

# TERMS & CONDITIONS

These terms and conditions should be read alongside the privacy notice.

## Introduction

These terms and conditions set out the general terms under which we undertake our business. The specific conditions relating to particular assignments will be covered in a separate letter/letters of engagement.

## Applicable law

This engagement letter, the schedule of services and our standard terms and conditions of business are governed by, and should be construed in accordance with, the law and practice of Scotland. Each party agrees that the Courts of Scotland will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

## Authorisation and registration

JK Cloud Accounting Ltd are registered with the FSB and ACCA and as a student of chartered certified accountants and HMRC as an authorised agent.

## Client identification and verification

As with other professional services firms, we are required to identify and verify our clients for the purposes of the UK anti-money laundering legislation. Save in exceptional circumstances we cannot start work until this requirement has been met. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases including ID verification software.

## Commissions and other benefits

In some circumstances we may receive commissions and/or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits. The same will apply where the payment is made to or transactions are arranged by a person or business connected with ours. The fees you would otherwise pay will not be reduced by the amount of the commissions or benefits. When we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission.

## Confidentiality

Communication between us is confidential. We shall take all reasonable steps not to disclose your information except where we are required to and as set out in our privacy notice. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality and security terms.

## Conflicts of interest

If there is a conflict of interest in our relationship with you or in our relationship with you and another client that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests, then we will adopt those safeguards.

Where conflicts are identified that cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services. If this arises, we will inform you promptly. We reserve the right to act for other clients whose interests are not the same as or are adverse to yours, subject, of course, to the obligations of confidentiality referred to above.

## Consumer credit

If, during the provision of professional services to you, you need advice or services on areas from us that fall within Consumer Credit activity, we may have to refer you to someone who is authorised by the Financial Conduct Authority (FCA) as we are not authorised to undertake this activity.

## Data Protection

We confirm that we will comply with the provisions of the General Data Protection Regulation (GDPR) when processing personal data about you your directors and employees and your/their family/ies.

Processing means:

- obtaining, recording or holding personal data; or
- carrying out any operation or set of operations on personal data, including collecting and storage, organising, adapting, altering, using, disclosure (by any means) or removing (by any means) from the records manual and digital.

The information we obtain, process, use and disclose will be necessary for:

- the performance of the contract
- to comply with our legal and regulatory compliance and crime prevention
- contacting you with details of other services where you have consented to us doing so
- other legitimate interests relating to protection against potential claims and disciplinary action against us.

This includes, but is not limited to, purposes such as updating and enhancing our client records, analysis for management purposes and statutory returns.

In regard to our professional obligations we are a member firm of the Association of Chartered Certified Accountants (ACCA). Under the ethical and regulatory rules of ACCA I am required to allow access to client files and records for the purpose of maintaining our membership of this body.

Further details on the processing of data are contained in our privacy notice, which should be read alongside these terms and conditions.

## Disengagement

Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

Should we have no contact with you for a discussed period, we may issue to your last known address a disengagement letter and thereafter cease to act.

We reserve the right following termination for any reason to destroy any of your documents that we have not been able to return to you after a period of six months unless other laws or regulations require otherwise.

## Electronic and other communication

As instructed, we will communicate with you and with any third parties you instruct us to as set out in our covering letter and privacy notice via email or by other electronic means. The recipient is responsible for virus-checking emails and any attachments.

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However, electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses, nor for communications that are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication, especially in relation to commercially sensitive material. These are risks you must accept in return for greater efficiency and lower costs. If you do not wish to accept these risks, please let us know and we will communicate by hard copy, other than where electronic submission is mandatory.

Any communication by us with you sent through the post or DX system is deemed to arrive at your postal address two working days after the day that the document was sent.

When accessing information held electronically by HMRC, we may have access to more information than we need and will only access records reasonably required to carry out the contract.

You are required to keep us up to date with accurate contact details at all times. This is important to ensure that communications and papers are not sent to the incorrect address.

### Fair Usage Policy

We reserve the right to increase our fees if you use our service 'excessively' to ensure that the business relationship remains profitable. This policy would mainly be enforced if you consume the time of our accountants with unnecessary requests, an 'unreasonable' amount of questions, or queries that are not related to accountancy or the services that we offer. We are aware that new clients will require more help and advice when first registered with us or if you are new to business and we do take this into consideration.

If we consider you to be in breach of this policy we will notify you in writing to give a choice of either an increased fee or a reduction in your demands on the time of our accountants.

For specialist advice or advice relating to topics outside of your selected services, we would seek to charge a reasonable fee that would be relative to the work involved and will be agreed upon by both parties prior to any work being undertaken.

### Fees and payment terms

Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility, and the importance and value of the advice that we provide, as well as the level of risk.

If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.

Where requested, we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

We will bill monthly as set out in the proposal and payments will be taken by direct debit unless otherwise agreed. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.

Unless otherwise agreed to the contrary, our fees do not include the costs of any third party, counsel or other professional fees.

It is our normal practice to issue applications for payment when dealing with continuous or recurring work. The payment terms for applications for payment are the same as for invoiced fees.

It is our normal practice to ask clients to pay by monthly direct debit and to periodically adjust the monthly payment by reference to actual billings.

You authorise us to settle our agreed fees from any money held on your behalf in the client account.

Where this contract exists between us and a purchaser acting in the course of a business we reserve the right to charge interest on late-paid invoices at the rate of 8% above the Bank of England base rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.

On termination of the engagement you may appoint a new adviser. Where a new adviser requests professional clearance and handover information we reserve the right to charge you a reasonable fee for the provision of handover information.

## Implementation

We will only assist with implementation of our advice if specifically instructed and agreed in writing.

## Intellectual property rights

We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

## Interpretation

If any provision of this engagement letter, schedules of services or standard terms and conditions is held to be void, then that provision will be deemed not to form part of this contract and the remainder of this agreement shall be interpreted as if such provision had never been inserted.

In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

## Internal disputes

If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to JTF Marketing Ltd for the attention of {{first\_name}} {{surname}}. If conflicting advice, information or instructions are received we will refer the

matter back to {{first\_name}} {{surname}} and take no further action until {{first\_name}} {{surname}} has agreed the action to be taken.

## Investment services

We are unable to give advice on investment services as we are not authorised by the Financial Conduct Authority or the Prudential Regulation Authority.

## Lien

In so far as permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

## Limitation of liability

We will provide our services with reasonable care and skill. The terms and conditions contained within this engagement letter set out the respective responsibility of all parties. In respect of the work detailed within this engagement letter we limit our liability to the lower of £100,000 or 4 times our fee relating to this assignment.

### **Exclusion of liability for loss caused by others**

We will not be liable if such losses, penalties, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information, or if they are caused by a failure to act on our advice or a failure to provide us with relevant information.

In particular, where we refer you to another firm whom you engage with directly, we accept no responsibility in relation to their work and will not be liable for any loss caused by them.

### **Exclusion of liability in relation to circumstances beyond our control**

We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control.



### **Exclusion of liability relating to non-disclosure or misrepresentation**

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us.

This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures that we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry beyond that which it would have been reasonable for us to have carried out in the circumstances.

### **Indemnity for unauthorised disclosure**

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

### **Limitation of aggregate liability**

Where the engagement letter specifies an aggregate limit of liability, then that sum shall be the maximum aggregate liability of this firm, company or LLP, its principals, partners, directors or members agents and employees to all persons to whom the engagement letter is addressed and also any other person that we have agreed with you may rely on our work. By signing the engagement letter you agree that you have given proper consideration to this limit and accept that it is reasonable in all the circumstances. If you do not wish to accept it you should contact us to discuss it before signing the engagement letter.

You have agreed that you will not bring any claim of a kind that is included within the subject of the limit against any of our principals/partners/directors/members or employees; on a personal basis.

### **Limitation of Third Party Rights**

The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in

the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. It may not be used or relied upon for any other purpose or by any other person other than you without our prior written consent. A party to this agreement is the only person who has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

If our advice is disclosed to any third party (with or without our consent), then we accept no responsibility or liability to that third party for any consequences that may arise to them, should they rely on the advice.

If it is proposed that any documents or statement which refer to our name are to be circulated to third parties, please consult us before they are issued.

## Money Laundering Regulations 2017

In accordance with the Proceeds of Crime Act, The Terrorism Act, Money Laundering Regulations 2017 and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 you agree to waive your right to confidentiality to the extent of any report made, document provided or information disclosed to the National Crime Agency (NCA).

You also acknowledge that we are required to report directly to the NCA without prior reference to you or your representatives if during the course of undertaking any assignment the person undertaking the role of Money Laundering Reporting Officer becomes suspicious of money laundering.

As with other professional services firms, we are required to have appropriate risk based policies and procedures for assessing and managing money laundering risks: this applies at the start of any business relationship and through the lifetime of the relationship. This includes undertaking appropriate customer due diligence. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

Copies of such records created as part of the client due diligence process, including any non-engagement documents relating to the client relationship and ongoing monitoring of it, will be retained by us for a period of five years after we cease to act for the business unless we are required to retain them under statutory obligation, or to retain them for legal proceedings, or you consented to the retention in which case the records will be retained for not more than 10 years.

## Notification

We shall not be treated as having notice, for the purposes of our audit/accounts/tax responsibilities, of information provided to members of our firm other than those engaged on the specific assignment (for example, information provided in connection with accounting, taxation and other services).

## Period of engagement and termination

Unless otherwise agreed in the engagement covering letter our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.

Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

If you engage us for a one-off piece of work (for example advice on a one-off transaction or preparation of a tax return for one year only) the engagement ceases as soon as that work is completed. The date of completion of the work is taken to be the termination date and we owe you no duties and we will not undertake further work beyond that date.

Where recurring work is provided (for example ongoing compliance work such as the completion of annual tax returns) the engagement ceases on the relevant date in relation to the termination as set out above. Unless immediate termination applies, in practice this means that the relevant termination date is:

- 21 days after the date of notice of termination; or
- a later agreed date

We owe you no duties beyond the date of termination and will not undertake any further work.

### Professional rules and statutory obligations

We will observe and act in accordance with the by-laws, regulations and ethical guidelines of the [Association of Chartered Certified Accountants](#) and will accept instructions to act for you on this basis.

You are responsible for bringing to our attention any errors, omissions or inaccuracies in your returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.

In particular, you give us the authority to correct errors made by HMRC where we become aware of them. In addition, we will not undertake tax planning which breaches professional conduct in relation to taxation. We will therefore comply with the general anti-abuse rule and the targeted anti-avoidance rule. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can see copies of these requirements at our offices.

The requirements are also available online at [www.accaglobal.com/en.html](http://www.accaglobal.com/en.html).

The implications of professional body membership as it relates to GDPR are set out in the privacy notice, which should be read alongside these standard terms and conditions of business.

### Provision of Services Regulations 2009

In accordance with our professional body rules we are required to hold professional indemnity insurance. Details about the insurer and coverage can be found by contacting our office.

### Quality of service

We aim to provide a high quality of service at all times. If you would like to discuss with us how our service could be improved or if you are dissatisfied with the service that you are receiving please let us know by contacting Jowita Kardasz-Choinska.

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you.

### Reliance on advice

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. Therefore, if we provide oral advice (for example, during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing. However, bear in mind that advice is only valid at the date it is given.

### Retention of papers

You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you if requested.

When we cease to act for you we will seek to agree the position on access to cloud-accounting records to ensure continuity of service. This may require you to enter direct engagements with the software providers and pay for that service separately. Documents and records relevant to your tax affairs are required by law to be retained as follows:

Individuals, trustees and partnerships

- with trading or rental income: five years and 10 months after the end of the tax year;
- otherwise: 22 months after the end of the tax year.

Companies, LLPs and other corporate entities

- six years from the end of the accounting period.

While certain documents may legally belong to you, we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than seven years old. This includes your documents if they have not been reclaimed by you within the seven-year period. You must tell us if you require the return of any specific document or their retention for a longer period.

You should retain documents that are sent to you by us as set out in the privacy notice, which should be read alongside these terms and conditions.

## Timetable

The services we undertake to perform for you will be carried out on a timescale to be determined between us on an ongoing basis.

The timing of our work will in any event be dependent on the prompt supply of all information and documentation as and when required by us.

# Schedule of Services

## PRODUCTION OF ANNUAL ACCOUNTS – TERMS & CONDITIONS

The purpose of this work is for us to prepare your year-end accounts so as to assist you in meeting your obligations as company directors under the Companies Act 2006.

This schedule should be read in conjunction with the engagement letter and the standard terms of business.

Our Responsibilities – What we agree to do and be responsible for:

1. Preparing accounts in accordance with the requirements of the Companies Act 2006 for your approval based on the accounting records you maintain. We will rely on any information and explanations you give us.
2. We will advise you as to the adequacy of your records for preparation of the annual accounts and make recommendations for improvements which we consider necessary. We shall not be responsible if, as a result of you not taking our advice, you incur losses or penalties.
3. We have a professional duty to prepare accounts that conform to generally accepted accounting principles. As directors, you have a duty to prepare accounts that comply with the Companies Act 2006 and any accounting standards that apply. We will prepare the accounts so as to meet these requirements. The accounts we prepare for filing purposes will, unless you instruct us otherwise, be prepared on the basis of taking all available filing exemptions and so may not be identical to the accounts prepared for members.
4. Provide a report with the accounts addressed to the Board of Directors. This will show that we have not carried out an audit, nor have we expressed any opinion on any of the information received, but have compiled the accounts from the accounting records and from information and explanations supplied to us.

5. Submit the accounts to the Registrar of Companies.

### Your Responsibilities – What you agree to do and be responsible for

1. Unless we have also agreed to carry out a bookkeeping service you will carry out all the day-to-day accounting work. This will include:
  - keeping the record of receipts and payments;
  - reconciling your records with the bank statement;
  - maintaining records of debtors and creditors;
  - carrying out or arranging for a valuation of the year-end stock levels; and
  - preparing details of any year-end work-in-progress.
2. You agree to make your accounting records and related financial information available to us in line with the request we will make on or around your year-end date. You recognise that a failure to do so could have an impact on the price or the speed of our work.
3. Even if we have not directly requested it, you agree to disclose to us in full any information that is relevant to the accounts and may have a bearing on the financial position of the company. You also agree to make available to us minutes of management, directors and shareholders meetings.
4. **You will approve and sign the accounts thereby acknowledging responsibility for them.**
5. Company accounts need to be completed and filed with Companies House within certain deadlines set out in the Companies Act 2006. Failure to submit on time will result in penalties. We will, therefore, plan our work so as to ensure sufficient time is allowed to meet the submission deadlines. However, if you fail to provide your accounting records in line with our request as noted above or do not promptly answer any queries that we raise,



you understand that we will not be responsible for any late filing penalties charged for a late submission.

6. We have a professional responsibility to not allow our name to be associated with accounts that we believe may be misleading. We are not required to search for such matters, but if we become aware that information in the accounts may be misleading we will discuss this with you so that appropriate adjustments or disclosures can be made. Where the adjustments or disclosures we consider appropriate are not made and we consider that the accounts remain misleading, we will withdraw from the engagement. In these circumstances, you agree that we have a right to invoice you for our time spent preparing and discussing the accounts with you as well as time spent on any other work that is not completed as part of our resignation.
7. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than you for our work or for the report. If you wish or are asked, to provide a copy of the accounts to a third party you must seek our consent before you do this. You are not entitled to disclose our work to a third party without our express permission. We may grant consent subject to certain conditions which you must comply with. In every situation where we do grant consent, you agree to ensure that the report remains attached to the accounts shown to the third party.
8. If financial information is published, which includes a report by us or is otherwise connected to us, on the company's website or by other electronic means, you must:
  - inform us of the electronic publication and get our consent before it occurs; and
  - ensure that it presents the financial information and our report properly.
9. We have the right to withhold consent to the electronic publication of our report or the accounts if they are to be published in an inappropriate manner.
10. You must set up controls to prevent or quickly detect any changes to electronically published information. We are not responsible for reviewing these controls nor for keeping the information under review after it is first published. You are responsible for the maintenance and integrity of published information, and we accept no responsibility for

changes made to any information after it is first posted.

## Other considerations

### Limitation of liabilities and Changes in the law

1. The pricing is based on you using a recognised software for your bookkeeping. This means, that all of your bank transactions must have been entered and allocated. If you are not sure how to do this, we can provide training for you.
  1. We have no responsibility to report whether any shareholder of the company has notified the company that they require an audit. Therefore we have no responsibility to do any work in respect of this.
  2. We will not check whether the company is exempt from audit. However, if our work indicates that the company is not entitled to an exemption from an audit we will inform you. If this happens we will discuss with you the need to appoint auditors.
  3. We will not specifically check the adequacy of your accounting records. However, if any issues arise during the course of our work then we will recommend improvements.
  4. We shall plan our work on the basis that no report is required on the accounts from us by statute or regulation unless you inform us in writing to the contrary. In carrying out our work we will make enquiries of you and undertake any procedures we judge appropriate, but we are under no obligation to perform procedures such as would be required for an audit or another type of assurance engagement.
  5. Our work will not be an audit of the accounts in accordance with International Standards on Auditing (UK). This means that our work will not provide any assurance that the accounting records or the accounts are free from material misstatement, whether caused by fraud or other irregularities or error. It also means that we are unable to provide any assurance as to whether the accounts present a true and fair view.
-

# CORPORATE TAX RETURN – TERMS & CONDITIONS

The purpose of the work is to assist you in your legal obligation to file an annual corporation tax return with HM Revenue & Customs. This includes calculating and advising you of your tax payments or refunds.

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

## Our Responsibilities – What we agree to do and be responsible for:

1. Profit from accounts prepared under generally accepted accounting principles may require adjustment to arrive at the profit figure assessed for tax. We will prepare the company's tax return, the computation with these adjustments and support schedules required from the accounts and information and explanations you provide to us.
2. After obtaining the written approval and signature of the proper officer or other person authorised to act for the company in this regard, we will submit the return, computation and accounts online to HM Revenue & Customs in the required Extensible Business Reporting Language (XBRL) format, a type of computer language. In order for us to make this submission, unless we have been separately engaged for this purpose, you will be responsible for providing us with accounts in inline Extensible Business Reporting Language (iXBRL) format at the time when the company tax return is approved. We will not be responsible for the accounts or the iXBRL tagging.
3. It is mandatory for the Company Tax Return to be delivered electronically using the iXBRL format, which includes the statutory accounts. It is the company's responsibility to ensure that the accounts have been accurately tagged if relevant, the statutory audit not providing assurance on this matter.
4. Tell you how much tax the company should pay and when. If appropriate, we will initiate repayment claims when tax has been overpaid. We will advise on the interest and penalty implications if corporation tax is paid late.
5. Inform you if instalment payments of corporation tax are due for an accounting period and the dates they are payable. We will calculate the quarterly instalments which should be

made on the basis of information supplied by you by the date agreed.

6. Advise you when additional corporation tax is due on loans by the company to directors or members or their associates, and calculate the payments due or the amount repayable when the loans are repaid.
7. Advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.
8. We will also provide other such taxation advisory and ad hoc services as requested and agreed from time to time. These may be the subject of a separate engagement letter. Where appropriate we will discuss and agree on an additional fee for such work when it is commissioned by you. Examples of such work include:  
dealing with any enquiry opened into the company's tax return by HM Revenue & Customs;  
preparing any amended returns which may be required and corresponding with HM Revenue & Customs as necessary.

#### Your Responsibilities – What you agree to do and be responsible for:

1. The Directors, on behalf of the company, are legally responsible for:
  - ensuring that the CTSA return is correct and complete;
  - ensuring that the information in the return is provided in Extensible Markup (XML) format;  
filing any returns by the due date; and
  - making payment of tax on time. Failure to do this may lead to automatic penalties, surcharges and/or interest.

***Please note:***

- The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that returns we have prepared for the company are complete before he/she approves and signs them.
- It is mandatory for the company tax return to be delivered electronically using the Extensible Business Reporting Language (XBRL) format, a type of computer language. Unless you have requested otherwise above, it is your responsibility to ensure that the accounts have been accurately tagged in the iXBRL format.

2. To enable us to carry out our work the directors agree:

- that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
- to provide full information necessary for dealing with the company's affairs: we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
- that we can approach such third parties as may be appropriate for information that we consider necessary to deal with the company's affairs;
- to provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date;
- to provide information on matters affecting the company's tax liability for the accounting period in respect of which instalments are due at least four weeks before the due date of each instalment. This information should include details of trading profits and other taxable activities up to the date the information is provided, together with estimates to the end of the accounting period; and
- to provide us with information on advances or loans made to directors, members or their associates during an accounting period and any repayments made or write-offs authorised at least within three months of the end of the relevant accounting period.

3. The Directors will keep us informed of material changes in circumstances that could affect the tax liabilities of the company. If the Directors are unsure whether the change is material or not please let us know so that we can assess the significance or otherwise. These changes could include but are not limited to circumstances which could give rise to a change in CIS status, the requirement to make Payment of Corporation Tax by Instalments, Research and Development activities, changes in the number of Associated Companies and matters which may have an impact of Remuneration Planning.
4. You will forward to us HM Revenue & Customs statements of account, copies of notices of assessment, letters and other communications received from HM Revenue & Customs in time to enable us to deal with them as may be necessary within the statutory time limits. Although HM Revenue & Customs have the authority to communicate with us through the form 64-8 it is essential that you let us have copies of any correspondence received from HM Revenue & Customs to avoid any breakdown in communication.

## Other considerations

### Ad hoc and advisory work

1. Unless stated on enclosed schedules or below, you will continue to deal with other matters required by law, such as:
  - Pay As You Earn including year end returns, compliance with National Minimum Wage requirements and matters relating to your employees;
  - Forms P11D;
  - Returns for subcontractors;
  - VAT returns;
  - Obligations under IR35;
  - Managed service company legislation;
  - Compliance with Employment Related Securities and submission of Form 42; and
  - Forms CT61.
2. We will be pleased to assist the company generally in tax matters if you advise us in good time of any proposed transactions and request advice. We would, however, warn you that because tax rules change frequently you must ask us to review any advice already given if a

transaction is delayed, or if an apparently similar transaction is to be undertaken.

3. Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.
4. We are able to offer HMRC Dispute and Enquiries Service to cover the cost of our fees arising from HM Revenue & Customs investigations. If you would like further details of this service please let us know.
5. We will be pleased also to advise the directors and executives on their personal income tax and capital tax affairs. In such cases, we will need to agree on separate terms with the individuals concerned.

#### Limitation of liabilities – Changes in the law

1. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
2. We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given

## **CONFIRMATION STATEMENT – TERMS & CONDITIONS**

The purpose of the work is to assist you with company secretarial work, specifically the annual confirmation statement.

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

#### Our responsibilities – What we agree to do and be responsible for:

1. We will prepare from the information and explanations provided by you, your confirmation statement together with any supporting schedules. We will not audit or otherwise check the

underlying records.

2. We will send you the returns and any supporting schedules for you to approve after you have made the records available to us.
3. We will complete other returns reflecting changes in directors, shareholders etc as requested.

### Your responsibilities – What you agree to do and be responsible for:

1. You are responsible for making correct returns by the due date.
2. To enable us to carry out our work you agree:
  - To provide full information necessary for dealing with your affairs – we will rely on the information and documents being true, correct and complete and will not audit the information or those documents.
  - That we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
  - To provide us with information in sufficient time for your returns to be completed and submitted.
  - To provide us within seven days of signing, certified copies of directors and shareholder notices, minutes or resolutions.
3. The advice that we give can only be as good as the information on which it is based. In so far as that information is provided by you, or by third parties with your permission, your responsibility arises as soon as possible if any circumstances or facts alter, as any alteration may have a significant impact on the advice given. If the circumstances change therefore or your needs alter, advise us of the alteration as soon as possible in writing.



# **PERSONAL TAX RETURN – TERMS & CONDITIONS**

The purpose of the work is to assist you in your legal obligation to file an annual tax return with HM Revenue & Customs. This includes calculating and advising you of your tax payments or refunds.

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

## **Our Responsibilities – What we agree to do and be responsible for:**

1. Prepare your personal tax return and all supporting schedules as necessary.
2. Deal with matters arising in respect of years prior to the above year, as appropriate.
3. Forward to you the tax return form and supporting schedules for review and signature. Once you have checked, approved and signed the return, we shall submit it to the HMRC.
4. Tell you how much tax you should pay and when. If appropriate we will initiate repayment claims when tax has been overpaid.
5. Deal with the HMRC regarding any amendments required to your return and prepare any amended returns that may be required.
6. Advise as to possible claims and elections arising from the tax return and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by the HMRC.
7. Deal with all communications relating to your return addressed to us by the HMRC or passed to us by you. However, if the HMRC choose your return for enquiry this work may need to be the subject of a separate assignment in which case we will seek further instructions from you.

## **Your Responsibilities – What you agree to do and be responsible for:**

1. Under the self-assessment regime there are a number of key dates by which returns and payments must be made. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest. You are responsible for making correct returns and for payment of tax on time.
  
2. To enable us to carry out our work:
  - to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information as necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete;
  
  - to provide us with information in sufficient time for your tax return to be completed and submitted by 31st January following the end of the tax year. In order to meet this date, you agree to provide us with all the relevant information as soon as possible after the end of each tax year.
  
  - to forward to us on receipt copies of all HMRC statements of account, PAYE coding notices, notices of assessment, letters and other communications received from the HMRC to enable us to deal with them as may be necessary within the statutory time limits;
  
  - to keep us informed about any significant changes in your circumstances if they are likely to affect your tax position.
  
3. You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;

Other considerations

Spouse

Your spouse is legally responsible for his/her own tax affairs and should be dealt with independently. However, if both spouses sign this letter you agree that we can disclose to your spouse such details of your financial affairs as are required to consider your combined tax position.

## **PAYROLL AND RTI REPORTING – TERMS & CONDITIONS**

The purpose of the payroll report, real time information (RTI) reporting and year-end returns is to assist you in preparing your UK payroll for each payroll period to meet UK employment tax requirements.

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

Our responsibilities – What we agree to do and be responsible for:

1. We will prepare your UK or Ireland payroll for each payroll period to meet UK or Ireland employment tax requirements, specifically:
  - calculating the pay as you earn (PAYE) deductions;
  - calculating the employees' National Insurance Contributions (NIC) deductions;
  - calculating the employer's NIC liabilities;
  - calculating statutory payments, for example Statutory Sick Pay and/or Statutory Maternity Pay;
  - where applicable, calculating the pension contributions (employer and employee);
  - and

- calculating other statutory and non statutory deductions.
2. We will prepare and send to you the following documents for each payroll period at or before the time of payment:
    - a payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals. This summary will also show, where relevant, the other details that will be submitted online to HMRC on or before the employee payment dates;
    - a payslip for each employee unless not required;
    - a P45 for each leaver;
    - a report showing your PAYE and NIC liability and due date for payment, and
  3. We will prepare your Full Payment Submission (FPS) reports including all details required and based on the information provided by you. We will submit the FPS reports to HMRC prior to or at the time that employees are paid. Where you have no payments to make to HMRC in a particular month (or the payment you are making to HMRC has been reduced by statutory payments or construction industry scheme deductions suffered), we will prepare and submit the required Employer Payment Summary (EPS). If an error is made with regard to an earlier tax year, an Earlier Year Update (EYU) report may be required.
  4. At the time of your final payroll report (FPS or EPS) for each tax year, we will make the necessary declarations and indications to HMRC and liaise with you where any of the information is not available to us. We will subsequently send you form P60 for each employee on the payroll at the year-end.
  5. We will deal with and, where necessary, process any adjustments to your payroll communicated to us by HMRC (this may be, for example, updated tax codes and identified National Insurance numbers). Please let us know if you require a copy of such correspondence.

## Your Responsibilities – What you agree to do and be responsible for:

1. You are legally responsible for the accuracy of these returns. You agree to provide us with complete and accurate information regarding your employees and payments due to them, whether or not tax is to be deducted. It is vital that we are provided with correct and accurate data for each employee before their first wages payment is made.
2. Our payroll team will provide you with specific details of the information we require and when we need to have this information from you. You agree to provide the information they request. You recognise that where information is not provided to us within the timeframe we outline, we are not responsible for any delays for payments to employees or HM Revenue & Customs. Similarly, we are not responsible for any penalties imposed by HM Revenue & Customs.
3. You will be responsible for managing any childcare scheme operated for the benefit of your employees and for contacting us where you require advice as to available exemption levels.
4. You will be responsible for completing the checks on a new employee's eligibility to live and work in the UK in accordance with the Government's Code of Practice "Preventing Illegal Working" and section 8 of the Asylum and Immigration Act 1996.
5. You will be responsible for monitoring the annual leave entitlement of your employees and dealing with all aspects, legal or otherwise, of being an employer. In particular, you will be responsible for ensuring that your workers are paid at least the National Minimum Wage.
6. If you operate within the construction industry you agree to provide us with details of construction industry scheme (CIS) deductions suffered that you wish to offset against your PAYE payments to HMRC (company subcontractors only). This information must be received for each "tax month" and by the date in which the tax month ends. In addition, if you are a contractor within the construction industry but we are not providing services in regard to the operation of your CIS scheme, you agree to provide us with details of the CIS deductions you have withheld in each tax month, if you wish us to advise you of the total amount due to HMRC (CIS and PAYE taxes combined).

7. As you are legally responsible for the accuracy of these returns, you must review the payroll summaries that we send to you and inform us if any of the information that we hold is incorrect:
- If we don't hear from you before the FPS (or EPS) submission date, we will take that as your approval for us to submit the return.
  - If you require us to make a correction after the FPS (or EPS) has been submitted, you will let us know as soon as possible and, ideally, before the next payroll run.

## **BOOKKEEPING SERVICES – TERMS & CONDITIONS**

The purpose of the work is to assist you with the reconciliation of business transactions such sales, purchases, receipts and payments into the accounting software with automatic feeds.

This schedule should be read in conjunction with the engagement letter and the terms and conditions of business.

Our responsibilities – What we agree to do and be responsible for:

1. We have agreed to carry out the following bookkeeping services on your behalf:
  - Complete the postings to the nominal ledger (purchase ledger, sales ledger etc)
  - We will post the transactions to the nominal ledger based on the records and relevant information provided to us by you
  - We will reconcile the bank and petty cash, but you will make the payments
  - We will close the bookkeeping period and prepare the financial reports within agreed time scale
2. We will assist you with our bookkeeping services up to the amount specified in the service details.
3. We will rely on the accuracy and completeness of the documents and information you provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud,

or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention unless they are clearly inconsequential.

4. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot therefore be relied upon to make disclosure of such matters.

#### Your responsibilities – What you agree to do and be responsible for:

1. You have agreed that you/your staff will:
  - Keep the records of receipts and payments;
  - Confirm all relevant bank payments (it is entirely your responsibility re. to payments made from the bank to transferwise);
  - Deliver all records and relevant information to us in a timely manner.
2. You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements.
3. You are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.
4. You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving
  - management

- employees who have significant roles in internal control, and
  - others where the fraud could have a material effect on the financial statements.
5. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.
6. In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and information concerning your company:
- Documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and charge), bank statements and canceled checks, listings of accounts receivable and accounts payable, and documentary support of property and equipment transactions-purchases, trades, sales, and other dispositions;
  - Information concerning any mortgage or pledge of business assets on business debts, any personal guarantees or debt, leases, or other information that affects or may affect the results of operations of the business;
  - Any other financial information necessary for purpose of reflection on your accounting records, trial balance and tax returns;
  - Identification of all cash receipts as to source (i.e., loans, sales, etc.), and information concerning all transactions that are consummated with cash.

***Please note:***

- Any failure to provide such documents and information, and to do so on a timely basis, will impede our services and may require us to suspend our services or withdraw from the engagement.
7. You agree to accept responsibility for any effect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing and entry, or losses that may result from their absence.



8. For purposes of entry of the financial information from your basic transaction documents, classification according to the agreed-upon chart of accounts will be performed by you or your employees. As business conditions change, we may mutually agree to change/modify this arrangement.

## **COMPANY SECRETARIAL SERVICE – TERMS & CONDITIONS**

The purpose of the work is to assist you with company secretarial work.

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

Our responsibilities – What we agree to do and be responsible for:

1. We will prepare from the information and explanations provided by you, your returns together with any supporting schedules. We will not audit or otherwise check the underlying records.
2. We will send you the returns and any supporting schedules for you to approve after your making the records available to us.
3. We will complete other returns reflecting changes in directors, shareholders etc as requested.

Your responsibilities – What you agree to do and be responsible for:

1. You are responsible for making correct returns by the due date.
2. To enable us to carry out our work you agree:

- To provide full information necessary for dealing with your affairs – we will rely on the information and documents being true, correct and complete and will not audit the information or those documents.
  - That we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.
  - To provide us with information in sufficient time for your returns to be completed and submitted.
  - To provide us within seven days of signing, certified copies of directors and shareholder notices, minutes or resolutions.
3. The advice that we give can only be as good as the information on which it is based. In so far as that information is provided by you, or by third parties with your permission, your responsibility arises as soon as possible if any circumstances or facts alter, as any alteration may have a significant impact on the advice given. If the circumstances change therefore or your needs alter, advise us of the alteration as soon as possible in writing.

## **CLOUD ACCOUNTING SOFTWARE – TERMS & CONDITIONS**

Software fees are payable on a monthly basis in accordance with our standard payment terms  
Use of software may be suspended or withdrawn if payments are late or not made.

The cost of the software is determined by the providers themselves. Any increases to monthly subscription fees will be passed on to you, with an update provided as early as possible.

## **PERIODIC CHECK INS – TERMS & CONDITIONS**

This schedule should be read in conjunction with the engagement letter and the standard terms and conditions.

Limitation of liabilities and Changes in the law

1. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
2. We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given

## **Acceptance**

I acknowledge receipt of your letter dated Proposal acceptance date, the attached schedules of services, the privacy notice and standard terms and conditions, which fully record the agreement between us concerning your appointment to carry out the work described in those documents.

I also confirm I understand and accept our data protection terms and conditions (detailed below).

I have read, understand and accept the basis on which my information will be dealt with as set out in the privacy notice provided.

I agree to your appointed alternate having access to my records in the event of your illness or permanent incapacity.

I understand that you will communicate or transfer data with me using the following:

- Encrypted emails
- Emails
- Portals
- Cloud-based software
- Other

I accept the risks of you corresponding with me by email that is not encrypted or password protected.

I fully agree to the terms and conditions as listed at [www.jkcloudaccounting.co.uk/terms](http://www.jkcloudaccounting.co.uk/terms) and acknowledge that these may change from time to time in line with regulatory changes and other necessary updates.

I agree to you contacting me with details of other services you provide.

I, ..... (client), agree to the terms of this agreement and I agree that my typed name below can be used as a digital representation of my signature to that fact.

Signed: \_\_\_\_\_

Date: 20 Mar 2024