

Standard Terms and Conditions of Business

1 Introduction

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

2 Ethical requirements

- 2.1 We are bound by the ethical requirements of the Association of Chartered Certified Accountants, and accept instructions to act for you on the basis that we will act in accordance with those ethical requirements. A copy of these requirements can be viewed at our offices on request or can be seen at www.accaglobal.com. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.
- 2.2 You authorise us to disclose any matters which relate to your tax affairs to HM Revenue & Customs in order to agree your correct tax liabilities. In particular you authorise us to correct errors made by HM Revenue & Customs whenever we become aware of them.

3 Fees

- 3.1 Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.
- 3.2 If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.
- 3.3 Where requested we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.
- 3.4 In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such assurance was arranged through us you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 3.5 We will bill quarterly or on the completion of an assignment and our invoices are due for payment within 14 days. Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.
- 3.6 Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.
- 3.7 It is our normal practice to ask clients to pay by monthly direct debit and to periodically adjust the monthly payment by reference to actual billings.
- 3.8 We reserve the right to charge interest on late paid invoices at the rate of 8% above bank base rates under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.
- 3.9 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.
- 3.10 If a client company or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from any director or any group company and you agree that we shall be entitled to enforce any sums due against the personal assets of any director or against any group company, and that every director personally indemnifies us against all costs and charges arising as a result of the non payment of our fees
- 3.11 In the case of a dispute over the level of fees charged we reserve the right to require that the matter is dealt with through arbitration. We recommend that arbitration is undertaken by the fee arbitration service provided by ACCA for members. The fee arbitrator will be appointed by the ACCA president; the fee will be as negotiated with the ACCA arbitrator.
- 3.12 We may request any client who has failed to comply with our terms of payment to make a full payment in advance for the estimated amount of any fees for future services.

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3.13 In the event that we cease to act in respect of your affairs you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

4 Client monies

4.1 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' Monies Rules of the Association of Chartered Certified Accountants. These rules can be found on the ACCA website at www.accaglobal.com.

4.2 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.

4.3 We would not expect to hold money on your behalf for any significant period of time except where fees are paid by standing order in advance by agreement, and in order to avoid an excessive amount of administration, interest will not normally be paid to you in those circumstances.

5 Internal disputes

5.1 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 normal place of business for the attention of the directors or proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken.

6 Investment services

6.1 Investment business is regulated under the Financial Services and Markets Act 2000.

6.2 If, during the provision of professional services to you, you need advice on investments, we may have to refer you to someone who is authorised by the Financial Services Authority. However, as we are licensed by the Association of Chartered Certified Accountants (ACCA), we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you. Such services may include:

- 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 his 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.

6.3 We may also, on the understanding that the shares or other securities of a company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

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6.4 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.

6.5 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 this letter and, in the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Certified Accountants Compensation Scheme.

7 Commissions or other benefits

7.1 In some circumstances we may receive commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits. The fees you would otherwise pay will be reduced by the amount of the commissions or benefits. When we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission

8 Notification

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

9 Timetable

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

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

10 Third parties

10.1 Any advice we give you will be supplied on the basis that it is for your benefit only and shall not be disclosed to any third party in whole or part without our prior written consent. It may not be used or relied upon for any other purpose or by any other person other than you without our prior written consent. If our advice is disclosed to any third party (with or without our consent), then we accept no responsibility or liability to that third party for any consequences that may arise to them, should they rely on the advice.

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

11 Contracts (Rights of Third Parties) Act 1999

11.1 The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the Engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

12 Confidentiality

12.1 Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory bodies, by our insurers including as part of potential claims notification, or as part of an external peer review. You hereby acknowledge our right to disclose your confidential information in these circumstances. Except as referred to above, unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

12.2 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.

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12.3 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.

13 Quality of service

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

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

13.3 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 we do not answer your complaint to your satisfaction you may take up the matter with the Association of Chartered Certified Accountants.

13.4 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 Standard Terms and Conditions 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; or either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

14 Communication

14.1 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments.

14.2 With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications 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 where electronic submission is mandatory.

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

14.4 As part of our signing up process we will automatically add any email addresses to our Monthly Newsletter mailing list to ensure you get relevant tax and accounting updates. If you do not wish to be added please contact reception@spurlingcannon.co.uk or you can ask to be removed at any time by clicking on the unsubscribe link in the newsletter

15 Applicable law

15.1 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.

15.2 If any provision in this Standard Terms and Conditions 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.

16 Data Protection

16.1 A new European Union (EU) data protection framework, the General Data Protection Regulation (GDPR), takes effect from 25 May 2018.

16.2 The GDPR builds on the concepts and principles in the current Data Protection Act (DPA). In addition to the GDPR, the UK will have a new Data Protection Act. The new act: a) supplements the GDPR in the UK

b) implements the Law Enforcement Directive

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- c) extends data protection laws to areas not covered by GDPR.
- 16.3 Spurling Cannon Limited understands that your privacy is important to you and that you care about how your personal data is used. We respect and value the privacy of all of our clients and will only collect and use personal data in ways that are described in our Privacy Notice, and in a way that is consistent with our obligations and your rights under the law.
- 16.4 Our Privacy Notice is available on our website, with these terms and conditions and is available on request.

17 Proceeds of Crime Act and Money Laundering Regulations 2007

- 17.1 In accordance with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007 you agree to waive your right to confidentiality to the extent of any report made, document provided or information disclosed to the Serious Organised Crime Agency (SOCA).
- 17.2 You acknowledge that we are required by s 330 of the Proceeds of Crime Act 2002 to report directly to SOCA without prior reference to you or your representatives if during the course of undertaking any assignment the person undertaking the role of Money Laundering Reporting Officer has reasonable cause to suspect that any person is involved in money laundering. We would commit the criminal offence of tipping off under s. 333 of the Proceeds of Crime Act if we were to inform you that a report had been made. In consequence, neither the firms' directors nor staff may enter into any correspondence or discussions with you regarding such matters.
- 17.3 The offence of money laundering is defined by s. 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.
- 17.4 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. Copies of such records will be maintained by us for a period of at least five years after we cease to act for you or your business.

18 Implementation

- 18.1 We will only assist with implementation of our advice if specifically instructed in writing.

19 Intellectual property rights

- 19.1 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.

20 Interpretation

- 20.1 If any provision of the engagement letter or schedules is held to be void, then that provision will be deemed not to form part of this contract.
- 20.2 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.

21 Lien

- 21.1 Insofar as permitted to do so by law or professional requirements, 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.

22 Retention of records

- 22.1 During the course of our work we may collect information from you and others relevant to your affairs. We will return any relevant documents to you if requested. Documents and records relevant to your affairs are required by law to be retained as follows:

Individuals, trustees and partnerships –

- with trading or rental income: 5 years and 10 months after the end of the tax year;
- otherwise: 22 months after the end of the tax year;

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Companies

- 6 years from the end of the accounting period;

22.2 Whilst certain documents may legally belong to you we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than 7 years old. You must notify us in writing if you require the return or retention of any specific documents for a longer period.

23 Limitation of liability

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

23.2 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 incomplete, misleading or false information or if they are due to a failure to act on our advice or a failure to provide us with relevant information.

23.3 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.

23.4 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 wrongly misrepresented to us or from 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.

23.5 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 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.

23.6 Limitation of aggregate liability

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

24 Professional Indemnity Insurance

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

25 Authorisation and Registration

25.1 Spurling Cannon are registered with ACCA as chartered certified accountants and can be found on the register of members at <http://www.accaglobal.com/general/finding/>.

25.2 If we provide audit services to you, these will be provided through Spurling Cannon Audit Limited, Spurling Cannon Audit Limited are registered as auditors by the Association of Chartered Certified Accountants and details of our registration can be found at www.auditregister.org.uk or at <http://www.accaglobal.com/general/finding/>.

26 Reliance on advice

26.1 We may choose to put any advice in writing and you may request our advice 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

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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.

- 26.2 Tax rules and other regulations change frequently and you must therefore ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken

27 Conflicts of interest

- 27.1 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.

- 27.2 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.

28 Period of engagement and termination

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

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

- 28.3 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.

29 Disengagement

- 29.1 Should we resign or be requested to resign, we may issue a disengagement letter ensure that our respective responsibilities are clear.

- 29.2 We will communicate relevant information to your new advisers as quickly as possible after all our fees have been paid, including fees unbilled at the termination of our engagement.

- 29.3 Should we have no contact with you for a period of one year or more we may issue a disengagement letter and hence cease to act.