



"Tŷ Pentyrch",
11 Maesteg Road,
Cwmfelin,
Maesteg,
CF34 9LB.

Company number: 10140626

IR35 statement - independent contractor status

Cwmni2 is a private limited company and an independent contractor, either commissioned directly to undertake specific one-off policy consultancy work, or contracted via a tendering process for policy consultancy or translation work, or as part of a contracted framework arrangement.

As such, Cwmni2 is therefore not "in scope" under the requirements of IR35. It is the responsibility of Cwmni2's accountant to deal with any corporation tax, NI etc. as part of the company monthly payroll and annual accounts.

Management and Benefits

Cwmni2 is not under the direct supervision, control or direction of the client whilst carrying out the work, beyond overall compliance with the work specification and deadline timetable, and is therefore solely responsible for deciding **how** and **when** the work will be undertaken each day/week, other than for meetings or presentations that are undertaken on mutually agreed dates.

Other than for any specific contracted requirements, Cwmni2 is solely responsible for deciding **where** the work is undertaken (for translation and policy consultancy work this is done at home).

Cwmni2 does **not** have any employment benefits from the client for undertaking agreed work, such as holidays, sick pay, pension, daily/regular access to staff facilities etc.

Mutuality of Obligation

In order to come under IR35, a mutuality of obligation would have to exist where an employer would expect a worker to undertake work when asked to do so, and the employee expects regular work and a salary to be paid.

Independent contractors would expect a client to hire/commission/contract them to carry out an agreed task in accordance with a specification or framework, with no expectation or guarantee of further work after the initial task has been completed.

This is the situation in terms of Cwmni2 and the policy consultancy work and translation work that the company undertakes.

Provision of Equipment

Cwmni2 uses its own equipment for the most part to undertake translation work and policy consultancy work, not equipment belonging to the client.

Cwmni2 only uses equipment belonging to a client when undertaking delivery of policy consultancy presentations; this is usually in terms of laptops and projectors/screens at the client's chosen location, if this is not being done via Teams or Zoom.

Ownership Rights

Ownership rights cover assets that are created or used during the period of a contract, and can include intangible assets, such as intellectual property. Under IR35, where a contractor such as Cwmni2 retains ownership of assets created during a contract, once that work has been completed and they are working outside of the original contractual arrangements, this is an indicator that they are running an independent business.

During policy consultancy work and translation work, though the organisation-specific **content** of any work would be under the ownership of that organisation (possibly due to GDPR and Data Protection requirements for example, or where department names and statistics are used), Cwmni2 has ownership of any format, template, method, process, experience and knowledge (other than that which is private and covered by the contract agreement) and that can be used in general for similar work for other organisations.

Successful contract bids often rely, in part, on the proven qualifications, experience and knowledge of Cwmni2; in effect, those are matters of intellectual property and in a reverse way to the scenario above, Cwmni2's work for other organisations might be used under a new contract with another organisation.

Payment Basis

For the purposes of commissioned or contracted work, the financial basis is in the form of an official request and/or purchase order **from** the client **to** Cwmni2, and a non-VAT invoice at the end of the work **to** the client **from** Cwmni2, for the agreed amount, with no deductions by the client organisation at source. Staggered payments over an agreed period can also be arranged and the due dates noted before hand in the purchase order.

Cwmni2 as a Business and Independent Contractor

Various general points regarding Cwmni2's IR35 status:

- Cwmni2 works for a number of clients at the same time, often on the same day, on translation work, project management or policy consultancy work.
- Cwmni2 has a business web site and business email address of its own, as well as a company logo, personalised letterhead, invoices and quotation documents.
- Cwmni2 uses its own equipment for all its work, other than during presentations where the client's site/equipment is used to deliver that session.
- Cwmni2 is not registered for VAT.
- Cwmni2 has Public Liability and Professional Indemnity insurance in place.
- Cwmni2 is a sole trader, therefore has no other employees other than the Company Director, who is the full owner. Cwmni2 does not sub contract any work to third parties. Cwmni2 is therefore exempt from having Employer's Liability Insurance under the Employers' Liability (Compulsory Insurance) Act 1969 as exemptions include - "companies employing only their owner where that employee also owns 50% or more of the issued share capital in the company".
- Cwmni2 works out of a specific "office" room at the owner's home, not within any client's premises, except for ad-hoc meetings or presentations.
- Cwmni2 often tenders for work from new clients for projects, as well as from current clients, but does not expect to be successful based solely on any previous work undertaken for them.