company and wish to take advantage of any of our services please call and discuss your requirements.

With your own company you, as director\contractor, are solely responsible for the actions of the company. We are providing a bureau service on your behalf, we can ensure that you avoid all the major pitfalls that a small company is like to come across.

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Charges

		Bureau Service	Own Company
Standard charge	monthly, or weekly	£25.00 per month £10.00 per week	£ 62.50 per month
Spouse on payroll		£10.00 per month	£ 10.00 per month
Company set up			£100.00 one off
Registered Office			£ 50.00 per annum
Company deregistration			£100.00 one off

Standard charge

This covers the basic service and includes invoicing, payment collection, payroll processing, expense processing, pension, PAYE and VAT processing. CML operate a monthly payroll. When your agency/client pays us, we immediately pay 60% of the net receipt to you, thereby relieving any financial hardship on your behalf. Any further monies due are paid after we have finalised the monthly payroll.

Monies received up to and including Friday are paid by BACS the following Monday. Processing normally takes four days and is in your account on Thursday. If payment is required immediately, a CHAPS payment can be arranged at an additional cost of £25.00. Monies will be deposited the following day.

Spouse on payroll

If you have a spouse or partner who does not work, or is on a low income, then there is a benefit in employing them to assist you with your contracting work. They can take messages, talk to agencies, collate expense receipts, etc. By paying them a salary you can avoid or reduce your top rate of tax. We will set the salary in order to take maximum advantage of the tax allowance and the lower rate band. When utilised the benefit far exceeds the additional cost.

Weekly processing

Our basic service provides for one payment to each contractor a month, however where you have arranged weekly invoicing, we can pay you an 'advance' of 60% of any monies we receive during the month, any balance which is normally quite small will be paid with your normal salary payment.

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Expenses

Contractors are required to fill in an expense form each month and attach all receipts. Expenses and mileage log may be submitted by email for payroll processing, but 'hard' copies which have been signed with receipts attached are required as back up. We will then pay back the expenses part of your earnings free of tax and national insurance. An expense manual is available to all members so they know what can be claimed.

Private cars

We apply two business mileage rates depending on the business mileage undertaken. Recent changes to the legislation means that contractors based at home can now claim the allowance to and from your normal place of work.

We do not recommend the purchase of a vehicle through the company. Government legislation has eroded the benefit to the extent that any benefit is now marginal.

Office equipment

An allowance is paid in respect of items purchased for use as a contractor, such as computers, desks, fax machines, etc. The expense manual will explain how this works.

Invoicing

We will invoice your client on the terms you have agreed. You must inform the agency\client to raise any contract in the name of **Contract Associates Limited**, so that we can invoice on your behalf. The agency\client should forward the contract to our office so that it can be reviewed and signed by our managing director. If there are any contentious matters we will bring them to your attention before we sign, however, you should also obtain a copy, if you are unhappy please let us know.

You will normally be required to complete a timesheet for the agency\client. This should be sent direct to the agency\client, we do not require a copy. You should phone or email your hours\days to **CML** so that we can invoice your client. If you do not let us know your hours\days we cannot invoice your client.

Invoices are sent out to clients within 3 working days.

We review our sales ledger constantly, and chase any overdue invoices. If we encounter any difficulties we let you know immediately!

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The next step

Read our brochure thoroughly and decide if our service is of benefit to you. If you have any questions please do not hesitate to contact us, we will endeavour to answer any queries you have. Our aim to provide a premium service at a competitive price. We are constantly trying to improve our service all constructive comments are appreciated.

To take advantage of the services outlined in this brochure simply complete the attached registration form (appendix A). On receipt we will send you an information pack.

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PERSONAL DETAILS					
Name:	_____	Tel:	_____		
Home:	_____	Mobile:	_____		
Address:	_____				
	_____	NI No.	_____		
	_____	Nationality	_____		
Post Code:	_____	Country of Residence	_____		
P45	Attached	<input type="checkbox"/>	P46	Attached	<input type="checkbox"/>
	To follow	<input type="checkbox"/>			

BANK DETAILS		(For Salary)	
Bank Name	_____	Sort Code	_____
Bank Address	_____	A/c No.	_____
	_____	Name of Account	_____

Post Code	_____		

CONTRACT DETAILS					
Agency Name	_____	Client Name:	_____		
Invoice Address:	_____	Contact Name:	_____		
	_____	Attention of:	_____		

Contract:	Start	_____	Contract:	End:	_____
Rates:	Normal	_____	Daily/Hourly	_____	
	Overtime	_____			
	Special	_____	Contract Ref:	_____	

Signed:	_____	Date:	_____
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