

LIMITED COMPANY CONTRACTOR – FAQ

On-boarding

I am setting myself up as a Limited Company. Can Simpson Booth help with this?

Whilst Simpson Booth Ltd cannot directly assist with this, we can provide you with details of other organisations who can assist you. Please email contractors@simpson-booth.com for further information.

What information do I need to provide you with before my contract commences?

Please provide copies of the following documents:

- Incorporation Document
- VAT Registration Certificate
- Insurance certificates and documents
- If working offshore, copies of all offshore permits and certificates
- A completed Contractor Details Form
- A completed Contractor Identification Form – this can be completed on the first day of your assignment
- A signed and initialled contract, which will be issued to you separately
- A signed notice to opt out of the conduct regulation
- Your company's bank details

These can be emailed to contractors@simpson-booth.com

Invoicing

When can I invoice for my services?

This is done on a monthly basis. Accordingly, you are able to issue an invoice to us as soon as each calendar month has completed, and you have all the necessary supporting documentation.

Our payment terms are detailed within our contract with your Limited company. We will only process an invoice if we find no errors on it, and we have received all supporting documentation for it (the verification of the execution of the consultancy services and expense forms).

In order to ensure there is no delay to your payment, please make sure that each invoice includes:

- The correct supporting documentation
- The right dates for work performed
- The correct VAT treatment on services and expenses
- The right daily rate and number of days worked

What do I need to put on my VAT invoice?

The HMRC guide states what elements are mandatory on a VAT invoice.

These guidelines are set out below.

Your invoice should have:

- A unique reference number
- Your selling or trading name and address
- Your VAT registration number
- The invoice date
- The time of supply (also known as tax point) if this is different to the invoice date
- The customer name and address – in this case Simpson Booth, see details below

- A description of the services to identify these to us clearly
- The rate of any cash discount
- The total amount of VAT charged
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For each line item you must supply:

- A description of each item – please clearly state the time periods worked from and to
- The unit price or rate of the item
- The quantity
- The rate of VAT that applies to the line item
- The total amount payable, excluding VAT

Further details can be found on the HMRC website:

www.hmrc.gov.uk/vat/managing/charging/vat-invoices.htm#2

We would also recommend that the method of payment (e.g. sort code and account number details if you wish for electronic payment) is noted on all invoices.

What is the Simpson Booth postal address to include on the invoice?

Simpson Booth Ltd, 2nd Floor, Berkeley Square House, Berkeley Square, London, W1J 6BD. There is no need to physically post your invoice – it can be emailed to contractors@simpson-booth.com.

Are there any time limits on issuing a VAT invoice?

Yes, as HMRC states there is a strict limit “...*You must normally issue a VAT invoice (to a VAT-registered customer) within 30 days of the date you supply the goods or services ...This is so your customer can claim back the VAT on the supply, if they're entitled to. You can't issue invoices any later without permission from HMRC except in a few limited circumstances.*”

For further details please see the HMRC website here:

www.hmrc.gov.uk/vat/managing/charging/vat-invoices.htm#9

I am not registered for VAT, what do I need to put in my invoice?

If you are not registered for VAT the same contents apply above for your invoice, but without the VAT line item element or VAT total calculations added.

If I am waiting for my VAT registration to come through for my limited company, can I claim the VAT for invoices at a later stage?

Yes, this is possible. Please clearly state on your invoice that your VAT registration number is pending. You can then submit another invoice referencing the original and detail the VAT element to be paid. Your new VAT registration number must be clearly shown on the new invoice.

It is not possible to claim for the VAT until your VAT registration number is through so any invoices requesting payment of VAT without a valid VAT number will be rejected.

Do you provide remittance for invoices submitted?

We do not provide remittance notices as standard. Please contact us if this is required.

Expenses

How can I claim back expenses?

Please use the expense form provided from our office for any expenses. Any claimable expenses should be agreed and described in your contract. Please make sure that you number any supporting documents and also have this reflected on your expense form as well against each line item. This form also needs to be signed by a client representative and should be scanned and sent in along with your verification of consultancy services. Please note that as a limited company contractor, you need to invoice for these expenses before they will be paid.

Can I claim per diems?

If this is part of your contract, you are able to claim a per diem allowance, but this must be signed for as a separate line item on an expense form with the dates worked detailed, along with a valid timesheet.

Can I claim mileage? What is the accepted mileage rate that will be paid?

This is normally outlined in your contract if you can claim. The standard accepted rate is normally 45p per mile but please confirm this with our office before you do your first expense claim to avoid it being rejected.

When can I invoice for expenses incurred?

Expenses invoices can be sent in with your monthly consultancy invoice. If you need expenses paid more frequently please contact us to discuss this.

When should I charge VAT on expenses?

As your agency, we are not in a position to advise you on how you should be processing your invoices, and this should be something you discuss with your accountant.

There is further information on the HMRC website here regarding disbursements and recharges:

Costs passed onto clients – disbursements, recharges – and VAT:
www.hmrc.gov.uk/vat/managing/charging/disbursements.htm

I have incurred expenses which have VAT on them, what should I charge?

If you have suffered VAT on an expense and you are not VAT registered, you are entitled to charge us the gross amount, i.e. the total including VAT. If you are VAT registered, you should only invoice us for the net amount, then adding your own VAT onto this. This is because you should be able to claim back the VAT incurred. If you are unsure how to manage VAT, please contact your accountant in the first instance.

Verification of Execution of Consultancy Services

Is there a template I should use to verify the services my company has provided?

Yes, Simpson Booth will provide one for your Limited Company and it is called a “*Verification of Execution of Consultancy Services*”. This is the template form which allows us to verify the days that you have provided services to the client each week.

How often do I have to fill in the Verification of Execution of Consultancy Services form?

This form needs to be filled in either weekly or monthly, depending on the particular arrangement in place with the client you are providing services to. This will be separately advised to you at the start of your Assignment. You will need to get them signed and a scanned version sent through to us (contractors@simpson-booth.com) as soon as possible after completion. If you know you are going away for more than 7 days, please let the office know so we don't have to chase you for verification of services. If you are going on holiday, please send in your Verification of Execution of Consultancy Services form before you go away.

Who can sign the Verification of Execution of Consultancy Services form?

This form must be *signed and dated* by your contact at the client site, provided they are authorised to sign this on behalf of their company. If you are unsure as to who can sign your Verification of Execution of Consultancy Services form, please contact us.

Where do I send the Verification of Execution of Consultancy Services form?

Please scan and email them electronically before 10am on the Monday following the last week of the period worked to contractors@simpson-booth.com.

Payment

When will I get paid?

This is outlined in your contract or agreement for the assignment, so please check this for details. We can only pay you if we have received your signed timesheets, together with your invoice, so please make sure you send these to us promptly.

Annual Leave

I want to take leave, what is the process?

Please discuss this with your client contact. As a limited company contractor, any leave taken is unpaid.