

JAMES ANDERSON & CO

CHARTERED ACCOUNTANTS

PENTLAND ESTATE, STRAITON, EDINBURGH EH20 9QH

TELEPHONE: 0131 440 1373 · FAX: 0131 440 1015 · EMAIL: mail@jamesandersonca.co.uk

Standard terms of business

(Last Revised 30 August 2016)

All engagements that we accept are subject to the following standard terms of business unless changes are expressly agreed in writing.

1. Professional obligations

- 1.1. We are a member of ICAS and in our conduct are subject to its Code of Ethics which can be found at www.icas.com/ethics/icas-code-of-ethics. We will observe and act in accordance with the bye-laws and regulations of ICAS. We accept instructions to act for you on this basis.
- 1.2. Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.
- 1.3. We are a firm of statutory auditors registered to carry on audit work in the UK by ICAS. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number 0434.

Our VAT registration number is 397989352.

Professional indemnity insurance

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Royal & Sun Alliance Insurance. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

2. Fees

- 2.1. Our fees are calculated on the basis of time spent on your affairs, the levels of skill and responsibility involved the importance and value of the advice provided to you, and the level of risk. In addition we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs.
- 2.2. If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this in advance. Any additional work will result in additional fees being charged. We would therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.
- 2.3. If we give you an estimate of our fees for carrying out any specific work, then that estimate will not be contractually binding unless we have explicitly stated that will be the case.
- 2.4. If we agree a fixed fee with you for providing a specific range of services this will be the subject of a separate agreement. This agreement will set out the period which the fixed fee relates to and the services covered by it.

- 2.5. Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 21 days of receipt or we shall deem you to have accepted that payment is due.
- 2.6. We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed. We accept settlement of fees by certain credit cards.
- 2.7. Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all documents and records in our possession. We will only exercise this right where those documents and records relate specifically to the work undertaken on your behalf and until such times as all outstanding fees and disbursements are paid in full.
- 2.8. In the event that we cease to act for you then 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.
- 2.9. As directors* you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up.

3. Help us to give you the right service

- 3.1. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know by contacting Chris Spalding.
- 3.2. We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with ICAS.
- 3.3. In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
 - your insolvency, bankruptcy or other arrangement being reached with creditors;
 - failure to pay our fees by the due dates;
 - either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

4. Retention of and access to records

- 4.1. During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your accounts and returns. You have a legal responsibility to retain these records. The law requires individuals, trustees and partnerships to keep records in relation to trading or rental income 6 years from the 31 January following the end of the tax year to which they relate. Other records should be kept for 22 months after the end of the tax year they relate to. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.
- 4.2. Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than [seven] years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

5. **Conflicts of interest and independence**

- 5.1. We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you. 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.
- 5.2. If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by the ICAS Code of Ethics which can be viewed at www.icas.com/ethics/icas-code-of-ethics.

6. **Confidentiality**

- 6.1. Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Any subcontractors we use will be bound by the same confidentiality requirements.

7. **Quality control**

- 7.1. 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 principals and staff.

8. **Applicable law**

- 8.1. This engagement letter is governed by, and construed in accordance with, *Scots law*. The Courts of *Scotland* 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 it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.
- 18.2. If any provision in these terms of business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

9. **Changes in the Law**

- 9.1. We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
- 9.2. We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.

10. **Internet communication**

- 10.1. Unless you tell us otherwise we will at times use email or other electronic means to communicate with you.

- 10.2. Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. Unless specifically stated, such communications should not be construed as an offer or acceptance, or to form part of a legally binding contract. Any views expressed in such communications are those of the individual sender, except where the sender specifically states them to be the views of James Anderson & Co.
- 10.3. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that email is not an acceptable form of communication and that all relevant communications should be by post.
- 10.4. It is the responsibility of the recipient to carry out a virus check on any attachments received.

11. **Data Protection Act 1998**

- 11.1. To enable us to discharge the services agreed under our engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you / your business / company / partnership / its officers and employees. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998 and any best practice guidance issued by the Information Commissioner's Office (ICO). For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Chris Spalding.

12. **The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007**

- 12.1. In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- Maintain identification procedures for clients and beneficial owners of clients;
 - Maintain records of identification evidence and the work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.
- 12.2. We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in strictest confidence. In fulfilment of our obligations neither the firm's partners or staff may enter into any correspondence or discussions with you regarding such matters.
- 12.3. The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.
- 12.4. We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 12.5. We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

12.6. We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

13. **General limitation of liability**

13.1. We will provide services as outlined in this letter with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.

13.2. You will not hold us, the owners of this firm and any staff employed by the firm, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of the principals or employees personally.

13.3. Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

14. **Use of our name in statements or documents issued by you**

14.1. You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.

15. **Draft/interim work**

15.1. In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form. However, final written work products will always prevail over any draft, or interim statements.

16. **Advice**

16.1. Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing.

16.2. Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

17. **Intellectual property rights**

17.1. 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.