

TERMS OF BUSINESS

In this section we explain in further detail who we are, what our services entail and what our terms of business are.

1. The Practice

- a. "KRC Chartered Accountants" is the trading name of KRC Accountants Limited, a company registered in England and Wales number 07231903.
- b. The director of the company is Khandaker Rahman (also known as Khan Rahman) who is a chartered accountant, qualified through and holding a practising certificate with the Institute of Chartered Accountants in England and Wales (ICAEW).
- c. Other staff comprise managers, reception and administrative staff, payroll administration and accounting staff.
- d. The registered office and principal place of business of KRC Chartered Accountants is 7 Meadows Bridge, Parc Menter, Cross Hands, Llanelli, Carmarthenshire. SA14 6RA.
- e. The firm is registered with the ICAEW and is subject to its monitoring procedures and quality control measures.
- f. KRC Chartered Accountants (KRC) is not registered to undertake statutory audit work or to undertake investment business activities which would include advising on investments, pensions and life assurance. We do not have any arrangements to introduce clients requiring financial or investment services to any third parties and we do not have any arrangements with third parties to receive commissions for introductions or business undertaken by such parties.
- g. We only offer advice on and carry out services relating to, UK accounting and tax matters. We may offer general advice about overseas tax matters, such as those relating to residence in or transactions with persons or companies in the European Economic Area, but not jurisdiction-specific advice.

2. Responsibilities

- a. Your Tax, VAT and NIC affairs are your responsibility; we act only as your agent. It is your responsibility to:
 - i. maintain accurate records for accountancy, audit or taxation purposes.
 - ii. consider the accuracy of accounts, tax returns or other documents which the practice prepares for you, before you sign them.
 - iii. ensure that claims, forms, returns and accounts, which are subject to a statutory time limit, are submitted on time.
 - iv. make sure we get copies or originals of all forms, assessments or other documents sent to you by HMRC, Companies House or any other government agency, on which you wish us to advise or take action.

- b. We will offer you as much assistance as possible in meeting the above obligations. This will include, where possible and practical:
 - i. giving you guidance on the records you need to keep and advising you of any significant errors or omissions which we discover.
 - ii. ensuring that accounts, tax returns and other documents are an accurate reflection of the records and other information, written or verbal, which you have given us, and drawing to your attention any known uncertainties or errors.
 - iii. ensuring that you are aware of relevant time limits and critical dates.
 - iv. ensuring that we process work you give us within the time scale necessary to meet relevant time limits, provided that we have been given the necessary books and records in good time.
- c. If you are not VAT registered, it is your responsibility to monitor the registration thresholds and contact us if you need to effect registration. Likewise, if you use a VAT scheme with a turnover limit it is your responsibility to monitor your continued eligibility for its use.
- d. We are not responsible for the detection of, or prevention of, fraud, theft or accidental losses within your business or personal affairs.

3. Preparation of Accounts

- a. We will prepare your accounts from your records, incorporating any other verbal or written information given. In preparing these accounts we will endeavour to identify and correct any material errors found in your records and, where appropriate, advise you accordingly.
- b. We will draw your attention to any major deficiencies, errors or omissions which we discover in your records or accounting systems.
- c. It is your responsibility to maintain accurate and reliable accounting records for the purpose of our drawing up accounts.
- d. Unless specifically agreed we will not be responsible for maintaining or preparing a nominal ledger or Statutory Accounting Records as defined by the Companies Act. Our own working papers do not constitute a nominal ledger or Statutory Accounting records.
- e. We will provide a Chartered Accountant's Report with a non-audit certification.
- f. For companies / LLPs we will file your accounts at Companies House, normally electronic abbreviated accounts which give the minimum disclosure for Companies House filing. As these are abbreviated version of the full accounts we will normally rely on your approval of the full accounts, rather than asking you to explicitly approve the abbreviated accounts.
- g. For charities, we will not file the accounts at the Charity Commission – this will be the responsibility of the charity's management committee.

4. Tax Compliance

- a. We will check and advise you of the correctness or otherwise of any assessments, computations, statements of tax liabilities, PAYE coding notices or demands for payment sent to you by HMRC provided, provided of course that we have a copy of the relevant documentation.
- b. Under normal circumstances we automatically receive copies of Self-Assessment and Corporation Tax assessments raised by HMRC, but we may not always receive these or copies of other HMRC assessments, including VAT correspondence, demands for payment, reminders or PAYE coding notices. As such whenever you receive notices from HMRC, Companies House or any other government or regulatory authority, these must be forwarded to us if you require us to act upon them.
- c. Where requested we will prepare your business and personal tax returns as the engagement dictates.
- d. We will prepare tax computations on your accounts, and will submit these to HMRC, where required. In the case of Companies, these computations are enclosed with your accounts when sent to you for approval. In the case of individuals and partnerships these computations are enclosed with your Self-Assessment tax returns when sent to you for approval.
- e. Having prepared your accounts, tax computations and tax returns, we will advise you of your calculated tax liabilities.
- f. The routine preparation of VAT returns and the calculation of PAYE&NIC liabilities are services which are only offered where they have been specifically requested and quoted for.
- g. Taxation services will normally cover the company and its directors (partnerships and their partners), but will not cover a director or partner where it is clear by either express agreement or action, that the director or partner wishes to make their own arrangements for taxation advice.
- h. We have your consent, without explicit approval, to make use of HMRC, Companies House and other Electronic Filing opportunities where available.
- i. We require a full response to our annual letter requesting information needed to complete personal tax returns. Where this is not supplied to us in time, you acknowledge that we have your implied authority to complete your tax return based on information available, but accept no liability for omissions and inaccuracies.
- j. You acknowledge that you will review in detail the returns we send to you for approval and consider their accuracy and completeness before signing them and authorising us to submit them.
- k. Where we process payroll for you, you are responsible for providing us with timely and accurate payroll information for PAYE&NIC, including RTI submissions. This includes information about hours, pay rates and staff changes.
- l. Where we have agreed to use payroll or RTI data on a recurring basis, you are responsible for letting us know about any changes.

5. Tax Planning

- a. Our advice will be based on current law and practice, and we will highlight any known uncertainties or matters requiring clarification.
- b. We do not undertake to update our advice for subsequent changes in legislation, case law, practice or interpretation. If you require advice to be updated you must ask us to update the advice.
- c. Our advice is limited to taxation and general business matters. We do not offer advice on, not accept responsibility for, legal, financial services or contractual matters.

6. Tax Enquiries

- a. Where engaged to represent you we will correspond with HMRC on your behalf and represent you at any formal interviews. We ask that you do not contact HMRC directly, as this can compromise our handling of the enquiry.
- b. We will copy all significant correspondence to you, and seek your approval on our proposed actions and responses as the enquiry progresses.
- c. If at any time you want to make voluntary disclosure of irregularities, you should advise us as soon as possible.
- d. We have two options for charging you, which you may choose from.
 - i. an hourly rate in accordance with our charge rates at the time for specialist work.
 - ii. a fixed retainer, payable on a monthly basis by Standing Order until the end of the enquiry. The amount of the retainer is assessed according to our experience of your business and the likely costs of the enquiry. The retainer covers all of our staff time for correspondence, meetings and representation up to but not including First Tier Tribunal Hearing. Representation in such hearings or further appeals is not covered by the retainer.

7. VAT Returns and Bookkeeping

- a. Where we are engaged to prepare vat returns and carry out basic bookkeeping we will do so from the records and information you provide to us. You retain responsibility for the completeness of this information.
- b. We accept responsibility for the accurate processing of the information given to us.
- c. The extent of our responsibilities and yours will be subject to specific agreement, between us.

- d. The specific output in terms of reports and returns will be subject to agreement between us.
- e. Where we maintain electronic records on your behalf, this electronic data, including backup files, data files, programme files and passwords, are our property. However you will be entitled to receive copies of workings and accounting schedules, upon request.

8. Payroll and CIS – Bureau Services

- a. Our payroll service covers:
 - i. provision of computer generated payslips.
 - ii. provision of payroll summary for your records.
 - iii. preparation of end of year submissions and documentation such as P60s.
 - iv. administration of monthly or quarterly remittances to HMRC.
 - v. calculation and administration of SMP and SSP payments and recoveries. Other paperwork relating to SMP and SSP, e.g. medical certificates and requests for information from third parties are your responsibility.
 - vi. dealing with payroll deductions or additions to be made relating to Student Loans, Child Support, Court Orders and other such adjustments. You are responsible for liaising with the relevant bodies and providing information to them as requested. Our responsibility is solely to include the relevant items in the payroll record and deal with any HMRC queries relating to payroll deductions and calculations.

- b. Our payroll service does not cover:
 - i. maintaining records of holiday or sickness absence.
 - ii. matters related to contracts of employment or advice on employment law.
 - iii. HMRC queries on payroll matters other than deductions and calculations. e.g. benefits, minimum wage, working time directive.
 - iv. site attendance for PAYE compliance audits. (available by separate quotation).
 - v. P11Ds (available by separate quotation).

- c. Our CIS service covers:
 - i. verification of new subcontractors.
 - ii. monthly statements for the subcontractors (CIS voucher substitute).
 - iii. monthly return completion and submission.

- d. Our CIS service does not cover:
 - i. maintenance of primary records (record keeping, payment schedules).
 - ii. matters relating to contracts of engagement and status issues or advice.
 - iii. HMRC queries on status matters.
 - iv. site attendance for CIS compliance audits (available by separate quotation).
- e. For all payroll and CIS matters we require notifications to us to be in writing either by post (to reach us in good time) or by email.
- f. Unless agreed to the contrary services are provided on a fixed fee, retainer basis, with no credit for unutilised services.
- g. We do not advise on employment law, employment disputes or contracts of employment or contracts of service.
- h. Where we process payroll or CIS for you, you are responsible for providing us with timely and accurate payroll information for PAYE&NIC, including RTI submissions, and CIS submissions. This includes information about hours, pay rates and staff changes.
- i. Where we have agreed to prepare your payroll records using unchanging periodic data on a recurring basis, you are responsible for letting us know about any changes.

9. Charities

- a. We will not file your accounts or annual return with the Charity Commission. This will be the responsibility of the Management Committee of the Charity.
- b. We will not take responsibility for the administration of Gift Aid and similar tax matters.

10. One-off/Ad-hoc Engagements

- a. The scope of one off engagements will be agreed beforehand, along with the fee basis.
- b. Our advice is limited to taxation and general business matters. We do not offer advice on, not accept responsibility for, legal or contractual matters.
- c. For business sale and purchase transactions, we will only take responsibility for matters we have specifically agreed to advise on.

11. Company Secretarial Matters

- a. When requested we will assist you with returns and documents to be filed at Companies House, However, it is your responsibility to pay stamp duty, filing fees and other charges.

- b. We are willing to allow our address to be used as a registered office address for client companies. These facilities are offered at our sole, revocable, discretion. We will process or forward on to you any official post received; junk mail will however, at our discretion, be destroyed.
- c. Registered Office facilities may be withdrawn in the event of Court Judgements, Bailiff visits or similar action against any company registered at our offices. When withdrawn we will change the registered office address to the correspondence address we have on file for you. We have your implied authority to notify such a change to Companies House and third parties and to release the address details we have on file for you.
- d. Where we are engaged to act in respect of a company formation, a separate fee applies and the following terms are imposed:
 - i. we will not normally supply statutory records for a company (share register, minute book, company seal) – these are available at extra cost if required.
 - ii. our responsibilities do not extend to the maintenance of statutory records.
 - iii. where we cease to act for a company but the directors do not change the registered office then we may at our discretion make a charge of £20 per month plus vat for each whole or part month of registered office provision.

12. Deadlines

- a. In order to meet statutory filing deadlines for business accounts, we require business books and records and all relevant information, in full, from you no later than:
 - i. 31st August after tax year end date of 5th April for partnerships and sole traders.
 - ii. 3 months after year end for companies/LLPs (e.g. by 30th June for a 31st March year-end).
- b. Where business books and records are received after the deadline:
 - i. we cannot guarantee that we will be able to complete accounts in time for statutory deadlines.
 - ii. we accept no responsibility for penalties from HMRC and Companies House where information is received by us after the required date.
- c. In order to meet statutory filing deadlines for individual and partnership Self-Assessment returns we require personal tax information from you no later than 31st August after the tax year end date of 5th April.
- d. Where tax information is received by us after the deadline date:
 - i. we do not guarantee that we will be able to complete returns in time for statutory deadlines.

- ii. we accept no responsibility for penalties from HMRC where information is received by us after the required date.
- e. Other deadlines will apply for VAT Return and PAYE&NIC submissions. We will notify you separately with regard to these deadlines, where we are appointed to provide services relating to these matters.

13. Contact Details

- a. You are responsible for providing us with up to date postal, e-mail and telephone details.
- b. Any e-mail address used by you to correspond with us is deemed valid and confidential for reply purposes unless we are advised otherwise.

14. Tax Credits

- a. Our services for the preparation of tax credit claims or claims for similar benefits which are integrated with the tax system will be subject to additional charges, in accordance with our charge rates at the time for administrative work.

15. Limitation of Liability

- a. We will only be liable to you for advice in respect of matters:
 - i. which have been specifically drawn to our attention.
 - ii. where we have specifically been asked to comment.
 - iii. where we have specifically advised you.
- b. We will not be liable for failure to provide advice in respect of a matter which has not been drawn to our attention by yourself or where you have not sought our advice.
- c. We only accept, where the law permits, a maximum liability to you equal to ten times the annual fees charged under this agreement, or ten times the fee charged for a specific piece of advice where a separate fee agreement exists.
- d. Where, on your request, we engage the services of specialists or third parties we do not accept liability for their work or advice.
- e. Our directors, staff or contractors do not accept personal liability for work carried out.

16. Ownership of Papers

- a. Copies or originals of correspondence with HMRC, or tax returns prepared on your behalf, will be retained in our files. Copies can be provided to you on request and at no extra charge (subject to d and e below)
- b. Working papers for accounts and returns, file notes and copies of our correspondence to you are our property and will not normally be released.

- c. Our working papers do not constitute a nominal ledger nor do they qualify as Statutory Accounting information as defined by the Companies Act.
- d. As we archive files periodically, a charge will be made for recovering papers from archive. By concession this charge may be waived for active clients. Where the client relationship is terminated files will normally be archived three months later, and a charge made for access after that date.
- e. We may levy a charge for providing copies of documents already previously provided to you.
- f. On a termination of engagement, subject to authority from yourself, which may be implied or express, we will:
 - i. Within a reasonable time release a copy of any trial balance, relevant lead schedules and breakdowns from the last completed accounts and a copy of the last tax return and computations. This information will be provided without charge unless a situation arises where we have to again provide further duplicate copies of information already provided. The relevance of lead schedules and breakdowns to be released will be at our discretion, but will follow best professional practice and should be adequate for your new accountant to continue work for you.

We may withhold release of these papers if there are fees owed to us, pending payment of the full balance outstanding;

- ii. give consideration to supply of any further information requested, for which a charge may be levied.
 - iii. where permitted by law, a lien may be exercised on papers or records, including prime records belonging to you, for any fee balance due to us. The lien will be released promptly on payment.
- g. We have your consent to store any records relating to your matters either electronically or manually and to destroy records that are more than 6 years old.

17. Payment of Fees on Account

- a. We prefer to receive our fees by monthly standing order payments, where an estimate is calculated for work to be undertaken in the subsequent twelve months. Many clients also prefer this method of payment as it allows them to budget for and spread the cost of our services.
- b. Where instalment payments have not been in place long enough, or have not been sufficiently high enough, to cover all fees due at the time of billing, any balance outstanding should be settled within 15 days of receiving our statement of account.
- c. The payment of monthly instalments are treated as payments on account for our services. These services are provided on an ongoing basis and accounted for when invoices for these services rendered. As such these payments, once received by us, not treated as 'client money' and are not held in any segregated bank account.

- d. On some occasions we may ask for payment on account before we commence any work, either in the full or part sum of an estimate provided. This could occur where we believe that you constitute a credit risk or where an unusually large amount of work is anticipated for a particular task or group of tasks. These payments once received by us are not treated as 'client money' and are not held in any segregated bank account.
- e. Any credit balance on your account will be carried forward and offset against future fees, or can be repaid to you at your request. In such cases the amount would be paid to you once all work, including part completed work in progress, has been billed. The final calculated credit balance will be repaid to you within thirty days of such a request.

18. Confidentiality

- a. We have an obligation to keep your affairs confidential.
- b. We reserve the right, for the purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.
- c. You should keep all correspondences between us confidential and not disclose these and their contained information to third parties without our consent. You agree to indemnify us from any costs arising as a result of such disclosure in defending our selves or asserting our rights, such costs to include our own time at the charge rates quoted for non-routine work.
- d. This requirement in c above does not apply to documents which are clearly intended to be forwarded to third parties, e.g. tax returns and annual accounts.
- e. We have an implied authority to discuss your affairs with:
 - i. any banker, lawyer or financial adviser acting for you
 - ii. any co director/partner/officer of your entity
 - iii. your spouse.
- f. We have an implied authority to respond to any enquiry from a government department, law enforcement body, statutory agency or other legitimate third party where we have an obligation to do so at law, or where failure to do so may lead to a complaint against us.
- g. We will inform you if we become aware of any conflict of interest in our relationship with you, and seek to agree with you a procedure for managing any such conflict.
- h. Where disputes arise between shareholders/directors/partners in a business, including matrimonial/family disputes in a family owned business then we normally take instructions from, communicate with and report to, the managing director/senior partner, or the director/partner who we normally communicate with, and other parties are advised to take independent advice.
- i. For company/partnership clients we normally take instructions from, communicate with and report to, the managing director/senior partner, or, if different, the director/partner who is nominated to deal with accounting and tax matters, and rely on them to

communicate with their colleagues. This does not extend to personal taxation matters of individual partners/directors.

19. Complaints and Disputes

- a. Any complaint about our services must, in the first instance, be put in writing to Khandaker Rahman, director of the practice and clearly marked as a complaint.
- b. Khandaker Rahman will then investigate this complaint and report to you within 30 days of receiving the complaint.
- c. You have the right to raise the matter with our regulator at the Professional Conduct Department, ICAEW, Metropolitan House, 321 Avebury Boulevard, Milton Keynes MK9 2FZ.
- d. You undertake to pay our costs, both external (such as legal fees) and internal, at the charge rates quoted for non-routine work, if the regulator does not uphold the complaint.

20. Data Security and Electronic Systems

- a. We will take reasonable steps to ensure that data we hold about you electronically is kept securely. We will, however, not accept liability for any disclosure as a result of a physical or electronic security breach.
- b. Where you supply accounting data to us electronically we will hold this solely for the purposes of processing your accounts or tax returns. You are responsible for maintaining and securing your own copies for business management and backup purposes.
- c. Where we are engaged to input data on your systems, or to prepare data for input on your systems, including transactions, year and adjustments including running year ends, or any other adjustments, we will take appropriate care with regard to the accuracy of the input. However you must review the entries, satisfy yourself that they are correct and raise any questions either at the time of the input being undertaken or at the time of amended data being provided electronically or manually. This reflects that the obligation to maintain accounting systems rests with your business and its controlling parties.
- d. Where we are contracted to provide accountancy, bookkeeping or vat preparation services using our own electronic systems then c above does not apply. Whereas we are responsible for the accuracy of data input, you are responsible for checking accounts, returns and reports which we generate for you and subsequently notifying us of any issues arising. Paper or, where possible, electronic copies of electronic data held in relation to your matters will be provided on request.

- e. We have your authority to process data electronically, and to exchange data electronically on your behalf with HMRC, Companies House and other regulators, without case by case consent.

21. Miscellaneous

- a. We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. If we provide oral advice and you wish to reply on that advice, you must ask for the advice to be confirmed in writing.
- b. We welcome the efficiency of communicating with clients by email and will take steps to ensure that any emails we send are virus free. However, you are responsible for checking any emails from us, including attachments, for viruses or malware or any other potentially damaging data content.
- c. Where specifically requested we may from time to time hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from our firm's funds.
- d. Under UK law we have a responsibility to identify all clients and the sources of their assets for Anti Money Laundering purposes. We also have an obligation to report suspicious transactions. We will need you to co-operate with us in the provision of identification documentation and in the provision of explanations about specific transactions or arrangements.
- e. Under the Cancellation of Contracts made in a Consumers Home or Place of Work etc. Regulations 2008 and/or The Consumer Protections (Distance Selling) Regulations 2000 if you are dealing with us as a consumer, i.e. in respect of personal rather than business matters, then you have a right to cancel the contract between us within 7 days of its instigation, which will normally be the date of our letter to you, titled either General Terms of Engagement or Our Services.
- f. In accordance with the disclosure requirement of the Services Regulations 2009, we should inform you that our professional indemnity insurer is HCC International Insurance Co, of Walsingham House, 35 Seething Lane, London EC3N 4AH. The territorial coverage is worldwide, excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.