

YANNONS CHARTERED ACCOUNTANTS

STANDARD TERMS AND CONDITIONS OF BUSINESS

The following terms of business apply to all engagements accepted by Yannons Chartered Accountants. All work is carried out under these terms except where changes are expressly agreed in writing.

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 of opinion concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

2. Client identification

As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

3. Client money

We may from time to time hold client money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. An example of such funds would be tax repayments claimed on your behalf. In order to avoid excessive administration, interest will only be paid to you where the amount would be in excess of £25 calculated using Bank of England base rate.

4. Commissions and other benefits

For the avoidance of doubt, we do not anticipate receiving commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. If this were to happen, we would notify you in writing of the amount and terms of payment and receipt of any such 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 complaints in relation to any aspect of our service please contact Dawn O'Connor. 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 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 regulatory review. We may, on occasion, utilise the services of various third parties to assist in the work undertaken and we may make available to them confidential client information as necessary. All or any specialist third parties involved in your affairs will be bound by our client confidentiality terms.

Unless you inform us otherwise we will presume the right, for the purpose of promotional activity, training or for similar business purpose, to mention the fact 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 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.

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.

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 a year or more, we may issue to your last known address a disengagement letter and thereafter cease to act.

10. Electronic communication and on-line filing requirements

Unless you instruct us otherwise we may communicate with you and undertake online filing of documents with third parties on your behalf by electronic means. Recipients are responsible for virus checking emails and any attachments and other safeguards applying to electronic storage of data.

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 electronic data. 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 to be borne 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.

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 be an approximation rather than a contractually binding amount unless we explicitly state that will be the case.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to an investigation into your affairs by HM Revenue & Customs. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. 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 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.

We reserve the right to charge interest on late paid invoices at the rate of 8% above the Bank of England base rate 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 giving us instructions on behalf of the client and you agree that we shall be entitled to enforce any sums due.

12. Implementation

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

13. Intellectual property rights

We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

14. Interpretation

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

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

16. Investment advice

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 Services Authority or licensed by a Designated Professional Body as we are not authorised to give such advice.

17. Lien

Insofar as we are permitted to 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 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 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.

Exclusion of liability in relation to circumstances beyond our control

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

Exclusion of liability relating to the discovery of fraud etc

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

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

Indemnity for unauthorised disclosure

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

Limitation of aggregate liability

The maximum aggregate liability of this company, 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 will be a sum equating to 5 times the average annual fee. 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 letter. You have agreed that you will not bring any claim of a kind that is included within the subject of the limit against any of our staff on a personal basis.

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 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 HM Revenue & Customs 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.

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 HM Revenue & Customs 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 on the internet at www.icaew.com/en/members/regulations-standards-and-guidance.

22. 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.

23. Money Laundering

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 all new clients;
- maintain records of identification evidence obtained, and
- report, in accordance with the relevant legislation and regulations.

A duty under section 330 of the Proceeds of Crime Act 2002 (POCA) is imposed upon us to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion constitutes a criminal offence.

The offence of money laundering is defined in the POCA and includes concealing, converting, using or processing 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 benefit.

The law obliges us to report any suspicion of money laundering to NCA without your knowledge or consent. We may commit a criminal offence of tipping off if we were to inform you that a report had been made. As a result, neither the firm's principals nor staff may enter into any correspondence or discussion with you regarding such matters.

We are not obliged to undertake work for the sole purpose of identifying suspicions of money laundering.

24. Tax Credits/Universal Credits

If we agree to advise you on tax credits/Universal Credits we will issue a separate letter or schedule to cover this area. These are, in effect, social security benefits. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household and we would require all relevant information and accordingly are unable to advise appropriately in these matters.

25. Professional Indemnity Insurance

In accordance with Institute of Chartered Accountants in England and Wales requirements we hold professional indemnity insurance. Details about the insurer and coverage can be found at our offices. The territorial coverage is worldwide excluding professional business carried out from an office in the USA or Canada.