

## **STANDARD TERMS AND CONDITIONS OF BUSINESS**

### **1. Applicable Law**

Our engagement letter, the schedule of services and our standard terms and conditions of business are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

### **2. Client identification**

As with other professional services firms, we are required to identify our clients for the purposes of the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases.

### **3. Client money**

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 money will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales.

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

### **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. You agree that we can retain the commission or other benefits without being liable to account to you for any such amounts.

### **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 Kevin Carey. We agree to look into any complaint carefully and promptly and do everything reasonable to put it right. If you are still not satisfied you can refer your complaint to our professional body, the Institute of Chartered Accountants in England & Wales ('ICAEW').

## **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 similar business purpose, to mention that you are a client. As stated above we will not disclose any confidential information unless authorized by you.

## **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. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. 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 this arises, we will inform you promptly.

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, your family, your business/company/partnership/its officers and employees. 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. In addition, where we feel you may benefit from some investment advice, we may pass your personal and financial information to McDade Roberts Financial Services Limited and Medipro Financial Services Limited who are an associated business to the practice, and one in which we have a financial interest.

## **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 eighteen months or more we may issue to your last known address a disengagement letter and thereafter 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 agree to 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 to notify you of a revised figure or range and to seek your agreement thereto.

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 the payment of our fees in full, regardless of whether all or part are to be paid by your insurers under such an insurance policy.

Payment of our invoices is due within 14 days of the date of the invoice. Our fees are exclusive of VAT, which will be added to our invoices where it is chargeable, as will any disbursements or other expenses we incur on your behalf in the course of carrying out our work for you.

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

We reserve the right (without prejudice to any other rights we may have) to charge interest at either:

- (a) a rate of 8% per annum above the Bank of England base rate from time to time on any payment not received by the due date for payment, until such sum is received, irrespective of any other action taken in order to obtain satisfactory settlement of sum due; or
- (b) at the rate determined under the Late Payment of Commercial Debts (Interest) Act 1998 on any payment not received by the due date for payment, until such sum is received, irrespective of any other action taken in order to obtain satisfactory settlement of sums due.

Interest will be charged on a daily basis.

We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of our invoice is overdue. We intend to exercise these rights only where it is fair and reasonable to do so.

If you have any query about any invoice, you should contact the person dealing with your matter straight away. If that does not resolve the matter, you have the right to complain as mentioned above.

## **12. Personal Guarantee**

**All our invoices are primarily payable by you. However, where you are a limited liability company or partnership, it is a condition of us accepting instructions, that should the company or partnership fail to make payment of any invoice to us by the due date, then one or more directors or members of the company or partnership guarantees to be liable for and make payment of such debt to us immediately, without any set off, deduction or counterclaim. On that basis, the engagement letter must be signed by each director or member of the company or partnership who is prepared to give this guarantee, as evidence of their consent to it. If more than one director or member of a company or partnership gives the guarantee set out in this paragraph, then they shall each have joint and several liability.**

## **13. Implementation**

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

## **14. 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.

## **15. Interpretation**

If any provision of this engagement letter or enclosed schedules is held to be void, then that provision will be deemed not to form part of this contract and the remainder of this agreement shall be interpreted as if such provision had never been inserted. 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.

## **16. 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. 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.

## **17. Investment advice (including insurance mediation services)**

### **Referral to a Permitted Third Party (PTP)**

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 refer you to M R Financial Services Limited and one of its associated businesses who are a PTP authorised by the Financial Services Authority. MRFS is an associated business to the practice, and one in which we have a financial interest.

The PTP will issue you with their own Client Agreement Document, 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. We will act as introducers and would be pleased to attend any meetings with you.

We may receive income from this PTP and also benefit from the profit made by that firm. The income received by that firm in respect of advice given to you will be advised to you by the PTP directly.

## **18. 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.

## **19. 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 directly caused by our negligence or wilful default.

### Exclusion of liability for loss caused by others

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incorrect, incomplete, misleading or false information, or the failure to supply appropriate information, or if they are caused by a failure by you to act on our advice.

#### Exclusion of liability in relation to circumstances beyond our control

We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

#### Exclusion of liability relating to the discovery of fraud etc.

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.

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

#### Indemnity for unauthorised disclosure and misrepresentation

You agree to indemnify us and our agents:

- (a) in respect of any claim made by a third party (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;
- (b) against any misrepresentation, whether intentional or unintentional, supplied to us by you whether orally or in writing, in connection with our engagement.

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.

### **20. 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 to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

### **21. Period of engagement and termination**

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

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

In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

## **22. Professional rules and statutory obligations**

We will observe and act in accordance with the regulations, standards and guidance of the ICAEW 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 at our offices. The requirements are also available online at [www.icaew.com/regulations](http://www.icaew.com/regulations)

## **22. Professional Indemnity Insurance**

McDade Roberts Accountants Limited and McDade Roberts Holdings (2016) Limited maintain Professional Indemnity Insurance at a level that we and the ICAEW have determined in prudent with respect to the services we deliver. More information about this can be found on our website at: [www.mcdaderoberts.co.uk](http://www.mcdaderoberts.co.uk)

## **23. Reliance on advice**

We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

## **24. Retention of papers**

You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others 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, LLP's and other corporate entities:

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

## **25. DPB Investment services and Referrals to a Permitted Third Party (PTP)**

Although we are not authorised by the Financial Conduct Authority (FCA) to conduct investment business, we are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

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 FCA), 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. **For the avoidance of doubt it is the PTP only who will offer the advice not this firm.**
- 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 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.

The following paragraph applies to corporate clients only -

We may also, on the understanding that the shares or other securities of the 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.

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 we are aware of the quantum and terms of such commission.



Such commission from a PTP will be held in our clients' account until we receive instructions from you as to how it should be treated.

On each occasion we receive a commission or benefit from an introduction to a PTP we will seek your instruction as to how the receipt shall be dealt. We will seek your written authority on an ongoing basis to retain all or some of such commissions ongoing for the introduction to the PTP and for the support services we offer you generally and/or in relation to the introduction to the PTP.

In the event we cannot reach agreement with you on the quantum of retention we may use such monies against any fees that have been outstanding for 30 days or more and which you are not in dispute with us.

If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the "Quality Control" 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 Chartered Accountants Compensation Scheme.

*February 2018*

McDade Roberts Accountants Limited