

Terms of Business

The following terms of business apply to all engagements accepted by Syigma Accountants Limited.

We are bound by the ICAEW's Code of Ethics, including Professional Conduct in Relation to Taxation, and will act in accordance with these ethical guidelines.

Anti money laundering legislation

All accountants must comply with the duties imposed by the Proceeds of Crime Act 2002, the Terrorism Act 2006 and the Money Laundering Regulations 2017 (the Anti Money Laundering Legislation), which are intended to inhibit the activities of terrorists and other criminals by denying them access to technical expertise. If we fail to perform these duties, we risk imprisonment.

Before we accept your instructions, we may need to obtain 'satisfactory evidence' to confirm your identity. In certain circumstances, we may need to obtain evidence confirming the identities of third parties, the source of any funds or other property, the purpose of any instructions or any other matter. We may also need to obtain such evidence after we have begun to act on your instructions.

We assume that our clients are honest and law abiding. However, if at any time, there appear to be grounds to suspect that your instructions relate to 'criminal property', we are obliged to make a report to the National Crime Agency (NCA), but we are prohibited from telling you that we have done so.

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 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.

If you undertake business that requires you to be supervised by an appropriate supervisory authority to follow anti-money laundering regulations including if you accept or make a high value cash payments of €10,000 or more (or equivalent in any currency) in exchange for goods you should inform us.

Any personal data received from you to comply with our obligations under The Money Laundering, Terrorist Financing and Transfer for Funds (Information on the Payer) Regulations 2017 (MLR 2017) will be processed only for the purposes of preventing money laundering or terrorist financing. No other use will be made of this personal data unless use



of the data is permitted by or under enactment other than the MLR 2017, or we have obtained the consent of the data subject to the proposed use of the data.

Clients' money

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 funds. The account will be operated, and all funds dealt with, in accordance with ICAEW's Clients' Money Regulations.

To avoid excessive administration, interest will only be paid to you if the amount earned on the balances held on your behalf in any calendar year exceeds £25.00. If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, we will put the money in a designated interest-bearing client bank account and pay the interest to you. Subject to any tax legislation, interest will be paid gross.

We will promptly return monies held on your behalf 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, we may pay those monies to a registered charity.

Ownership of records

In the event of non-payment of fees for services rendered, we reserve the right of lien over the books and records in our possession and may withhold the documents until such time as payment of our invoice is received in full. In exercising this right, we will comply fully with any legal or professional obligations.

File destruction

Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we think may be of continuing significance. If you require the retention of any document, you must notify us of that fact in writing.

Client relations

We are committed to providing a high standard of client service. If you have any ideas as to how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know. In the event that you have a complaint, we will look into this carefully and promptly and do all we can to explain the position to you or address your concerns.

Third parties

All accounts, statements, advice and reports prepared by us are for your exclusive use within your business or to meet specific statutory responsibilities. They should not be shown to any other party without our prior consent.

No third party shall acquire any rights pursuant to our agreement to provide professional services.

Referral and third party advice

During the course of our work or upon request, it is not uncommon for an accountancy firm to refer clients to third party specialists. In such instances we take a measured view, typically offering clients more than one option as well as suggesting their own sensible market search.

Without exception we do not receive commission from any third party referrals.

In such instances that a client uses a third party advisor or company referred by us as a firm, they acknowledge that they are doing so willingly and under their own judgement and agrees that to the fullest extent permitted by law, they indemnify, defend, and hold harmless Sygma Accountants Limited, its agents, employees, and representatives from and against any and all claims, liabilities, damages, losses, costs, and expenses, including but not limited to legal fees and court costs, arising out of or in connection with any advice provided by the third party.

Applicable law

This engagement letter is governed by, and construed in accordance with, English law. The Courts of England 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 it may have 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.

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

Limitation of liability

We will not accept liability if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still good and not affected by any subsequent changes in the law or your circumstances.

We will not accept 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.

We will not accept liability for any loss suffered by you or any third party as a result of our compliance with the Anti Money Laundering Legislation or any such legislation.

We will not accept liability where penalties or losses arise as a result of relevant information being withheld or not provided in a timely manner in order to meet deadlines.

Unless there is a legal or regulatory requirement to do so, our work is not 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.

In accordance with the requirements of our professional body, we maintain appropriate professional indemnity insurance with UK territorial coverage and confirm that our liability in

the event of a claim shall be limited to the value of our indemnity limit. Please ask us if you would like further information about our indemnity insurance.

Confidentiality

Unless we are authorised by you to disclose information on your behalf, we confirm that if you give us confidential information we will, at all times during and after this engagement, keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to us or our engagement.

You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.

In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams, and separate arrangements for storage of, and access to, information.

You agree that the effective implementation of such steps or safeguards as described above will provide adequate measures to avoid any real risk of confidentiality being impaired.

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

We will inform you of the proposed use of a subcontractor before they commence work, except where your data will not be transferred out of our systems and the subcontractor is bound by confidentiality terms equivalent to an employee.

Data protection

In this clause, 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 UK GDPR and any other 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;

‘UK GDPR’ means the Data Protection Act 2018 as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020; and

‘PECR’ means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003) as amended by the Data Protection, Privacy and Electronic Communications

(Amendments etc) (EU Exit) Regulations 2020.

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.

We shall only process the client personal data:

- a) in order to provide our services to you and perform any other obligations in accordance with our engagement with you;
- b) in order to comply with our legal or regulatory obligations; and
- c) where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects' own privacy rights.

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.

Electronic and other communication

Unless you instruct us otherwise, we may, if appropriate, communicate with you and with third parties by email or 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 in emails or by electronic storage devices. Nevertheless, electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses or 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 you must bear 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 when electronic submission is mandatory.

Electronic communication is treated as holding the same merit as paper communication. Signatures and approval may also be sought electronically and again will serve the same purpose as a "wet" signature.

Similarly the firm operates an e-signature service for the approval of documents which will be treated the same.

The firm also operates a "Newsletter", sent from our own domain, in order to keep clients informed and updated. No sensitive information will be disclosed however email addresses will be held on a cloud software in order to administer the Newsletter. Again this will be appropriately secure. Clients can also unsubscribe if they do not wish to receive such Newsletter, periodically unsubscribed clients emails will be removed from the cloud software.

Data and communications upon termination of services

Upon termination of services with our firm, or ceasing to be a client, Data will be retained as appropriate for 6 years in accordance with tax legislation and our own professional duties under the Anti-Money Laundering Legislation.

If you wish for your data to be deleted from our systems sooner, please notify us in writing. Some core data may have to be retained again in accordance with good practice and Anti-Money Laundering Legislation.

The Newsletter and use of email addresses will fall to the exiting client to terminate the subscription.

Help us to give you the best service

We are committed to providing you with a high-quality service that is both efficient and effective. If, at any point 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.

We will consider carefully any complaint you may make about our service as soon as we receive it and do all we can to explain the position to you. We will endeavour to deal with your complaint within eight weeks.

If we do not answer your complaint to your satisfaction, you may, of course, take up the matter with our professional body, ICAEW. You can make a complaint here, we do please ask that you raise all complaints with us first to allow us to remedy them where possible; <https://www.icaew.com/regulation/complaints-process/make-a-complaint>

Quality control

As part of our ongoing commitment to provide a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced professionals and are bound by the same rules of confidentiality as our principals and staff.

When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, visit <https://www.gov.uk/government/publications/hmrc-charter>. To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

Provision of services regulations 2009

We are registered to carry on audit work in the UK by ICAEW. Details of our audit registration can be viewed at www.auditregister.org.uk

Our professional indemnity insurer is with Accelerant Insurance Europe SA, of 1 Tollgate Business Park, Tollgate West, Colchester CO3 8AB.

Fees

Fees are computed on the basis of time spent on your affairs and the responsibility and skill involved. Unless otherwise agreed, our fees will be charged separately for each main class of work mentioned above and will be billed at appropriate intervals during the course of the year.

If we provide you with an estimate of our fees for any specific work, the estimate will not be contractually binding unless we explicitly state that will be the case. Otherwise, our fees will be calculated on the basis of the hours worked by each member of staff necessarily engaged on your affairs, multiplied by their charge-out rate per hour, VAT being charged thereon.

In some instances, 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.

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.

If a client company, trust or other entity is unable or unwilling to settle our fees, we reserve the right to seek payment from the individual (or parent company) giving us instructions on behalf of the client, and we shall be entitled to enforce any sums due against the group company or individual nominated to act for you.

Disbursements or additional costs outside of time spent will be itemised separately on bills raised.

Unless specifically agreed, payment of invoices is due within thirty days from the date of the invoice.

In some instances, we reserve the right on a discretionary basis to request fees be paid upfront before final completion of work. In the event that payment is made and the final work or service is then not completed for whatever reason, we will refund appropriately on a proportional basis of the element uncompleted. Time spent being the ultimate determining factor.

In the event that a monthly payment plan has been agreed, such payments will act as a "payment on account". At any time if a payment is missed, or a fee has been raised and not fully covered by payments on account to date, we reserve the right to ask for full settlement of any outstanding balance within 30 days. Similarly, if payments on account result in a large credit / excessive balance on your account, this can be refunded so long as time as yet unbilled to date does not exceed the balance.

Appendix 1 – Specific services

Nature of standard services (where applicable / service is provided)

Annual accounts – sole traders/partnerships

Your responsibility for the preparation of accounts:

You have undertaken to make available to us, as and when required, all the accounting records and related financial information necessary for the compilation of the accounts. You will make full disclosure to us of all relevant information. The accounts need to be approved by you before we are able to issue our report.

You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the accounts, is reliable. You are also responsible for ensuring that the activities of the business are conducted honestly and that

its assets are safeguarded, and for establishing arrangements designed to deter fraudulent or other dishonest conduct and to detect any that occur.

You are responsible for ensuring that the business complies with the laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

Our responsibilities for the preparation of accounts:

We will compile your annual accounts based on the accounting records (maintained by you) and the information and explanations given to us by you. We shall prepare draft annual accounts for your approval.

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.

We will use reasonable skill and care in the preparation of your accounts but will not be responsible for errors arising from incorrect information supplied by you.

We will report, with any variations that we consider may be necessary, that in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from your accounting records and from the information and explanations supplied to us.

We have a professional duty to compile accounts which conform with generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the accounts.

Personal tax and Self assessment

We shall be pleased to act as your personal tax advisers in the UK with effect from the date of this letter.

We will prepare your personal income tax and capital gains tax return (if applicable) together with all supporting schedules and prepare calculations of your income tax and relevant national insurance.

We will forward to you your tax return form / tax computations and supporting schedules for your approval and signature. Once the return has been approved and signed by you and returned to us, we will submit it to HM Revenue & Customs. You authorise us to file the return electronically.

We will advise you as to amounts of tax and National Insurance contributions to be paid and the dates by which you should make the payments, including payments on account and the balancing payment, and if appropriate we will initiate repayment claims when tax and National Insurance contributions appear to have been overpaid.

We will deal with HM Revenue & Customs regarding any amendments required to your return and prepare any amended returns which may be required.

You have asked us to undertake all correspondence with HM Revenue & Customs on your behalf. To avoid any problems would you please send to us any forms or correspondence received from HM Revenue & Customs as soon as you receive them. In particular would you please ensure that no payments are made to HM Revenue & Customs without our confirmation that the demands are correct.

HM Revenue & Customs has powers to charge both interest and penalties if there is a delay in submitting a tax return. Such charges are automatic if the tax return is submitted after 31 January following the end of the tax year, or if any payments are made after the respective due dates.

It is therefore important that all details required for the preparation of your tax return are forwarded to us as soon as possible after 5 April each year and by 30 November at the latest. If the information is received after that date, we will not accept responsibility for any penalties or surcharges charged by HM Revenue & Customs.

HM Revenue & Customs audits a number of tax returns each year, many of these audits are the result of a random selection. Assistance in respect of such an audit beyond the answering of straightforward queries regarding entries on the tax return is additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an audit.

We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs.

Where applicable, you authorise us to receive refunds in our agent bank account, to then be forwarded on to you minus any outstanding fees. We will always confirm fees before such deductions are made as well as confirm receipt of refunds from HMRC, to then be forwarded on to you within 3 working days.

Annual accounts – limited companies

Responsibilities of directors

As a director of the company, under the Companies Act you are responsible for:

- 1) Ensuring that the company maintains proper accounting records and for preparing accounts
- 2) Determining whether for any reason audit exemption is not available in respect of the period.
- 3) Ensure the financial statements give a true and fair view and have been prepared in accordance with the Companies Act 2006 (the Act). As directors you must not approve the financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company

You will keep records of sales invoices, purchase invoices, receipts and payments, together with any other documents relating to the company's transactions and activities. It will also be necessary for you to provide a record of stock at the company's year end where applicable.

A private company is required to file its accounts at Companies House within 9 months of the year end. The company will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts, suitable for filing, within the required period, provided all your records are complete and presented to us within 6 months of the year end, and all subsequent queries are promptly and satisfactorily answered.

Responsibilities of accountant

You have asked us to help you prepare the financial statements in accordance with the requirements of the Companies Act 2006.

We will compile the financial statements for your approval based on the accounting records, the information and explanations that you give us and in accordance with FRS 102.

We shall also;

- 1) Submit the accounts to the Registrar of Companies
- 2) Complete and submit the company's confirmation statement
- 3) Complete and submit any other forms required by law to be filed at Companies House, provided that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House, within one week of the change or event
- 4) Maintain the statutory books.

You/your management are responsible for the detection of irregularities and fraud. We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees or others, although we will advise you of any such circumstances that we encounter in preparing your accounts, unless prohibited from doing so by the Anti Money Laundering Legislation.

We will report, with any variations that we consider may be necessary, that in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from your accounting records and from the information and explanations supplied to us.

We have a professional duty to compile accounts which conform with generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Act and applicable accounting standards. Where we identify that the accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the accounts.

We will prepare, in respect of each accounting period of the company, a computation for corporation tax purposes adjusted in accordance with the provisions of the Taxes Act. We will also prepare the corporation tax return (form CT600) required under the Corporation Tax Self Assessment regulations. The corporation tax return, together with the supporting corporation tax computations, will be sent to you for approval and signature prior to submission to the Inspector of Taxes.

It should be recognised that in law a taxpayer cannot contract out of his fiscal responsibilities and that computations and return forms are prepared by us as agent for the company. You are legally responsible for making correct returns and for payment of tax on time. If we ask you for information to complete the tax return and it is not provided within the time-scale requested, so that the preparation and submission of the return are delayed, we accept no responsibility for any penalty or interest that may arise.

We will advise you of the corporation tax payments to which the company will be liable, together with the due date of payment. You must inform us immediately if the company pays or receives any interest or makes any other payment, or transfers any asset to any shareholder.

Where necessary we will deal with any queries raised by the Inspector of Taxes and negotiate with the Revenue on any question of taxation interest or penalties which may arise.

To enable us to carry out our work you agree:

- 1) To make a full disclosure to us of all sources of income, charges, allowances and capital transactions and 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
- 2) To respond quickly and fully to our requests for information and to other communications from us
- 3) To provide us with information in sufficient time for the company's self-assessment tax return to be completed and submitted by the due date.
- 4) To forward to us on receipt copies of all statements of account, letters and other communications received from HM Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits.

You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.

Our work will not be an audit of the financial statements in accordance with International Standards on Auditing (UK), so we will not be able to provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, other irregularities or error, or to identify weaknesses in internal controls.

Payroll preparation, P.A.Y.E. and N.I.

In order for us to prepare your payroll and year end returns we will require the following information from you in a timely manner:

- 1) Personal details of all employees (that is, name, NI number, home address, etc.).
- 2) All P45s received by you.
- 3) Notification within two weeks of any employee who is ill for four or more calendar days, including weekends, bank holidays etc. This will enable us to operate statutory sick pay for you.
- 4) Notification of any employee who becomes pregnant. This will enable us to operate statutory maternity pay.

- 5) Details of any money or benefits made available to employees by you or by a third party.
- 6) Hours worked, rates of pay, bonuses etc.
- 7) Notification of employees engaged by you or leaving your employment.
- 8) Any notice of coding received by you.

We cannot guarantee to make all filing in time to meet deadlines unless we have all the relevant information within sufficient time of approaching deadlines. Sufficient time to be defined by us.

We will assist in the preparation and submission of PAYE returns as required by the authorities concerned. However, it should be understood that our appointment as your agent does not absolve the company or its directors from their statutory responsibilities. We would draw your attention to the strict rules and time limits for the submission of such returns and the substantial penalties which may arise if these are not observed. It is therefore essential that we receive full information from you promptly to enable us to ensure that the returns are made on a timely basis.

P11D benefits for directors/officers and higher paid employees

Where appropriate we will prepare forms P11D for your approval. To ensure these forms are correctly prepared we will require details of all benefits, perks or reimbursed expenses received by the directors/officers/higher paid employees.

There are penalties for the late submission of forms P11D. In order to avoid these, you must ensure that we receive complete and accurate details of all benefits and expenses for the tax year (note: not accounts year) within 28 days of the end of the tax year.

VAT returns

You have asked us to undertake the completion of your VAT returns. We cannot be held responsible for any penalties or default surcharges arising from the late submission of VAT returns. However, we will endeavour to meet the relevant deadlines if we receive all the company's VAT records within 28 days of the end of the VAT return period. You have undertaken that you/your staff will ensure that:

- 1) All relevant VAT records are forwarded to us within 28 days of the end of the VAT return period
- 2) Records and information made available is complete and accurate
- 3) Valid VAT invoices are received for all payments where VAT is being reclaimed
- 4) The VAT rating of supplies is correctly dealt with, i.e. between positive and zero rates and exempt supplies
- 5) Any input VAT on non-business expenditure is clearly marked on supporting invoices
- 6) We are notified each quarter of any payments to or for the benefit of directors or staff for fuel used for private mileage, together with the business mileage for each such person, for each quarter
- 7) All supplies made by the business are shown in the records made available to us.