

PLEASE RETAIN THIS COPY OF OUR TERMS FOR YOUR FILES

AUDIT TERMS AND CONDITIONS OF ENGAGEMENT

VERSION DATE 13 DECEMBER 2020

In accordance with the recommendations of the Institute of Chartered Accountants in England and Wales, we set out below our understanding of the services you require us to perform and the terms and conditions under which these are provided.

The purpose of this document is to set out the basis on which we are to act as auditors and where relevant accountants and to clarify our respective responsibilities in respect of services provided.

Auditing standards require us to appoint a Senior Statutory Auditor who shall take overall responsibility for the planning and conduct of the audit and for the report that is issued on behalf of the firm. We have assessed the professional requirements of this assignment and have nominated the Senior Statutory Auditor. The Companies Act 2006 requires that the audited financial statements provided to you must have the audit report signed by the Senior Statutory Auditor in their own name, on behalf of the firm. The financial statements filed at Companies House no longer require an auditor's signature and will not be signed.

AGREEMENT OF AUDIT TERMS

The terms set out in this document shall take effect immediately upon your receipt of it and returning the confirmation of receipt to us or upon the commencement of the work you have requested us to carry out, whichever is the earlier.

These terms will remain effective until replaced.

AGREEMENT OF PERSONAL GUARANTEE

The personal guarantee set out in part P of this document shall take effect immediately upon your signing the confirmation of receipt of these terms and will remain effective until replaced.

PROFESSIONAL OBLIGATIONS

In accordance with the Provisions of Services regulations, details of this firm's professional registration are as follows:

Registered auditors: Details of our audit registration and further information are set out in the footer to these terms. The professional rules and regulations applicable to this registration are the Audit regulations which can be found at www.icaew.com/auditnews. In addition, there are International Standards on Auditing (UK and Ireland) which can be found on the FRC website at www.frc.org.uk.

We are bound by the ethical guidelines of our professional Institute, and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines. These can be found at www.icaew.com/en/members/regulations-standards-and-guidance/ethics. As auditors, we are also bound by the APB Ethical Standards which can be found by searching www.frc.org.uk/Our-Work/Publications.aspx.

Directors: J R Moore BFP FCCA FCA S M Rosling FCCA S G Lawrence FCCA S R Sampson BFP FCA FCIE DChA

Registered in England and Wales

Registered Office: 20 Havelock Road, Hastings, East Sussex, TN34 1BP

Ashdown Hurrey Auditors Limited

Company Number: 09903142 VAT Registration Number: 234 3417 30

Ashdown Hurrey Auditors is the trading name of Ashdown Hurrey Auditors Limited

Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales

Details about our audit registration can be viewed at www.auditregister.org.uk and at www.cro.ie/ena/online-services-auditor-search.aspx under reference number C004489160

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Professional Indemnity Insurance: In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Arch Insurance (UK) Limited, 5th Floor, Plantation Place South, 60 Great Tower Street, London, EC3R 5AZ. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America and Canada and excludes any claim or loss in the form of any kind of legal (including arbitration) or regulatory proceedings brought in the United States of America or Canada or outside of the United States of America or Canada to seek enforcement or upholding of a judgement, award or order made in the United States of America or Canada.

A AUDIT

RESPONSIBILITIES OF DIRECTORS AND AUDITORS

1. Our function as auditors under the Companies Act 2006 is to examine and report on the annual accounts of the above company. As directors of the company, you are responsible for ensuring that the company maintains adequate accounting records and an appropriate system of internal control, and for preparing financial statements which give a true and fair view and have been prepared in accordance with the Companies Act 2006. You are also responsible for making available to us, as and when required, all the company's accounting records and all other relevant records and related information, including minutes of all management and shareholders' meetings.
2. We have a statutory responsibility to report to the members whether, in our opinion, the financial statements give a true and fair view of the state of the company's affairs, and of the profit or loss for the year, and whether they have been properly prepared in accordance with the Companies Act 2006. In arriving at our opinion, we are required to consider the following matters, and to report on any in respect of which we are not satisfied:
 - a) Whether adequate accounting records have been kept by the company and returns adequate for our audit have been received from branches not visited by us;
 - b) Whether the company's balance sheet and profit and loss account are in agreement with the accounting records and returns;
 - c) Whether we have obtained all the information and explanations which we consider necessary for the purposes of our audit;
 - d) Whether the requirements concerning the disclosure of directors' benefits, remuneration, pensions and compensation for loss of office are complied with; and
 - e) Whether the information given in the directors' report is consistent with that in the audited financial statements.
 - f) In addition, there are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the financial statements do not give details of directors' remuneration or of their transactions with the company, the Companies Act 2006 requires us to disclose such matters in our report.
 - g) Where the company has prepared accounts in accordance with the small company regime, whether it is entitled to do so.
3. We have a professional responsibility to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion the non-compliance is justified in the circumstances. In determining whether or not any departure is justified we will consider:
 - a) Whether the departure is required in order for the financial statements to give a true and fair view; and
 - b) Whether adequate disclosure has been made concerning the departure.
4. Our professional responsibilities also include:
 - a) Including in our report a description of the directors' responsibilities for the financial statements where the financial statements or accompanying information do not include such a description; and
 - b) Considering whether other information in documents containing audited financial statements is consistent with those financial statements.

SCOPE OF AUDIT

1. Our auditing procedures will be carried out in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

2. We will obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether the company has maintained proper accounting records. We will need to obtain relevant and reliable evidence sufficient to enable us to draw reasonable conclusions from them.
3. The nature and extent of our procedures will vary according to our assessment of the company's accounting system and, where we wish to place reliance on it, the internal control system, and may cover any aspect of the business's operations that we consider appropriate. Our audit is not designed to identify all significant weaknesses in the company's systems but, if such weaknesses come to our notice during the course of our audit which we shall report them to you in writing. Any such report may not be provided to any third party without our prior written consent. Such consent will be granted only on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we therefore neither have nor accept any duty or responsibility to any other party as concerns the reports.
4. As part of our normal audit procedures, we will request you to provide written confirmation of certain oral representations which we have received from you during the course of our audit. In particular, where we bring misstatements in the accounts to your attention that are not adjusted, we shall require written representation of your reasons. In connection with representations and the supply of information to us generally, we draw your attention to section 501 of the Companies Act 2006 under which it is an offence for an officer or employee of the company to knowingly or recklessly make misleading, false or deceptive statements to the auditors.
5. To enable us to conduct a review of your accounts, which constitutes part of our audit, we shall request sight of all documents or statements, including the chairman's statement, operating and financial review and the directors' report, which are due to be issued with the financial statements. We are also entitled to attend all general meetings of the company and to receive notice of all such meetings.
6. Our audit will be conducted on the basis that [management and, where appropriate, those charged with governance] acknowledge and understand that they have responsibility:
 - a) for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards;
 - b) for such internal control as [management] determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or other error; and
 - c) to provide us with:
 - i) Access to all information of which [management] is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - ii) Additional information that we may request from [management] for the purpose of the audit; and
 - iii) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from [management, and where appropriate, those charged with governance], written confirmation concerning representations made to us in connection with the audit.

We look forward to full cooperation from your staff during our audit.

7. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with yourselves. However, we shall plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records (including those resulting from fraud, error or non-compliance with law or regulations), but our examinations should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance as may exist.
8. We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the audit (for example information provided in connection with accounting, taxation and other services).
9. Once we have issued our report we have no further direct responsibility in relation to the financial statements for that financial year. However, we expect that you will inform us of any material event occurring between the date of our report and that of the Annual General Meeting which may affect the financial statements.
10. Where audited information is published on the company's website or by other electronic means, it is your responsibility to advise us of any intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and auditor's report. We reserve the right to withhold consent to the electronic publication of our report if it or the financial statements are to be published in an inappropriate manner.

11. It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls nor to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the company's website is your responsibility and we accept no responsibility for changes made to audited information after it is first posted.
12. We appreciate that the present size of your business renders it uneconomic to create a system of internal control based on the segregation of duties for different functions within each area of the business. In the running of your company we understand that the directors are closely involved with the control of the company's transactions. In planning and performing our audit work we shall take account of this supervision.
13. HM Revenue & Customs do not currently require the auditor to provide assurance on the XBRL tagging of the financial statements submitted to it after 31 March 2011 with the Company Tax Return. In addition, the current International Standards on Auditing (UK and Ireland) does not require the auditor to confirm the accuracy of the tagging as part of the audit. Accordingly, our audit does not cover the accuracy of the XBRL tagging in the financial statements, and we accept no responsibility for any inaccuracies identified by HM Revenue & Customs.

COMMUNICATION

1. In order to ensure that there is effective two-way communication between us we set out below the expected form and timing of such communications:
 - a) We shall contact the directors by telephone four weeks prior to each year-end for preliminary discussions concerning the audit. We will confirm in writing the matters discussed and any agreed action.
 - b) We shall arrange a meeting to discuss the forthcoming audit two weeks prior to the expected start date. Again we will confirm in writing the matters discussed and any agreed action.
 - c) We shall arrange a meeting to discuss any matters arising from the audit within two weeks of completing the on-site work. Again we will confirm in writing the matters discussed and any agreed action.

The formal communications set out above are the minimum required to comply with auditing standards. We shall of course contact you on a more frequent and regular basis regarding both audit and other matters.

B ACCOUNTING

1. We shall prepare the financial statements based on accounting records maintained by you, in accordance with the requirements of the Companies Act 2006 and incorporating such Accounting Standards for the purposes of giving a true and fair view.
2. Responsibility for ensuring that the financial statements give a true and fair view rests with you. You will therefore provide us with all the information and explanations necessary to allow us to prepare true and fair financial statements.
3. As a result of our work, we may be able to suggest improvements which could be made to your accounting records. However our work should not be relied on to disclose defalcations or other irregularities. If an investigation is required specifically to discover defalcations or irregularities, this can be separately undertaken on request.

C CORPORATE TAXATION

1. We have agreed to prepare on your behalf form CT600, your corporation tax return, from accounts information and explanations provided to us. The form CT600 will be sent to you for approval and signature before submission to H M Revenue & Customs. Once the return has been approved, signed and returned to us, you authorise us to file the return electronically under the H M Revenue & Customs on-line lodgement system. You understand that the filing of the return creates a legal charge without further action by H M Revenue & Customs.
2. For accounting periods ending after 31 March 2010, it is mandatory for the company tax return submitted after 31 March 2011 to be delivered electronically using the iXBRL format, which includes the statutory accounts. It is the company's responsibility to ensure that the accounts have been tagged accurately, the statutory audit not providing assurance on this matter. Should the directors wish for us to provide some assurance on the accuracy of the iXBRL tagging for H M Revenue & Customs, this can be undertaken as an additional service and a separate engagement letter will need to be issued.
3. We will prepare the corporation tax computation and supporting schedules and advise you of the corporation tax payments that are due and the due date for payment.
4. In respect of the steps and checks suggested by H M Revenue & Customs in their 'Agent Toolkits', while use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that H M Revenue & Customs consider your return to be inaccurate, we will be able to help you demonstrate to H M Revenue & Customs that reasonable care has been taken in the preparation of your return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. If you require us to specifically use the Toolkits, you must request this in writing as an additional service.

5. We will advise as to claims and elections relevant to the company's self-assessment tax return from the information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by H M Revenue & Customs.
6. We will agree with H M Revenue & Customs the company's liability to corporation tax, should the corporation tax self-assessment return be challenged.
7. In any instance of excessive repayment or inadequate demand for tax being made by H M Revenue & Customs, you hereby authorise us to advise them of any error that we may establish (unless the tax at stake is minimal) without further recourse to yourself. We will in turn inform you of any such cases as necessary.
8. As a limited company, your business could be subject to several types of investigation by the tax authorities. Even if there are no errors or omissions in your taxation affairs, the costs of defending a detailed investigation can be substantial. Therefore, we are able to arrange insurance against fees incurred as a result of such an investigation and we shall contact you regarding this scheme in due course.
9. There are strict time limits for the submission of the form CT600 and penalties apply when these are not adhered to. In order to avoid these penalties, we will produce statutory accounts within the required period provided that all your records are complete and presented to us within five months of the year end and all subsequent queries are promptly and satisfactorily answered by you.
10. At your request, we will be responsible for the preparation, using the information provided by you, of form CT61 regarding payments made by the company with deduction of tax. The form CT61 will be sent to you for approval and signature before submission to H M Revenue & Customs. We will advise you of the amounts of income tax that are due and the due dates of payment. You must inform us immediately if the company pays or receives any interest, makes any other payment or transfers any asset to any shareholder.
11. Where the company has made a loan to a participator such as a shareholder, tax is payable. We can only be responsible for advising you of the tax payable provided that all your records are complete and presented to us within five months of the year end and all subsequent queries are promptly and satisfactorily answered.
12. It is your responsibility to notify us of any engagements that you consider may fall within the scope of the regulations known as 'IR35'.
13. The application of the rules that determine whether an engagement is relevant to IR35 is very subjective and is therefore open to different interpretations. For this reason this firm cannot accept any responsibility for the final decision made in respect of whether a particular engagement does or does not fall within the scope of IR35. In borderline cases we can only advise that an application is made to H M Revenue & Customs to give a ruling based on the facts of each engagement.
14. In order to allow us to complete the necessary work each year to determine if any additional tax liability arises from the application of IR35 to your situation, it is essential that you provide us with sufficient, accurate and complete accounting records that allow us to identify all the IR35 relevant sales receipts and expenditure for the year ending 5th April each year. Unless we receive these records by 8th April, we shall be unable to complete the necessary work in order to advise you on how much additional tax, if any, you may be required to pay by 19th April.
15. You have asked us to undertake all correspondence with H M Revenue & Customs on behalf of the company. Would you please send to us any forms or correspondence received from H M Revenue & Customs as soon as you receive them, and in particular please ensure that no payments are made to H M Revenue & Customs without our knowledge and approval.
16. You are legally responsible for making correct returns and for payment of tax on time.
17. To enable us to carry out our work, you agree:
 - a) to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information necessary for dealing with the company's affairs. We will rely on the information and documents being true, correct and complete;
 - b) to respond quickly and fully to our requests for information and to other communications from us;
 - c) to provide us with information in sufficient time for the company's self-assessment tax return to be completed and submitted by the due date, being nine months and one day following the end of the accounting period; and
 - d) to forward to us on receipt copies of all statements of account, letters and other communications received from H M Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits.
18. You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.

D VALUE ADDED TAX

1. Where appropriate, you/your staff will be responsible for completing and submitting VAT returns unless we have been specifically requested to do so. We will not be responsible for checking the VAT treatment of supplies made, i.e. between positive and zero rates, and exempt supplies unless specifically requested in writing to make a detailed review. Similarly, we will not specifically check the deductibility of input VAT and the validity of supporting invoices unless specifically requested in writing to carry out a detailed review.
2. If you have asked us to undertake the completion of your VAT returns. We cannot be held responsible for any penalties or default surcharges arising from the late submission of VAT returns. However, we will endeavour to meet the relevant deadlines if we receive all the company's VAT records within 14 days of the end of the VAT return period. You have undertaken that you/your staff will ensure that:
 - a) we receive all VAT records within 14 days of the end of the VAT return period;
 - b) valid VAT invoices are received for all payments where VAT is being reclaimed;
 - c) the VAT rating of supplies is correctly dealt with, i.e. between positive and zero rates, and exempt supplies;
 - d) we are notified in writing of any positive-rated own consumption;
 - e) any input VAT on non-business expenditure is clearly marked on supporting invoices;
 - f) we are notified each quarter of any payments to or for the benefit of directors or staff for fuel used for private mileage, together with the business mileage for each such person, for each quarter; and
 - g) all supplies made by the business are shown in the records made available to us.
3. Where you have requested it, we will prepare/review your monthly/quarterly/annual VAT returns/Intrastat returns/EC sales lists on the basis of the information and explanations supplied by you.
4. We will tell you how much you should pay and when. If appropriate, we will initiate repayment claims where tax has been overpaid. We will advise on the interest and penalty implications if VAT is paid late.
5. We will forward to you the completed return calculations for you to review, before you approve the VAT return for onward transmission to H M Revenue & Customs.
6. You authorise us to file the return electronically once we have received your approval of the figures. When we submit the return on-line, we are doing this on your behalf as your agent. We will not submit the return on-line until we have received confirmation from you that you have reviewed the entries to be made on the on-line return and that you consider the return to be complete, accurate and ready for on-line submission. Although we will submit the return on-line as your agent, this does not waive your legal responsibilities.
7. Whilst registered for VAT purposes you may have a number of options available that you can elect for (e.g. annual accounting scheme, cash accounting scheme, flat rate scheme for small businesses, deregistration). We will not provide advice to the potential benefit of such options unless we are requested to in writing.
8. If at the time of this letter you are not VAT registered; if registration becomes necessary, we will endeavour to ensure that you register in time, provided that:
 - a) you notify us in writing within 14 days of the end of each month of the total value of supplies you have made in that month; and
 - b) you notify us immediately in writing if the value of taxable supplies that you will make in the next 30 days will exceed the annual registration limit then in force.
9. In respect of the steps and checks suggested by H M Revenue & Customs in their 'Agent Toolkits', while use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that H M Revenue & Customs consider your return to be inaccurate, we will be able to help you demonstrate to H M Revenue & Customs that reasonable care has been taken in the preparation of your return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. If you require us to specifically use the Toolkits, you must request this in writing as an additional service.

E AD HOC AND CONTINUING ADVICE SERVICES

1. You authorise us to provide continuing advice and advice on an ad-hoc basis through instructions given in any manner, including written, verbal or electronic, in circumstances where we could reasonably be expected to believe that the instructions originate from you or from any person we could reasonably be expected to believe is authorised by you to issue instructions on your behalf.
2. Where we believe certain action needs to be taken by us on your behalf in order to protect your interests and to properly perform services for you, you authorise us to carry out the work notwithstanding the fact that separate or timely instructions may not have been received from you. If you specifically do not require us to carry out a service for you, you should indicate your requirements to us as soon as practically possible. A failure to make your intentions clear may result in charges being made to you.

3. Where specialist advice is required, on occasions we may need to seek this from or refer you to appropriate specialists.

F CHANGES IN LAW

1. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law, public policy or your circumstances.
2. We will accept no liability for losses arising from changes in the law or the interpretation thereof, practice or public policy that are first published after the date on which the advice is given to the fullest extent permitted by applicable law.

G FEE PROTECTION SCHEME

At Ashdown Hurrey, we feel strongly about providing the right level of professional service and protection. We therefore recommend all our clients join our 'Fee Protection Scheme' which is an insurance service that covers the firm's fees in the event of an enquiry by HMRC into your tax affairs.

There is a small additional charge for the scheme, but we are sure you will agree that the cost is small compared with the benefit.

To join the scheme, please request a purchase order. On receipt of the purchase order we will issue an invoice and a key facts summary, together with your client adviser card which details the business support helpline telephone number and instructions for use, if this service has been selected.

You will receive an annual reminder prior to the scheme renewal date in May, either to renew cover or take up cover if you have not applied previously.

H CONFLICTS OF INTEREST AND INDEPENDENCE

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, subject to the confidentiality paragraphs below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are unable to do so because of our confidentiality obligations.
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 Code of Ethics of the Institute of Chartered Accountants in England and Wales that can be viewed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-introduction>. 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.
3. During and after our engagement, you agree that we reserve the right to act for other clients whose interest are or may compete with or be adverse to yours, subject, of course, to our obligations of confidentiality and the safeguards set out in the paragraph on confidentiality below.

I CONFIDENTIALITY

1. We confirm that where you give us confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.
2. You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality, it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.
3. In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams and separate arrangements for storage of and access to information.
4. You agree that the effective implementation of such steps or safeguards as described above will provide adequate measures to avoid any real risk of confidentiality being impaired.
5. We may, on occasions, subcontract work on your affairs to other tax or accountancy professionals. The subcontractors will be bound by our client confidentiality terms.
6. If we use external or Cloud based systems, we will ensure confidentiality of your information is maintained.
7. We reserve the right, for the purpose of promotional activity, training or other business purpose, to mention that you are a client. As stated above, we will not discuss any confidential information.

J QUALITY CONTROL

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 bound by the same requirements for confidentiality as our directors and staff. By appointing us to act on your behalf you have authorised us to submit files relating to your affairs for inspection as part of this process.

K QUALITY OF SERVICE

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 telephoning the director responsible for your affairs. Alternatively, you may contact Jeffrey Moore.
2. We undertake to look at any complaint carefully and promptly and to do all we can to explain the position to you. If we have given you a less than satisfactory service we undertake to do everything reasonable to put it right. If you are still not satisfied, you may take up matters with the Institute of Chartered Accountants in England and Wales.
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 schedules. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
 - a) your insolvency, bankruptcy or other arrangement being reached with creditors;
 - b) failure to pay our fees by the due dates; or
 - c) either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

L CLIENT MONIES

We will not hold money on your behalf.

M CLIENT IDENTIFICATION AND MONEY LAUNDERING REGULATIONS

1. In common with all other professional service firms, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 to:
 - a) maintain identification procedures for clients, beneficial owners of clients and persons purporting to act on behalf of clients;
 - b) maintain records of identification evidence and the work undertaken for the client; and
 - c) report in accordance with the relevant legislation and regulations.

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 the strictest confidence.

In fulfilment of our legal obligations, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.

2. We have elected to discharge our responsibilities by utilising the Electronic Monitoring Service provided by CallCredit Limited. Unless advised to the contrary, we will treat your agreement to these terms as including authority for us to carry out the identification checks. We confirm that the checks are not registered against your credit history. We also confirm that no information received will be shared or disclosed to any third party without your express permission.
3. If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.

N FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARDS

1. Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the *International Tax Compliance (United States of America) Regulations 2013*, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to H M Revenue & Customs.
2. However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or Common Reporting Standards.

O FEES

1. Our fees are generally issued on a fixed fee basis, agreed in advance of work being undertaken. Our fixed fee and other charges are based on two criteria:
 - a) the time expected to be occupied on the work; and
 - b) the degree of responsibility and skill required by the person carrying out the work.
2. Fee invoices will be rendered at appropriate intervals during the course of the year and will be due on presentation. We reserve the right to charge interest, at the rate specified on the fee invoice, compounded monthly, if not settled within thirty days from the date of issue. Any query in relation to a fee that has been rendered to you must be raised in writing within twenty-one days from the date shown thereon, failing which you will be deemed to have accepted that payment is due.
3. Certified copies of your business accounts will be supplied to you and third parties upon settlement of all outstanding fees, including fees rendered to you with your draft accounts for approval.
4. If it is necessary to carry out work outside the responsibilities outlined in this letter it will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc., are completed to the agreed stage.
5. Fees are due **on presentation** and there are five ways to pay; you will be requested to confirm your preferred method with this document:
 - a) **By cheque.** This should be sent to the address at the top of the invoice and made payable to "Ashdown Hurrey". To ensure that it is correctly allocated it would be helpful if you could write your account reference number on the reverse side.
 - b) **By credit/debit card.** Please telephone the office on 01424 720222. Please have your credit/debit card to hand and also quote your account reference number to ensure that we correctly allocate your payment.
 - c) **By internet banking or BACs.** Your payment should be made to our account at NatWest Bank, sort code 55-70-13, account number 82658706. It is extremely important that you quote your account reference number (found next to the heading "Statement of Account") when making your payment to enable us to allocate your payment. We receive no other information from your bankers.
 - d) **By standing order.** For fees over £300, we normally request that clients make payments on account, often by way of monthly standing order, in respect of work currently in progress or to provide towards work to be carried out. These payments will be applied to fees arising from work agreed for the current and ensuing years. Unless stated to the contrary, standing orders will be allocated against charges in chronological order and any amounts paid in advance of invoice will be held on account against future fees. If the standing order arrangement is cancelled or payment is not made, the normal payment terms will apply.
 - e) **By deduction from tax refund received.** With your written consent, the fee payment is deducted from any tax refund received by Ashdown Hurrey. Any remaining outstanding fee balance should be paid by one of the other payment methods.
6. Where a fee balance remains unpaid ninety days after issue and no settlement agreement is in place, we shall, without notice, suspend work on your behalf. We will accept no liability for any loss arising due to our lack of action and you will need to make arrangements to deal with requirements personally.

7. Insofar as we are permitted to do so by law or by 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.
8. In the event that we cease to act in relation to your company's affairs, you agree to meet all reasonable costs of providing information to the company's new advisers. In particular, you agree to meet these costs where we are required by law to provide information to a successor firm.

P PERSONAL GUARANTEE

In consideration of our providing a credit facility to a limited company or a limited liability partnership in respect of our fees, the signatories to the document confirming receipt of our terms and conditions of engagement accept joint and several personal liability for any of our fees not settled by the limited company or limited liability partnership within sixty days from the invoice date.

Q RETENTION OF RECORDS

You have a legal responsibility to retain documents and records relevant to your financial affairs.

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 relevant returns, 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: five years and ten months after the end of the tax year;
- Otherwise twenty-two months after the end of the tax year.

Companies, Limited Liability Partnerships and other corporate entities:

- Six years from the end of the accounting period.

Whilst certain documents may legally belong to you, 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 indicate that fact to us in writing.

R ELECTRONIC COMMUNICATION

Unless you instruct us otherwise, we will, where appropriate, communicate with you and with third parties via email or other electronic means.

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. 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 e-mail is not an acceptable means of communication.

It is the responsibility of the recipient to carry out a virus check on any attachments received.

We will make use of online Cloud based portals for communication and transfer of documents and data where appropriate.

S INTELLECTUAL PROPERTY RIGHTS AND USE OF OUR NAME

1. We will retain all intellectual property rights in any document prepared by us during the course of carrying out the engagement except where the law specifically states otherwise. You may only use such rights to the extent we agreed when engaged to provide services to you and may not resell or sublicense such rights without our further prior consent.
2. 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.

T DRAFT/INTERIM WORK OR ORAL ADVICE

In the course of our providing services to you, we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

U APPLICABLE LAW

These terms are governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning these terms of engagement and any matter arising from them. 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.

If any provision of our engagement letter or terms of business or their application is held to be void for whatever reason, then that provision will be deemed not to form part of this contract and no other provisions will be affected or impaired in any way. 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.

V DATA PROTECTION

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 purpose and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about your/your business/company/partnership/its officers and employees and shareholders. We confirm when processing data on your behalf that we will comply with the relevant provisions of applicable data protection legislation. You will also ensure that any disclosure of personal data to us complies with such legislation. If you supply us with any personal data or confidential information you shall ensure you have full informed consent to pass it to us and will fully indemnify and hold us harmless if you do not have such consent and that causes us loss. If you are supplying us with personal data on the basis of a power of attorney for anyone, you must produce to us an original or certified power of attorney on demand.
2. Applicable data protection legislation places express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An example would be where we operate a payroll service for you. We therefore confirm that we will at all times use our reasonable endeavours to comply with the requirements of applicable data protection legislation when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will aim to comply with any obligations equivalent to those placed on you as a data controller.
3. We will notify you within ten working days if an individual asks for copies of their personal data, makes a complaint about the processing of personal data or serves a notice from a relevant data protection authority. You and we will consult and cooperate with each other when responding to any such request, complaint or notice. If an individual whose data you have supplied to us or which we are processing on your behalf asks us to remove or cease processing that data, we shall be entitled to do so where required by law.
4. We may export personal data you supply to us outside the EU/EEA/UK for the purposes of storage and data processing. We will ensure all such data export is compliant with relevant data protection legislation. You consent to such data export. Where Cloud based services are to be used you may be subject to our Cloud services terms and conditions.
5. We will answer your reasonable enquiries to enable you to monitor compliance with this clause.

W CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not effect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will accept no responsibility to third parties, including any group company to whom the engagement is not addressed, your spouse, nor any family member of yours or your employer, for any aspect of our professional services or work that is made available to them.

X INTERNAL DISPUTES WITH A CLIENT

1. If we become aware of a dispute between the parties who own the business, or who are in some way involved in its ownership and management, it should be noted that our client is the business (unless we have agreed otherwise) and we would not provide information or services to one part without the express knowledge and permission of all parties. Unless otherwise agreed by all parties, we will continue to supply information to the registered office/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. In certain cases we reserve the right to cease acting for the business/client entirely.

Y GENERAL LIMITATION OF LIABILITY

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. 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. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control. Subject to clause 5 below, our liability to you shall be limited to five times the relevant fee.
2. You will not hold us, our principals/directors, shareholders and staff, 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. 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. However, 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.
3. You agree that you will not bring any claim in connection with services we provide to you against any of our partners, shareholders, directors or employees personally.
4. 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. 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 and our legal fees on an indemnity basis.
5. Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by negligence nor for fraudulent misrepresentation or other fraud which may not as a matter of applicable law be excluded or limited.