

# KUMAR STRATEGIC CONSULTANTS LTD

## Terms of Business

The following terms of business apply to all engagements accepted by Kumar Strategic Consultants Ltd. All work is carried out under these terms and in accordance with the engagement letter(s), except where changes are expressly agreed in writing.

### 1. Professional rules and practice guidelines

We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and Wales and accept instructions to act for you on this basis. In particular you give us the authority to correct errors made by HMRC where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. These requirements are available on the internet at [www.icaew.com/membershandbook](http://www.icaew.com/membershandbook).

### 2. Client identification

As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these lawful purposes and/or make searches of appropriate databases.

### 3. Investment Advice & Commission

3.1 We may in the course of our general professional services discuss with you investments, life policies, pension arrangements and other such matters required by the Financial Services and Markets Act 2012. However, where specialist or specific financial advice is required, we are able to provide this internally via our FCA-approved staff, under our authorisation from Validpath Ltd.

3.2 In some circumstances we or one of our associates may receive commission (outside of our financial service division) or other benefit from introducers or other professionals for transactions we or such associates arrange for you. In this case, we will notify you in writing of the amount, the terms of payment and receipt of such commission or benefit if you advise us in writing that this is what you require. The amount that we receive can vary from a few hundred pounds to many thousands of pounds. However in cases where the amounts received are relatively high it will involve us having to spend time and resources and/or carry out additional work on your behalf. In such circumstances you will not normally (unless we agree otherwise) be invoiced separately for this work as we will be paid by our associates. The fee you would otherwise pay as agreed will not be reduced by such amount. You agree that we or our associates can retain the commission or other benefits.

### 4. Information and Time Limits

Much of our work is dependent upon returns, accounts, elections etc being dealt with and submitted within very strict time limits. Late submission etc may render you to interest charges and penalties. You are therefore reminded that you must respond to our requests and letters as soon as possible and although we may issue a reminder you should not depend on them. If you have asked us to deal with your VAT returns we request that you let us have all the necessary information at least 15 working days before the filing date. If we do not receive all the necessary information within a reasonable time we cannot guarantee to deal with what is required within the time limits.

There are strict time limits and penalties relating to the above. In order to avoid these penalties we will prepare the accounts within the required period provided that all your records are completed and presented to us at least two months before the filing deadline at Companies House or HMRC.

## **5. Ownership of Documents**

- 5.1 We expressly agree that all documents produced or prepared by us and brought into being whether acting as agents or principal belong to us. These include (but not limited to) documents relating to accountancy, taxation, consultancy, advice and all other services.
- 5.2 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. You are not permitted to disclose any information provided exclusively to you for the purpose of tax planning or tax advice unless agreed by us in writing.
- 5.3 You have a legal responsibility to retain documents and records relevant to your tax and other affairs. During our work we will collect information from you and other acting on your behalf and will return any original documents to you following preparation of your financial statements and/or tax return if requested. You should retain them for 6 years from the 31 January following the end of the accounting or tax year. You should retain them for longer if HM Revenue & Customs enquire into your tax return.
- 5.4 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy all correspondence and other papers that are more than six years old. You must tell us in writing if you wish us to keep any documents for any longer period.

## **6. Limitation of Liability**

- 6.1 We will provide services as outlined in this letter with reasonable care and skill. However, as permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities. We will re-perform any work which is not in compliance with this undertaking if it is brought to our attention within a reasonable time after the work is performed.

- 6.2 We will not be liable to you for any delay or failure to perform our obligations under the engagement letter if the delay or failure is caused by circumstances outside our reasonable control.
- 6.3 You will not hold the directors or staff liable for any loss or damage caused by or arising from any fraudulent acts, misrepresentation or wilful default on the part of the company, its directors, employees or agents and you will indemnify us against any such misrepresentation (intentional or otherwise) supplied to us orally or in writing.
- 6.4 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them. 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.
- 6.5 Any liability of this Firm, its directors and staff from actions found against us to pay damages for losses arising as a direct result of breach of contract or negligence on our part in respect of services provided in connection with or arising out of the as set out in this letter (or any variation or addition thereto), whether in contract, negligence or otherwise shall in no circumstances exceed twenty five times the amount paid by the company in respect of fees charged for those services, such amount to include all legal and other costs which we may incur in defending any actions against us. This we agree is a fair maximum limit of our liability.
- 6.6 In the event we introduce you to third parties in connection with services they will provide to you, we will not be liable under any circumstances, for any advice or services given to you by the third party specialist advisors.
- 6.7 In reaching this agreement it is also agreed that 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 directors or employees on a personal basis.
- 6.8 We will only assist with implementation of our advice if specifically instructed and agreed in writing.

## **7. Client's money regulations**

- 7.1 We may, from time to time, hold money on your behalf. The money will be held in trust in a client bank account, which is segregated from the firm's fund.
- 7.2 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed and the client to which they relate has remained untraced for five years or we as a firm cease to practise then we may pay those monies to a registered charity. No interest is payable on client money held unless it exceeds £25 using bank savings rate at the time.

## **8. Confidentiality**

- 8.1 Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external regulatory review. We may utilise the services of various third parties to assist in the work undertaken and we may make available to them confidential client information as necessary. Third parties may include organisations based locally and/or overseas.
- 8.2 All or any specialist third parties involved in your affairs will be bound by our client confidentiality terms.
- 8.3 Unless you inform us otherwise we will presume the right, for the purpose of training or for other business purpose, to mention the fact that you are a client. As stated above we will not disclose any confidential information.

## **9. Disclosure**

We will need to submit not only the tax returns, but accounts, tax computations, various schedules, capital gains tax computations and other workings to the Inland Revenue. You agree that by signing the tax return you also authorise us to submit to the Inland Revenue when requested all such supporting material.

## **10. Insurance Scheme**

- 10.1 If we deem it appropriate, we will include you in our group scheme for tax, VAT and payroll investigations insurance scheme. The renewal is in June and in each year we will if appropriate, write to you about this scheme, enclosing an invoice for the relevant premium. If you do not wish to have this valuable insurance, then please let us know in writing by the given date stated. If you wish to be included and we do not write to you, please let us know

## **11. Data Protection Act 1998**

- 11.1 In this clause [11], the following definitions shall apply:

‘Client personal data’ means any personal data provided to us by you, or on your behalf, for the purpose of providing our services to you, pursuant to our engagement letter with you;

‘data protection legislation’ means all applicable privacy and data protection legislation and regulations including PECR, the GDPR and any applicable national laws, regulations and secondary legislation in the UK relating to the processing of personal data and the privacy of electronic communications, as amended, replaced or updated from time to time;

‘controller’, ‘data subject’, ‘personal data’, and ‘process’ shall have the meanings given to them in the data protection legislation;

‘GDPR’ means the General Data Protection Regulation ((EU) 2016/679); and

‘PECR’ means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003).

- 11.2 We shall each be considered an independent data controller in relation to the client personal data. Each of us will comply with all requirements and obligations applicable to us under the data protection legislation in respect of the client personal data.
- 11.3 You shall only disclose client personal data to us where:
- (i) You have provided the necessary information to the relevant data subjects regarding its use (and you may use or refer to our privacy notice available at <https://www.kumar.co.uk/factsheets/ict/data-security-general-data-protection-regulation> for this purpose)
  - (ii) You have a lawful basis upon which to do so, which, in the absence of any other lawful basis, shall be with the relevant data subject’s consent; and
  - (iii) You have complied with the necessary requirements under the data protection legislation to enable you to do so.
- 11.4 Should you require any further details regarding our treatment of personal data, please contact our data protection officer via [anil@kumar.co.uk](mailto:anil@kumar.co.uk).
- 11.5 We shall only process the client personal data:
- (i) In order to provide our services to you and perform any other obligations in accordance with our engagement with you;
  - (ii) In order to comply with our legal or regulatory obligations; and
  - (iii) Where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects’ own privacy rights. Our privacy notice (available at <https://www.kumar.co.uk/factsheets/ict/data-security-general-data-protection-regulation-ensuring-compliance> contains further details as to how we may process client personal data.]
- 11.6 For the purpose of providing our services to you, pursuant to our engagement letter, we may disclose the client personal data to our regulatory bodies or other third parties (for example, our professional advisors or service providers). The third parties to whom we disclose such personal data may be located outside of the European Economic Area (EEA).] We will only disclose client personal data to a third party (including a third party outside of the EEA) provided that the transfer is undertaken in compliance with the data protection legislation.
- 11.7 We shall maintain commercially reasonable and appropriate security measures, including administrative, physical and technical safeguards, to protect against unauthorised or unlawful processing of the client personal data and against accidental loss or destruction of, or damage to, the client personal data.

11.8 In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:

(a) We receive a request, complaint or any adverse correspondence from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or in respect of our processing of their personal data;

(b) we are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from a supervisory authority as defined in the data protection legislation (for example in the UK, the Information Commissioner's Officer); or

(c) We reasonably believe that there has been any incident which resulted in the accidental or unauthorised access to, or destruction, loss, unauthorised disclosure or alteration of, the client personal data.

11.9 Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided to you in accordance with our engagement letter with you in relation to those services.

## **12. Proceeds of Crime Act 2002 and Money Laundering Regulations 2007**

12.1 In common with other professional services firms, we are required by the Proceeds to Crime Act 2002 and the Money Laundering Regulations 2017 to

- maintain identification procedures for clients, beneficial owners of clients, and persons purporting to act on behalf of clients;
- Maintain records of identification evidence and the work undertaken for the client; and any reasonable knowledge or suspicion of money laundering. Any such report must be made in the report, in accordance with the relevant legislation and regulations.

12.2 We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) strictest confidence. In fulfilment of our legal obligations, neither the company's principals nor our staff may enter into any correspondence or discussions with you regarding such matters.

12.3 If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.

## **13. Quality Control**

13.1 As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These

reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as our principals and staff.

#### **14. Help us give you the best service**

- 14.1 We wish to provide a high quality of service at all times. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving please let us know by contacting Mr Anil Mohanlal on 0208 993 7771.
- 14.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you and do everything reasonable to put it right. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of chartered accountants in England & Wales.

#### **15. Contracts (Rights of Third Parties) Act 1999**

- 15.1 Only someone who is a party to this agreement has the right under the Contracts (rights of Third Parties) Act 1999 to enforce any of its terms.
- 15.2 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

#### **16. Period of engagement and termination**

- 16.1 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.
- 16.2 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.
- 16.3 In the event of termination of this agreement, 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.

#### **17. Provision of Services Regulations 2009**

In accordance with the disclosure requirements of the services regulations 2009, our professional indemnity insurers are Travelers Accountants Insurance of 61/63 London Road, Redhill, Surrey, RH1 1NA. The territorial coverage is worldwide excluding the United States of America or Canada (and their territories) and excludes

any action for a claim brought in any court in the United States of America or Canada or related claim.

## **18. Fees**

- 18.1 Our fees are calculated on the basis of the time spent on your affairs by the principals and staff and on the levels of skill or responsibility involved as well as the importance and value of the advice that we provide, as well as the level of risk. For an up to date list of chargeable rates please contact our office. Our fees will be billed at regular intervals together with outlays and VAT, and our invoices will be due for payment within 15 days of invoice date.
- 18.2 If we need to do work outside the responsibilities outlined in our engagement letter, it will involve additional fees.
- 18.3 Sometimes we ask clients to pay a proportion of their fee on a monthly standing order. These standing order will be applied to fees for work performed under our engagement letter for the current and ensuing years.
- 18.4 We reserve the right to charge interest on overdue accounts at the rate of 2% per month. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.
- 18.5 In addition to the interest provision mentioned above we reserve the absolute right to charge a monthly administration fee of £15 where for whatever reason, any amount of fees are outstanding beyond 45 days from the date of invoice. This is to cover our additional costs of collection by issuing demands, statements, telephone calls etc.
- 18.6 Where you operate as a company or other entity and it is unable or unwilling for any reason to make settlement then all the directors, as well as partners or the individual(s) giving us instructions on behalf of the client hereby jointly and severally agree they will be personally liable for any outstanding fees to this firm and you agree that the we shall be entitled to enforce any sums due.
- 18.7 If you have any queries relating to our fee notes they should be brought to our attention in writing within 15 days. After this time it is hereby agreed that you accept and agree to it in its entirety.
- 18.8 If you require copy invoices, fee letters and/or our costings records after 15 days from the invoice date there will be a fee payable of £20 (plus VAT) for each invoice and accompanying papers/letters/schedules.

## **19. Applicable Law**

Our engagement with you is governed by, and interpreted in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning our engagement letter and terms of business and any matter arising from or under them. Each party irrevocably waives



any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

## **20. Electronic communication and Online filing requirements**

- 20.1 Unless you instruct us otherwise we may communicate with you and undertake online filing of documents with third parties on your behalf by electronic means. Recipients are responsible for virus checking and other safeguards applying to electronic storage of data.
- 20.2 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 electronic data. However electronic communication is not totally secure, and we cannot be held responsible for damage or loss caused by viruses nor for communications which 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 to be borne 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 paper mail, other than where electronic submission is mandatory.
- 20.3 For the avoidance of doubt, we will take responsibility for the electronic tagging and filing (iXBRL) of financial statements and corporation tax returns, if applicable to your affairs.

## **21. Interpretation**

If any provision of the engagement letter or enclosed schedules is held to be void, then that provision will be deemed not to form part of this contract. 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.

## **22. Associates**

We reserve the right during our engagement with you to engage associates to assist us in providing any services to you. You agree that we can engage such associates either in the UK or abroad without your prior agreement.

## **23. Kumar Staff**

In the event of a member of this firm's staff (whether permanent, temporary or freelance) being recruited by you to commence employment, whether on a permanent, temporary or on a freelance basis, at any time up to 12 months from the date of leaving us (or whilst within our organisation), we shall render and you shall pay an introductory fee. This fee will be the equivalent of 30% of the annualised salary or annualised cost of the member of staff concerned at the date of leaving, or 30% of the new annualised salary or annualised cost paid by you whichever is the higher.

**24. 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.

**25. PI Insurers**

In accordance with the disclosure requirements of the Services Regulations 2009, our professional indemnity insurer is Travellers Insurance Company Ltd of 61- 63 London Road, Redhill, Surrey, RH1 1NA. The territorial coverage is worldwide excluding United States of America or Canada and excludes any action for a claim bought in any court of United States of America or Canada

**26. Tax Credits/Universal Credits**

If we agree to advise you on Tax Credits/Universal Credits we will issue a separate letter or schedule to cover this area. These are, in effect, social security benefits. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household and we would require all relevant information and accordingly are unable to advise appropriately in these matters.

**27. Agreement of Terms**

These terms apply from the date of you signing our engagement letter(s).

**Kumar Strategic Consultants Ltd**