

Hackett Griffey LLP

Standard terms of business for partnerships, sole traders and personal taxation (revised 1 April 2010)

The following standard terms of business apply to all engagements accepted by Hackett Griffey LLP (“the firm”) and its successors. All work carried out is subject to these terms except where changes are expressly agreed in writing.

The term “partner” or “partners” should not be construed as indicating that the members of Hackett Griffey LLP are carrying on business in a partnership for the purposes of the Partnership Act 1890. Any reference to a partner or principal means a member of Hackett Griffey LLP or a consultant or employee of Hackett Griffey LLP or a member, consultant or employee of Philip Hackett LLP.

1 Professional obligations

- 1.1 We will observe the byelaws, regulations and ethical guidelines of the Association of Chartered Certified Accountants (“ACCA”) and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for inspection in our offices.
- 1.2 Where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to this engagement.
- 1.3 We reserve the right to act during this engagement for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

2 Accounting

- 2.1 The following terms of this section 2 will apply where we have provided written agreement to provide accounting services.

We will carry out the following accounting and other services:

- (a) write up the accounting records of the partnership or sole trader insofar as they are incomplete when presented to us;
 - (b) complete the postings to the nominal ledger; and
 - (c) prepare the accounts for approval by yourselves.
- 2.2 You agree that you or your staff will:
 - (a) keep the records of receipts and payments;
 - (b) reconcile the balances monthly with the bank statements;
 - (c) post and balance the purchase and sales ledgers;
 - (d) extract a detailed list of ledger balances; and
 - (e) prepare details of stock and work-in-progress at the accounting date suitably priced and extended and make available to us the documents and other information from which the statement is compiled.

- 2.3 You acknowledge your responsibility for the reliability, accuracy and completeness of the accounting records.
- 2.4 You have agreed to make available to us, as and when required, all your accounting records and related financial information, including any minutes of any partnership meetings, necessary to carry out our work. You will provide us with all information and explanations relevant to the purpose and compilation of the financial information.
- 2.5 You understand that we will not be carrying out an audit and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would require additional work to comply with Auditing Standards so that we could report on the truth and fairness of the accounts.
- 2.6 We would emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees, although we will advise you of any such circumstances that we encounter in preparing your accounts.
- 2.7 We have a professional duty to compile financial information that conforms with generally accepted accounting principles selected by the you as being appropriate for the purpose for which the information is prepared.
- 2.8 We also have a professional responsibility not to allow our name to be associated with financial information which we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial information may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial information. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial information is 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 and for time spent on any other work that is not completed as a result of our resignation.
- 2.9 To ensure that anyone reading the financial statements is aware that we have not carried out an audit we will annex to the financial statements a short report. This report must remain attached to any accounts shown to any other parties.
- 2.10 You will approve and sign the financial information thereby acknowledging responsibility for it, including the appropriateness of the accounting basis on which it is compiled, and for providing us with all information and necessary explanations.
- 2.11 Accounts need to be completed prior to submission of the self-assessment tax return. Failure to submit the return on time will result in penalties and is likely to result in interest and surcharges. In order to avoid this, we must have your accounting records within 2 months of the accounting period end and queries raised on those accounting records must be answered promptly, otherwise we cannot guarantee the completion of the accounts to ensure the tax return's timely submission.

3 Income tax

- 3.1 The following terms of this section 3 will apply where we have provided written agreement to provide income tax and other taxation services to the partnership or individual.
- 3.2 We will prepare the income tax and capital gains tax computations based on the partnership or sole trader accounts from the accounting records and other information and explanations provided by you.

- 3.3 In the case of a partnership we will prepare the annual partnership tax return, including the partnership statement of total income, gains, losses, tax credits and charges of the partnership for each period of account ending in the return period.
- 3.4 In the case of an individual, we will prepare your personal tax return together with such supporting schedules as are appropriate and will prepare your self-assessment of tax and where appropriate Class 4 National Insurance contributions. We will tell you how much tax and Class 4 National Insurance contributions you should pay and when. If appropriate we will initiate repayment claims when tax and Class 4 National Insurance have been overpaid.
- 3.5 We will send you the tax return and supporting schedules for you to approve and sign and by signing you will take responsibility for its content. We will then submit it, with the accounts and computations, as we consider appropriate to HM Revenue & Customs. You authorise us to file the return electronically.
- 3.6 In the case of a partnership, we will advise all the partners who were partners in the firm during the period of their respective shares of the firm's total income, gains, losses, tax credits and charges so that they are able to file their personal self-assessment tax returns within the relevant time period.
- 3.7 In the case of a partnership where the partnership pays partnership tax liabilities on behalf of partners, we will give advice to the partners so that they can inform the partnership what amounts of tax are due in respect of their partnership income and gains and we will advise as to appropriate amounts of tax and Class 4 national insurance contributions to be paid and the dates by which the partnership should make the payments. In order to do this we will need to be supplied with relevant information by the partners.
- 3.8 We will deal with HM Revenue & Customs regarding any amendments required to the tax return and prepare any amended returns which may be required.
- 3.9 We will 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.
- 3.10 We will deal with all communications relating to the tax return addressed to us by HM Revenue & Customs or passed to us by you. However, if HM Revenue & Customs choose the tax 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.
- 3.11 In the case of partnerships we will help you in preparing the tax provisions and disclosures to be included in the partnership's financial accounts as appropriate.
- 3.12 Unless agreed by us in writing you will deal with all other matters relating to taxation including the following : -
- (a) Claims and renewals for Tax Credits;
 - (b) Inheritance tax and capital gains tax planning
 - (c) Planning, compliance and advice in respect of what is known as 'Pre-owned assets regime' introduced by Finance Act 2004.
 - (d) Any other aspect of taxation not mentioned in these terms of business.

Personal service companies (IR35)

- 3.13 It is your responsibility to notify us of any engagements that you consider may fall within the scope of the personal services legislation known as 'IR35'.

- 3.14 The application of the rules that determine whether an engagement is relevant to IR35 is very subjective, and is therefore open to different interpretations. For this reason this firm cannot accept any responsibility for the final decision made in respect of whether a particular engagement does or does not fall within the scope of IR35. You authorise us to seek an opinion from HM Revenue & Customs where we consider it appropriate. At your request we will instruct Counsel or other external IR35 specialist to give an opinion on the IR35 status of an engagement. This would be an additional assignment for which we would seek further instructions from you and the cost of this and any specialist opinion will be fully payable by you. If you do not request an external opinion through us then you should make your own arrangements to obtain specialist advice or else apply to HM Revenue & Customs for a ruling on each engagement.
- 3.15 If there are contracts that you consider are within the personal services legislation we will, where we have agreed in writing, calculate the deemed salary, prepare the corporation tax computations using the prescribed method, prepare and submit the supplementary P35 and P14 and advise you how much tax and national insurance to pay and by when and whether to pay any actual salary before the year end and if so how much.

Your Responsibilities: Provision of Information by You

- 3.16 You are legally responsible for making correct returns by the due date and for payment of tax on time. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.
- 3.17 To enable us to carry out our work you agree:
- (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
 - (b) 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;
 - (c) that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and you will provide us promptly with a signed authority if so requested;
 - (d) to provide us with information in sufficient time for the tax return to be completed and submitted by the due date of 31 January following the end of the tax year. In order that we can do this, we need to receive all relevant information within 5 months of the end of the tax year;
 - (e) to forward to us on receipt copies of all HM Revenue & Customs statements of account, notices of assessment, 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; and
 - (f) to keep us informed about significant changes in your circumstances if they are likely to affect your tax position.
- 3.18 We will be pleased to assist you 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.

- 3.19 You should not take any action (or refrain from taking any action) in reliance on advice given by us orally unless the advice is confirmed in writing. This is because misunderstandings can occur, when advice is given orally, over the precise scope of the advice or the assumptions which underlie it. Any advice given orally will, on request, be confirmed in writing and you may rely on the written advice only.
- 3.20 In the case of partnerships we will be pleased also to advise the partners on their personal tax. In such cases we will need to agree separate terms with the individuals concerned.
- 3.21 You give us authority to correct HM Revenue & Customs' errors, even if doing so results in correction of an error made in your favour.
- 3.22 We can advise you in respect of UK tax matters only. If your affairs are subject to the tax laws of other jurisdictions then you will need to appoint a local tax adviser to advise on these matters.
- 3.23 We act for you on the understanding that we will not advise on or recommend any tax avoidance schemes that we consider unduly complex and aggressive.
- 3.24 HM Revenue & Customs have wide anti-avoidance powers that enables them to negate the tax effect of transactions where for example one of the purposes is to avoid tax or where there is a settlement. These powers are very widely drafted and can potentially affect many seemingly innocent situations. Our advice is based on our understanding of current HM Revenue & Customs practice but you should be aware that this is subject to a risk that HM Revenue & Customs may change their view or interpretation of the law and possibly seek to apply it retrospectively.
- 3.25 We draw your attention to the fact that insurance is available to cover our fees arising from HM Revenue & Customs investigations. If you would like further details of this then please let us know.

4 Value added tax (VAT)

- 4.1 Where we have provided written agreement, we will 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 your VAT records within 14 days of the end of the VAT return period. You have undertaken that you/your staff will ensure that:
- (a) all relevant VAT records are forwarded to us within 14 days of the end of the VAT return period;
 - (b) valid VAT invoices are received for all payments where VAT is being reclaimed;
 - (c) the VAT rating of supplies is correctly dealt with, i.e., between positive and zero rates and exempt supplies;
 - (d) we are notified in writing of any positive-rated own consumption;
 - (e) any input VAT on non-business expenditure is clearly marked on supporting invoices;
 - (f) we are notified each quarter of any payments to or for the benefit of proprietors or staff for fuel used for private mileage, together with the business mileage for each such person, for each quarter;
 - (g) all supplies made by the business are shown in the records made available to us.

- 4.2 We will not be responsible for checking the VAT treatment of supplies made, i.e., between positive and zero rates, and exempt supplies unless specifically requested in writing to make a detailed review. Similarly, we will not specifically check the deductibility of input VAT and the validity of supporting invoices unless specifically requested in writing to carry out a detailed review.
- 4.3 When the VAT return has been completed from the information supplied we will send you the return form for you to review. If you agree the return you should sign and submit it to HM Revenue & Customs together with the required payment, or file the return electronically. If you consider the return to be incorrect please consult us immediately.
- 4.4 Further, as the returns are prepared solely on the basis of information provided by you, we can accept no responsibility for any VAT liability arising due to inaccuracies or omissions in your accounting procedures which may lead to a misdeclaration whether or not it is one on which penalties and interest may arise.
- 4.5 Where we have not provided written agreement to undertake the completion of your VAT returns, you/your staff will be responsible for completing and submitting VAT returns.
- 4.6 If you are not VAT registered and registration becomes necessary, we will endeavour to ensure that you register in time provided that:
- (a) you notify us in writing within 14 days of the end of each month of the total value of supplies you have made in that month; and
 - (b) you notify us immediately in writing if the value of taxable supplies that you will make in the next 30 days is likely to exceed the annual registration limit then in force.

5 Payroll

- 5.1 Where we have provided written agreement, we will maintain your payroll records, supply you with completed weekly/monthly payslips for you to pass to employees, supply you with a completed HM Revenue & Customs payslip for the PAYE and national insurance contributions for you to send to HM Revenue & Customs Accounts Office with a cheque which you will draw, complete your year end return form P35 with forms P14 and P60 and supply you with the completed form P35 for approval prior to submitting this online on your behalf together with forms P14 and the forms P60 that you will pass to each employee. In order to do this we will require from you the following information:
- (a) Personal details of all employees (i.e., name, NI number, home address, etc.).
 - (b) All P45s received by you.
 - (c) If any casual labour is taken on, you are required to operate P46 procedures. Completed P46 forms should be passed to us for processing.
 - (d) Notification within two weeks of any employee who is ill for four or more calendar days, including weekends, bank holidays etc to enable us to operate statutory sick pay for you.
 - (e) Notification of any employee who becomes pregnant, to enable us to operate statutory maternity pay for you.
 - (f) Details of any money or benefits made available to employees by you or by a third party through you.
 - (g) Hours worked, rates of pay, bonuses etc.
 - (h) Notification of employees engaged by you and of those leaving your employment.

- (i) Any notice of coding received by you.
- 5.2 Should any payslips need to be re-run because of incorrect or incomplete information provided by you then this may incur an additional charge.
- 5.3 The end of year payroll returns must be filed with HM Revenue & Customs by 19 May following the end of the tax year or penalties will be levied. There may also be interest payable if the final tax and National Insurance payment, due by 19 April following the end of the tax year, is late. We cannot guarantee to have the returns etc., completed in time to meet this deadline, unless we have all the relevant information within five working days of the end of the tax year.
- 5.4 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 Governments Code of Practice "Preventing Illegal Working" and section 8 of the Asylum and Immigration Act 1996.

6 P11D forms

- 6.1 Where we have provided written agreement, we will prepare forms P11D for your approval. We will complete forms P11D for employees earning over £8,500 for approval and submission by you to HM Revenue & Customs. You will supply the form P11D information to your employees by the due date.
- 6.2 To avoid penalties, you agree to supply us with complete and accurate details of all benefits and reimbursed expenses for the tax year (not the accounts year) within 14 days of the end of the tax year.

7 Subcontractors

- 7.1 Where applicable and where we have provided written agreement, we will operate the sub-contractors' tax deduction scheme for the sub-contractors you use and the terms of this section 7 will apply.
- 7.2 Where we have provided written agreement, we will carry out verification procedures with HM Revenue & Customs for the subcontractors you use. To enable us to do this you will provide us with the information required by HM Revenue & Customs once a contract has been signed or a tender agreed.
- 7.3 If we have not provided written agreement in clause 7.2 above then you will be responsible for carrying out verification procedures with HM Revenue & Customs for the subcontractors you use. You will provide us with the verification references given to you by HM Revenue & Customs. You will confirm for each subcontractor whether HM Revenue & Customs have advised that payment should be made gross, after standard rate deduction, or after higher rate deduction.
- 7.4 If you receive a notice of change from HM Revenue & Customs with regard to a change in deduction status for one of your subcontractors you undertake to forward it to us immediately. We will not be responsible for failure to effect a change where we do not receive the notice in time.
- 7.5 We will advise you of the net payment and deduction amounts for each subcontractor. In order for us to do this you will provide us with the following: -
 - (a) the amount of gross payment (excluding VAT) due to each subcontractor.
 - (b) the amount of own materials cost included within the gross payment. In providing this to us you confirm that you have either obtained direct confirmation from the subcontractor of the amount or you consider the amount not to be excessive.

- 7.6 On the basis of the above calculations, we will complete HM Revenue & Customs monthly returns. We will send you a copy of the monthly return for signing, which you will return to us for submission to HM Revenue & Customs. The monthly returns are due by the 19th of each month, **even if no subcontractors have been paid since the last return**. Failure to meet this deadline will result in financial penalties being levied.
- 7.7 You will be responsible for preparing the monthly written statements of deduction, which you will provide to each of your subcontractors by the 19th of the month following payment, unless we have provided written agreement to preparing them on your behalf.
- 7.8 We will calculate and advise you of the amount of tax deducted from your subcontractors that needs to be paid over to HM Revenue & Customs each month. Note that payments need to reach HM Revenue & Customs by the 19th of the month following payment for postal payments and by the 22nd where electronic payment methods are used.
- 7.9 You will be responsible for confirming the self-employment status of all your subcontractors. We can provide advice on a case by case basis, should you so require.

8 Preparation of cash flows/profit forecasts

- 8.1 The following terms of this section 8 will apply where we have provided written agreement to prepare cash flows and/or profit forecasts ("projections").
- 8.2 Any projections will be for the exclusive use of yourselves and should not be shown to any other party without our prior written consent.
- 8.3 The projections will be drawn up from information and explanations provided by you, either directly or by way of discussions with you. The work carried out on your behalf will be limited to compiling the projections from the information so provided and presenting it in the appropriate manner. We will work with you to draw up the appropriate estimates and assumptions necessary, but these will be based on the information provided by you. You will remain solely responsible for such estimates and assumptions and hence for any resulting business plan/cash flow forecast.
- 8.4 As the projections relate to expected future events the actual results will almost inevitably differ from the projections. Those differences may be material. Accordingly, whilst care will be taken to translate the information and explanations provided into meaningful forecasts based on your assumptions, we cannot accept any responsibility for any loss occasioned to any person acting or refraining from action as a result of any material or statements included in, or omitted from, the projections.
- 8.5 You understand that our work will not constitute an audit of the figures and information in the projections and we will not express any opinion thereon. Our report will not extend to any financial statements of the business taken as a whole.
- 8.6 To ensure that anyone reading the projections is aware of the scope of our work and the fact that we have not carried out an audit, we will annex to the projections a short report. This report must remain attached to any copy shown to any other party, such distribution to be only with our prior written consent.
- 8.7 Our report is prepared solely for the confidential use of yourself and solely for the purpose that is agreed by us in writing. It may not be relied upon by you for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. The firm neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

9 Management Accounts

- 9.1 The following terms of this section 9 will apply where we have provided written agreement to prepare management accounts for your business.
- 9.2 We will complete the writing up of your books and records, insofar as they are incomplete when presented to us, from the information and explanations supplied to us and prepare draft accounts therefrom for your approval.
- 9.3 You agree that your staff will be responsible for:
- (a) maintaining records of all receipts and payments of cash;
 - (b) reconciling cash book balances monthly with the bank statements;
 - (c) post and balance the purchase and sales ledgers; and
 - (d) extract a detailed list of ledger balances.
- 9.4 You will also provide estimates of any stocks at the end of each period.
- 9.5 You understand that we will not be carrying out an audit and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would require additional work to comply with Auditing Standards so that we could report on the truth and fairness of the financial statements.
- 9.6 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.
- 9.7 The accounts are not suitable for submission with the tax return, or for summary thereon.
- 9.8 To ensure that anyone reading the projections is aware of the scope of our work and the fact that we have not carried out an audit, we will annex to the projections a short report. This report must remain attached to any copy shown to any other party, such distribution to be only with our prior written consent.

10 Investment services

- 10.1 Although we are not authorised by the Financial Services Authority (FSA) to conduct investment business, we are licensed by ACCA to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.
- 10.2 In particular, we may:
- advise you on investments generally, but not recommend a particular investment or type of investment;
 - refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FSA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for their services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
 - advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
 - advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;

- assist you in making arrangements for transactions in investments in certain circumstances; and
 - manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.
- 10.3 The firm may receive commission from any introduction to a PTP in connection with the above, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction. Such commission will be held in our clients' account until we receive instructions from you as to how it should be treated. In the event of no such instructions being received, we may use such monies against any fees that have been outstanding for 30 days or more and concerning which you are not in dispute with us.
- 10.4 We may also request that you allow us to retain such commissions to cover our costs in connection with the above, but permission will be sought separately from you in these circumstances. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of these terms and, in the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the ACCA Compensation Scheme.
- 10.5 To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours of 9:00 to 5:30. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

11 Commissions or other benefits

- 11.1 Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals (other than introductions to PTPs that constitute a 'regulated activity') or transactions we arrange for you, in which case you will be notified in writing of the amount and terms of payment. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.
- 11.2 In particular we operate an agency with Cater Allen Private Bank and receive a commission on any of their customers accounts under our agency of up to 0.5% p.a. of the average daily balance, which is paid to us each calendar quarter.

12 Client monies

- 12.1 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. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of ACCA.
- 12.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £100. Any such interest would be calculated using the prevailing rate applied by Barclays Bank plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 12.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

13 Fees

- 13.1 Our fees are computed on the basis of time spent on your affairs by the partners and our staff, and on the levels of skill and responsibility involved. Disbursements represent travel, accommodation, external consultancy and other expenses incurred in dealing with your affairs.
- 13.2 If it is necessary to carry out work outside the responsibilities outlined in the letter of engagement it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records, etc. are completed to the agreed stage.
- 13.3 Invoices are payable in full before financial statements are made available.
- 13.4 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in the letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.
- 13.5 Where we have agreed to provide our services on a fixed fee basis, this is subject to reasonable 'fair usage' and we reserve the right to make additional charges in circumstances where we consider there is excessive use of our services or where there is significant ad-hoc work not contemplated when agreeing the fee. Because of the nature of our work it is not always possible to advise you of additional charges in advance.
- 13.6 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998.
- 13.7 In the event that this firm ceases to act in relation your affairs you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs even where we are required by law to provide information to a successor firm.

14 Retention of and access to records

- 14.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your financial statements and returns. You should retain these records for at least seven years from the end of the accounting year to which they relate.
- 14.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

15 Quality control

- 15.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

16 Help us to give you the right service

- 16.1 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 telephoning Jonathan Griffey or Philip Hackett.
- 16.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with ACCA.
- 16.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this and any supplementary Standard Terms of Business and associated engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
- your insolvency, bankruptcy or other arrangement being reached with creditors;
 - failure to pay our fees by the due dates;
 - either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so; or
 - it becoming apparent to us that another firm is acting for you.
- 16.4 In addition this agreement may be terminated for any reason if 30 days notice is given.

17 Applicable law

- 17.1 The engagement letter and these and any supplementary Standard Terms of Business are 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 the engagement letter and this and any supplementary Standard Terms of Business and any matter arising from 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 inappropriate forum, or to claim that those courts do not have jurisdiction.
- 17.2 If any provision in these and any supplementary Standard Terms of Business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

18 Internet communication

- 18.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an email without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of Internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that email is not an acceptable means of communication.
- 18.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

- 18.3 You authorise us to communicate with HM Revenue & Customs, Companies House and other statutory authorities in connection with all matters, including the submission of statutory returns via electronic means.

19 Data Protection Act 1998

- 19.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under the engagement letter, 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. You authorise us to disclose personal data about you to any third party who we consider makes a request for a bona fide purpose (e.g. mortgage lenders). You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Jonathan Griffey.
- 19.2 Sections 11 and 12 of the Data Protection Act 1998 place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. We therefore confirm that we will at all times comply with the requirements of the Data Protection Act 1998 when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.

20 Contracts (Rights of Third Parties) Act 1999

- 20.1 Except for employees, partners or members of Hackett Griffey LLP or Philip Hackett LLP who shall have the right to rely on clause 22.2, persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 20.2 The advice that we give 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 for any aspect of our professional services or work that is made available to them.

21 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007

- 21.1 In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- Maintain identification procedures for clients and beneficial owners of clients;
 - Maintain records of identification evidence and the work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.
- 21.2 We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the Serious Organised Crime Agency (SOCA) if we know, or have reasonable cause to suspect, that another person is 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.
- 21.3 The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.

This definition is very wide and would include such crimes as:

- deliberate tax evasion;
- deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
- fraudulent claiming of benefits or grants; or
- obtaining a contract through bribery.

21.4 We are obliged by law to report any instances of money laundering to SOCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.

21.5 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 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

22 Limitation of liability

22.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses 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 other relevant authorities.

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

22.3 We have discussed with you the extent of our liability to you in respect of the professional services set out in this letter. Having considered both your circumstances and our own we have agreed that the firm's aggregate liability to you or any other party, of whatever nature, whether in contract, tort or otherwise for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall not exceed twenty times the fees charged for the services (including interest) that gave rise to those losses.

22.4 The firm's aggregate liability to you or any other party, of whatever nature, whether in contract, tort or otherwise for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall not exceed £1,000,000.