

## 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. You agree that these terms of business may be updated from time to time and that upon notification of any changes or any terms you accept and agree to be bound by any terms contained within them. An up to date version of your terms can be found at our website.

### 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 electronic searches of appropriate databases. We may also continue to carry out such searches or requests for information periodically throughout our engagement.

### 3. Client money

We will not at any time hold money on your behalf. Therefore payments due to third parties e.g. HMRC will need to be made directly to them.

### 4. Commissions and other benefits

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 not be reduced by the amount of the commissions or benefits.

### 5. Complaints

We are committed to providing you with a high quality service that is both efficient and effective. However, should there be any cause for complaint in relation to any aspect of our service please contact our Practice Manager, Gena Moors in the first instance. We agree to look into any complaint carefully and promptly and do everything reasonable to put it right. If you are still not satisfied your complaint will be referred to Paul Austen who will carry out a review of the complaint. If you are still not satisfied you can refer your complaint to our professional body, 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 confidential your information except where we are required to disclose it by law, by

regulatory bodies, by our insurers or as part of an external 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

We confirm that we will comply with the provisions of the Data Protection Act 1998 when processing personal data about you and your family. In order to carry out the services of this engagement and for related purposes such as updating and enhancing our client records, analysis for management purposes and statutory returns, legal and regulatory compliance and crime prevention we may obtain, process, use and disclose personal data about you. These terms should also be taken together with our addendum to our terms on 16 March 2018 with respect to GDPR.

#### 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 12 months 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 and with third parties via email or by 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 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. Any communication by us with you sent through the post system is deemed to arrive at your postal address two working days after the day that the document was sent.

#### 11. Fees and payment terms

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.

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.

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 at any time to notify you of a revised figure or range and to seek your agreement thereto. In particular where you have received a packaged fixed fee, this is on the basis of a continuing engagement, should that engagement be terminated by you then we will charge on a time charge basis for all work already completed. Specifically with regard to Auto Enrolment Services where a fixed fee package has been agreed there is a minimum contract period of 18 months from the start of engagement of this specific work to enable recovery of initial set up costs. In respect of all other services for new engagements there is a minimum contract period of 12 months to enable recovery of set up costs. For existing engagements there is a notice period of 3 months to terminate services where our direct debit will continue to apply.

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 insurance 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.

Our normal hourly rates are set out below. These will be increased annually in line with inflation every March.

We will bill annually and our invoices are due for payment upon presentation. 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.

Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.

It is our normal practice to ask clients to pay on account by monthly direct debit and to periodically adjust the monthly payment by reference to actual billings.

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.

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 you agree that we shall be entitled to enforce any sums due against the Group Company or individual nominated to act for you. Our normal hourly rates excluding VAT at the prevailing rate are as follows: Partner or principle £200 per hour, senior associate or practice manager £100 per hour, junior associate £75 per hour, administrative support £45 per hour. Where we incur costs outside of any direct debit arrangement or any fixed fee arrangement you agree to be bound by these costs per hour.

Following the introduction of Making Tax Digital and more regular reporting to HMRC, our fee basis will change to a monthly retainer subscription basis payable by direct debit following the 1<sup>st</sup> April 2019.

#### 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 summary 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 summary or appendices, the relevant provision in the terms of business 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 normal place of business for the attention of the directors/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.

#### 16. Investment advice (including insurance mediation services)

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

If, during the provision of professional services to you, you need advice on investments, including insurances, we may have to refer you to someone who is authorised by the Financial Conduct Authority or licensed by a Designated Professional Body as we are not.

#### 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 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.

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.

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.

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.

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.

Where the engagement letter specifies an aggregate limit of liability, then that sum shall be the maximum aggregate liability of this firm, its partners, agents and employees to all persons to whom the engagement letter or summary is signed or is addressed and also any other person that we have agreed with you may rely on our work. By signing the engagement letter or summary 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 or summary. Where the engagement letters or summary is silent on any limit of liability the agreed limit shall be a maximum so far as possible of four times the annual fee agreed.

We do of course hold professional indemnity insurance within amounts specified by our regulatory professional body, The Institute of Chartered Accountants in England and Wales. The name of our insurer is SBJ professional (Bluefin), Castlemead, Lower Castle Street, Bristol, BS1 3AG and the territorial coverage of the insurance is England and Wales.

#### 19. Limitation of Third Party rights

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.

#### 20. Period of engagement and termination

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

We 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. From when we begin submitting returns under Making Tax Digital for you or your business the engagement is on a rolling monthly basis from the date of engagement and you may terminate this agreement by giving not less than 12 months notice in writing or payment in lieu of notice to allow us recovery of set up costs. Prior to making tax digital you may give us not less than 21 days notice.

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.

#### 21. 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. 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. You can see copies of these requirements in our offices. The requirements are also available on the internet at [www.icaew.com/en/members/regulations-standards-and-guidance](http://www.icaew.com/en/members/regulations-standards-and-guidance).

When conducting probate work we are required to comply with the Probate Regulations which can be accessed on the internet at <http://www.icaew.com/en/members/regulations-standards-and-guidance/reserved-legal-services>.

## 22. 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. Confirmation of advice in writing will be chargeable and will not be included in any fixed fee.

## 23. 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 relevant to your tax affairs. We will return any original documents to you if requested. Documents and records relevant to your tax 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;

Companies:

- 6 years from the end of the accounting period.

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 or after a period of 3 months from dis-engaging from our services we will look to destroy or delete any documents held in accordance with our data protection policy.

You must tell us if you require the return or retention of any specific documents for a longer period.

## 24. The Provision of Services Regulations 2009

Our Professional Indemnity insurer is SBJ professional (Bluefin), Castlemead, Lower Castle Street, Bristol, BS1 3AG and the territorial coverage of the insurance is England and Wales.

## 25. Your responsibilities

You agree to provide full information necessary for us to advise in relation to your affairs. We will rely on the information and documents being true, correct and complete and will not audit the information or those documents.

If you require tax advice in relation to a proposed transaction we recommend that you instruct us sufficiently in advance so that we have time to give properly considered advice prior to the transaction taking place.

You agree to authorise us to approach such third parties as may be appropriate for information that we consider necessary to provide the advice.

You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material or not please let us know so that we can assess the significance.

You are responsible for monitoring your monthly turnover to establish whether you are liable to register for VAT. If you do not understand what you need to do, please ask us. If you exceed the VAT registration threshold, and wish us to assist you in notifying HMRC of your liability to be VAT registered we will be pleased to assist you in the VAT registration process. You should notify us of your instructions to assist in your VAT registration in good time to enable a VAT registration form to be submitted within the time limit of one month following the month in which you exceeded the VAT registration threshold in force at that time. We will not be responsible if you fail to notify us in time and incur a late registration penalty as a result.

You are legally responsible for:

- (a) Ensuring that that all documents and information submitted to HMRC are correct, complete and on time; and
- (b) Ensuring that HMRC are informed promptly of any changes in your income or circumstances, or of any errors or omissions in any document sent to you by HMRC.

Failure to do this may lead to or exacerbate an overpayment, and may in certain cases give rise to penalties, and/or interest.

Taxpayers who sign their returns, claims and renewal forms or confirm acceptance of their documents online or via email cannot delegate this legal responsibility to others. You agree to check that documents that we have prepared for you are complete before you approve and sign them.

With regard to tax credits claims you will be responsible for informing HMRC of any changes of circumstances during the year for which notification is mandatory (which generally must be done within one month of the change).

To enable us to carry out our work you agree:

- (a) That all claims and renewals are to be made on the basis of full disclosure of your income and circumstances;
- (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) To authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs; and
- (d) To provide us with information in sufficient time for your renewal forms and returns to be completed and submitted by the due date following the end of the tax year. In order that we can do this, we need to receive all relevant information at least 3 months before any due date

You will keep us informed of material changes in your circumstances that could affect your tax credit or other entitlements. If you are unsure whether the change is material or not please let us know so that we can assess the significance.

You will forward to us HMRC notices, statements of account, letters and other communications received from HMRC in time to enable us to deal with them as may be necessary within the requisite time limits. Although HMRC have the authority to communicate with us when form 64-8 has been signed and submitted it is essential that you let us have copies of any correspondence received because HMRC are not obliged to send us copies of communications issued to you and in most cases will not do so. You should also keep a note of any telephone communication you have with HMRC's tax credits helpline, including the date and time of the call, and the name of the helpline operator(s).

## 26. Non Solicitation/Non Competition/Non Dealing

26.1 One of the most valuable assets that we can offer of Paul Austen Associates Ltd (the company) is the contact that you will have and the relationship that you will be encouraged to build up with the Company' Staff. You acknowledge that this contact and the relationship is capable of being misused unfairly against our Company if after you have terminated our companies services or part of the services you use or even continue to use them it is exploited for your own benefit in use of our skilled staff or that of another person in competition against the Company.

26.2 For this reason you hereby agree that you will not during your engagement with our Company or any associated or subsidiary Company, or for a period of 12 months following the termination of your engagement or part engagement e.g. bookkeeping, in respect of any aspect of the business which the Company undertakes, solicit or attempt to solicit the employment of or subcontract use of our staff or former staff including via any intermediary entity, or otherwise deal with any person who at the date of termination of your engagement is an employee or potential employee or subcontractor of the Company to whom you have personally had contact with in the delivering of the Company' Services on behalf of the Company, or whom you had introduced to the Company, or with whom you had any business dealings or knowledge in the 12 month period immediately prior to the date of termination of your engagement.

26.3 After your engagement or part engagement has ceased (whether by your notice or termination by the Company) you also agree that you will not except in a purely social capacity, contact, deal with, attempt to solicit information or knowledge from, any staff of the Company with whom you had any business dealings in the 18 months prior to the termination of your engagement nor will you attempt to interfere with the existing business relations between any customers or employees of the Company nor provide whether directly or indirectly your assistance to any other person so as to enable or facilitate that other person to solicit the staff of

or sell and/or delivered the Company' Services and equipment on behalf of the Company to any customer of the Company.

26.4 You are strictly forbidden from making any contact, whether formal or informal, written or oral to any of the Company's past current or prospective suppliers or employees for any purpose other than for your personal social interests. Such a purpose might include but is not limited to, an intention to use our staff or former staff for your own business benefit by employing them directly or indirectly via an intermediary. Any breach of this clause causes us significant economic loss because of our costs of recruitment, training, intellectual property and undermining of our business proposition and we would seek to recover those costs via payment of a recruitment fee not lower than £6,000 + VAT at the prevailing rate which would be payable within 7 days of invoice date.

26.5 Provided whilst each of the restrictions above are considered by the parties to be reasonable in all the circumstances as at the date hereof, it is hereby agreed and declared that if any one or more of such restrictions shall be judged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company but would be valid if words were deleted therefrom or the period thereof reduced, or the range of activities or area covered thereby reduced in scope, the said restriction shall be deemed to apply with such modifications or restriction found in any event to be void, shall not thereby affect the validity of any other restriction contained therein.