

STANDARD TERMS AND CONDITIONS OF BUSINESS

1. 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 English law. Each party agrees that 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 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.

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 purposes and/or make searches of appropriate databases.

3. Client Monies

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds.

4. Commissions and Other Benefits

In some circumstances, commissions or other benefits may become payable to us 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 fees that would otherwise be payable by you as described will not take into account the benefit to us of such amounts. You consent to such commission or other benefits being retained by us without our being liable to account to you for any such amounts.

5. Quality of Service

- i. We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved, please let us know by contacting Rachel Hall
- ii. We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.
- iii. Should you, at any stage, feel that you have not received an adequate response to a complaint the circumstances should be brought to the attention of Rachel Hall.

- iv. If we do not answer your complaint to your satisfaction, you may take up the matter with The Institute of Chartered Accountants in England and Wales.

6. Confidentiality

Communication between us is confidential and we shall take all reasonable steps to keep your information confidential, except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. 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 terms.

We reserve the right, for the purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

7. Conflicts of Interest

We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent. 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.

8. Data Protection

To enable us to discharge the services agreed under this engagement, and for other related purposes, including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that we will comply with the provisions of the Data Protection Act 1998 when processing personal data on your behalf. For the purposes of the data Protection Act 1998, the Data Controller in relation to personal data supplied about you in Rachel Hall.

9. 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 period of one year or more we may issue to your last known address a disengagement letter and hence cease to act.

10. Electronic and Other Communication

Unless you instruct us otherwise we may, where appropriate, communicate with you via email or by other electronic means. As with other means of delivery, this carries with it the risk of inadvertent misdirection or non-delivery. It is the responsibility of the recipient to carry out virus checking on emails and any attachments.

As internet communications are capable of data corruption, we do not accept any responsibility for changes made to such communications after their despatch. For this reason it may be inappropriate to rely on advice contained in an email without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not wish to accept these risks, you should notify us in writing that email is not an acceptable means of communication.

11. Fees and Payment Terms

Our fees are computed on the basis of time spent on your affairs and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation. If work is required which is outside the scope of this letter, for example dealing with HMRC enquiries into the tax return, then this will be a separate engagement for which additional fees will be chargeable. We will add Value Added Tax, if applicable at the current rate

Our invoices are payable on presentation. We reserve the right to charge interest on late paid invoices at the rate of 5% per month. We also reserve the right to suspend our services or to cease to act for you if payment of any fees billed 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.

12. Implementation

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

13. 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.

14. Interpretation

If any provision of this 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.

15. Internal Disputes within a Client

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 the nominated recipient(s) as shown in the engagement letter. If conflicting advice, information or instructions are received from different nominated recipient(s), we will take no further action until there is agreement by all parties.

16. Investment Advice (including Insurance Mediation Services)

We are not authorised by the Financial Services Authority to conduct Investment Business. If you require investment business services, we will refer you to a firm authorised by the Financial Services Authority.

17. Lien

Insofar as we are 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.

18. Limitation of Liability

We will provide the professional services outlined in this letter with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default.

Exclusion of liability for loss caused by others

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are due to the acts or omissions of any other person, or due to the provision to us of incorrect, incomplete or misleading information or if they are due to a failure to act on our advice or respond promptly to communications from us or the tax authorities.

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 the discovery of fraud etc.

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 applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.

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

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.

Indemnity against misrepresentation or personal claims

You agree to hold harmless and indemnify us against any misrepresentation (intentional or unintentional) supplied to us orally or in writing, in connection with this agreement. You agree that you will not bring any claim in connection with services provided to you by the firm against any of our employees or subcontractors on a personal basis.

19. Limitation of Third Party Rights

The advice and information we provide to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. 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. A person who is not party to this agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 (as amended by the Contracts (Rights of Third Parties) Act 2001) to enforce any of its terms. This clause does not affect any right or remedy of any person that exists or is available otherwise than pursuant to that Act.

20. Money Laundering

We have a duty under Section 330 of the Proceeds of Crime Act 2002 (as updated by the Proceeds of Crime Act 2008) and under the Money Laundering Regulations 2007, to report to the Serious Organised Crime Agency (SOCA) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are, or have been, involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

The offence of money laundering is defined by Section 340 (II) of the Proceeds of Crime Act and includes the acquisition, possession or involvement in arrangements for concealing the benefits of any activity that constitutes a criminal offence in the UK. This definition is very wide and would include:

- i. tax evasion through deliberate understatement of income or overstatement of expenses or stocks; or
- ii. deliberate failure to inform the tax authorities of known underpayments

We are obliged by law to report to SOCA without your knowledge and consent and, in fact, we would commit the criminal offence of tipping off under Section 333 of the Proceeds of Crime Act, were we to inform you of any suspicions or that a report had been made.

We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 (as amended by the Proceeds of Crime Act 2008) in accordance with the guidance published by The Institute of Chartered Accountants in England and Wales.

21. 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, and will remain effective from the date of signature until it is replaced or terminated. 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.

22. Professional Rules and Statutory Obligations

We will observe and act in accordance with the bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and will accept instructions to act for you on this basis. A copy of these guidelines is available for your inspection in our offices. 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.

23. 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.

24. 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 acting on your behalf, and will return any original documents to you following completion of the work. You are legally required to retain all documents and records for 6 years from the 31st January following the end of the tax year. This period may be extended if HMRC enquire into your tax return.

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, electronically or otherwise, which are more than 7 years old, other than documents which we think may be of continuing significance. You must tell us if you require the return or retention of any specific documents for a longer period.

25. Insurers

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is HCC International Insurance Company plc. The territorial limit within which we can operate is the United Kingdom of Great Britain and Ireland, the Isle of Man and the Channel Islands.

26. Changes in the law

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.

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.