

TERMS AND CONDITIONS OF ENGAGEMENT PAYROLL SERVICES

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In accordance with the recommendations of the Institute of Chartered Accountants in England and Wales, we set out below our standard terms and conditions under which our services are provided.

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.

AGREEMENT OF 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 AA of this document shall take effect immediately upon your signing the confirmation of receipt of these terms and will remain effective until replaced.

PROFESSIONAL REGISTRATIONS

As required by the Provision of Services Regulations 2009 (SI 2009/2999), details of the firm's professional registrations, including audit registration where applicable, can be found on our website www.ashdownhurrey.co.uk.

We will observe and act in accordance with the bye-laws and regulations of our professional body (the ICAEW) together with their code of ethics. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by H M 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.

PROFESSIONAL INDEMNITY INSURANCE

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is CFC Underwriting Limited, 85 Gracechurch Street, London, EC3V 0AA. 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.

Directors: P A Bradbury FCA S A Carter FCCA J R Moore FCCA ACA T V J Rayner-Vincent FCCA ACA C W Read FCCA ACA S M Rosling FCCA M N Weeks-Pearson FCCA ACA
Associates: K L Baker FCCA S G Lawrence FCCA B Sallows FCA S R Sampson FCA FCIE DChA
Consultants: P W Lee FCA A P Silk FCA

Registered in England and Wales

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

Ashdown Hurrey Solutions Limited trading as Ashdown Hurrey
Company Number: 09882189 VAT Registration Number: 234 3551 26

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

PAYROLL

REAL TIME INFORMATION (RTI) REPORTING , YEAR-END RETURNS AND AUTO-ENROLMENT

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to operating your payroll, including ongoing auto-enrolment pension services if applicable, and to clarify our respective responsibilities in respect of that work.

Your responsibilities

1. You are legally responsible for:
 - a) ensuring that the data in your payroll submissions is correct and complete;
 - b) complying with auto-enrolment obligations;
 - c) making any submissions by the due date; and
 - d) paying tax, NIC and Apprenticeship Levy (if applicable) on time.Failure to do any of the above may lead to penalties and/or interest.
2. Employers cannot delegate these legal responsibilities to others. You agree to check that submissions we have prepared for you are correct and complete before approving them.
3. You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
4. Our payroll team will provide you with specific details of the information we require and when we need to have this information from you. You agree to provide the information they request. You recognise that where information is not provided to us within the timeframe we outline, we are not responsible for any delays for payments to employees or HMRC. Similarly, we are not responsible for any penalties imposed by HMRC.
5. If we do not hear from you by the deadline, subject to any other agreement between us, we will take your silence as your approval for us to submit the return.
6. If the information required to complete the payroll services set out above is received later than the dates agreed with us, we will still endeavour to process the payroll and returns to meet the filing deadlines; but we will not be liable for any costs or other losses arising if the payroll is late or the returns are filed late in these circumstances. We may charge an additional fee for work carried out in a shorter time period.
7. You will be responsible for managing any childcare scheme operated for the benefit of your employees and for contacting us where you require advice as to available exemption levels.
8. You will be responsible for completing the checks on a new employee's eligibility to live and work in the UK in accordance with the Governments Code of Practice *Preventing Illegal Working* and the *Asylum and Immigration Act 1996*, s. 8.
9. You will be responsible for monitoring the annual leave entitlement of your employees and dealing with all aspects, legal or otherwise, of being an employer. In particular, you will be responsible for ensuring that your workers are paid at least the National Minimum Wage or National Living Wage (depending on which applies).
10. HMRC will send you an agent authorisation code which expires within 30 days of issue. Please send this to us as soon as you receive it. This code will enable us to register as your agent with HMRC, and authorises HMRC to communicate with us as your agent, although they consider that you should still take 'reasonable care' over your tax affairs.
11. You will forward to us any communications received from HMRC, in sufficient time to enable us to deal with matters arising as may be necessary within the requisite time limits. Although HMRC have the authority to communicate with us, it is essential that you let us have copies of any correspondence received from HMRC to avoid any breakdown in communication.
12. Regarding auto-enrolment on workplace pensions if applicable, you will provide all new staff with the required auto-enrolment information. In addition, as stated in the confirmation of acceptance schedule, you will provide us with complete and accurate information regarding:
 - a) your employees and pension contributions due from them;
 - b) details of your employer contributions;
 - c) information of all new staff, including their auto-enrolment status, before you first pay them;

- d) if an employee changes their status regarding auto-enrolment, or details of any changes in employee working so that we can determine whether the employment status has changed in relation to auto-enrolment; and
 - e) the performance of spot-checks on the information that we hold in order to monitor its accuracy.
13. Regarding the Apprenticeship Levy applicable from April 2017, you will be responsible for:
- a) determining whether you are liable to pay the levy based on your previous and expected annual pay bill (both at the start of the tax year, and should the expected pay bill change during the year); and
 - b) setting up and managing the digital apprenticeship service account, into which any levy paid is recorded and held by the Government.

Our responsibilities as accountants

14. We will prepare your UK payroll for each payroll period to meet UK employment tax requirements, specifically:
- a) calculating the pay as you earn (PAYE) deductions including, if applicable, at the Scottish rate of income tax;
 - b) calculating the employees' National Insurance Contributions (NIC) deductions;
 - c) calculating the employer's NIC liabilities;
 - d) calculating statutory payments, for example Statutory Sick Pay and/or Statutory Maternity Pay;
 - e) where applicable (see the confirmation of acceptance schedule), calculating the pension contributions (employer and employee);
 - f) calculating the Apprenticeship Levy, if applicable;
 - g) calculating other statutory and non-statutory deductions; and
 - h) submitting information online to HMRC under Real Time Information (RTI) for PAYE.
15. We will prepare and send to you the following documents for each payroll period at or before the time of payment:
- a) a payroll summary report showing the reconciliation from gross to net for each employee and all relevant payroll totals. This summary will also show, where relevant, the other details that will be submitted online to HMRC on or before the employee payment dates – see below;
 - b) the data included within each Full Payment Submission (FPS) for taxable pay and, if relevant, payrolled benefit-in-kind and expenses, for each employee;
 - c) a payslip for each employee unless not required;
 - d) a form P45 for each leaver;
 - e) a report showing your PAYE, NIC and Apprenticeship Levy liability, student loan repayments and due date for payment, and
 - f) where applicable (see the confirmation of acceptance schedule), a report showing your pension contributions payable in respect of each employee so as to meet the requirements of the workplace pension automatic enrolment scheme(s) of which they are members, and the due date(s) for payment.

You must let us know, immediately and prior to the employee payment dates and HMRC reporting dates (see below), if you believe any of the data shown in these documents is incorrect.

16. We will prepare your FPS reports including all details required and based on the information provided by you. We will submit FPS online to HMRC prior to or at the time that employees are paid. Where you have no payments to make to HMRC in a particular month (or the payment you are making to HMRC has been reduced by statutory payments, employment allowance or construction industry scheme deductions suffered), or the Apprenticeship Levy is being paid, we will prepare and submit the required Employer Payment Summary (EPS) by the 19th of the month following the tax month to which they relate. If an error is made with regard to an earlier tax year, an Earlier Year Update (EYU) report may be required.

17. If you operate within the construction industry you agree to provide us with details of construction industry scheme (CIS) deductions suffered that you wish to offset against your PAYE payments to HMRC (company subcontractors only). This information must be received for each "tax month" (tax months run from the 6th of the calendar month to the 5th of the following calendar month) and by the 19th of the month in which the tax month ends. In addition, if you are a contractor within the construction industry but we are not providing services in regard to the operation of your CIS scheme, you agree to provide us with details of the CIS deductions you have withheld in each tax month, if you wish us to advise you of the total amount due to HMRC (CIS and PAYE taxes combined).
18. As you are legally responsible for the accuracy of these returns, you must review the payroll summaries that we send to you and inform us if any of the information that we hold is incorrect:
 - If we don't hear from you **before** the FPS (or EPS) submission date, we will take that as your approval for us to submit the return.
 - If you require us to make a correction **after** the FPS (or EPS) has been submitted, you will let us know as soon as possible and, ideally, before the next payroll run.
19. At the end of each tax year, we will:
 - a) prepare the final FPS (or EPS) and submit this to HMRC after the data to be included therein has been approved by you; (the due date for submitting final FPS is on or before the last contractual payday of the tax year, failing which, the final EPS for the year must reach HMRC by 19 April following the end of the tax year); and
 - b) prepare and send to you Form P60 for each employee on the payroll at the year-end so you can give them to employees by the statutory due date of 31 May following the end of the tax year;
20. If payrolling benefits-in-kind and/or expenses (see the confirmation of acceptance schedule), at the end of the tax year we will:
 - a) prepare and send to you a statement for every employee for whom benefits-in-kind have been payrolled, identifying every benefit provided to each employee during the tax year and the cash equivalent of each benefit treated as PAYE income so you can give them to employees by the statutory due date of 31 May following the end of the tax year;
 - b) give you details of the Class 1A NIC on payrolled benefits-in-kind which will need to be accounted for on form P11D(b), and the due date for payment;
 - c) give you details of the Class 1A NIC on expenses accounted for in the payroll which will need to be accounted for on form P11D(b), and the due date for payment; and
 - d) give you the figures that need to be included on forms P11D to account for income tax in respect of expenses for which Class 1 NIC has been accounted for in the payroll.
21. We will deal with and, where necessary, process any adjustments to your payroll communicated to us by HMRC via online secure messages, for example, code number notifications, student loan repayment notices, and generic notification notices. We will also submit national insurance number (NINO) verification requests as appropriate to verify or obtain a NINO for a new employee.
22. Where required, we will assist you in calculating an employee's weekly exemption limit for childcare benefit purposes.
23. Regarding the ongoing work on auto-enrolment on workplace pensions if applicable, whilst we accept no responsibility for errors or omissions that arise as a result of incorrect data supplied to us, we will as stated in the confirmation of acceptance schedule:
 - a) deduct from each payroll period the pension contributions as instructed by you;
 - b) you will pay over the pensions contributions deducted and your employer pension contributions to your pension provider (see the confirmation of acceptance schedule);
 - c) maintain and preserve the records required for auto-enrolment based on the information you supply to us;
 - d) maintain information and records that will highlight when the triennial enrolment processes must occur. We will inform you in advance of this date so that you can make the necessary communications with the staff member and so that the firm can re-enrol as required;
 - e) assist you in monitoring the status of these employees to determine whether 'non-eligible' or 'entitled workers' become 'eligible workers' and thus require auto enrolment. This review will take place at the start of each payroll period;

- f) ensure that new staff are incorporated into the scheme in accordance with your instructions; and
 - g) process any opt-out and opt-in requests and ensure that repayments are made to employees in accordance with your instructions.
24. The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation ad hoc and advisory services linked to your payroll as may be agreed from time to time. These services may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
- work in connection with workplace pension schemes other than that detailed above;
 - agreeing with you which employer-provided benefits-in-kind will be processed through the payroll and for which employees, processing through the payroll cash equivalent notional amounts on employee benefits-in-kind, notifying HMRC of in-year changes, advising you on the payment of associated Class 1A NIC, preparing and submitting return P11D(b) and notifications to employees;
 - preparing and submitting returns P11D and P11D(b) for employee benefits-in-kind and expenses and advising on the payment of associated Class 1A NIC (such work, if undertaken, is covered in a separate schedule of services);
 - dealing with any compliance check or enquiry by HMRC into the payroll data submitted;
 - preparing and submitting any amended returns or data for previous tax years, and corresponding with HMRC as necessary;
 - assisting you in the operation of the Construction Industry Scheme (CIS) for subcontractors (such work, if undertaken, is covered in separate schedules of services);
 - conducting PAYE and benefit and expenses health checks; and
 - assisting you in connection with the Apprenticeship Levy, including determining whether you are liable to pay this, and assisting with the allocation of the Apprenticeship Levy allowance between PAYE schemes or between connected companies or charities.
25. Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.
26. We are not providing a Human Resources service and you will need to make separate arrangements in order to deal with all legal requirements.

THE FOLLOWING GENERAL TERMS (M TO AJ) ALSO APPLY TO PAYROLL SERVICES:

M 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.

N 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.

O OTHER SERVICES

1. There are many other areas where we can be of assistance to you, such as:
 - a) management services including advice in respect of record-keeping and controls, together with general assistance and advice concerning the operation of the business;
 - b) advice in connection with the acquisition, expansion or disposal of businesses including the taxation implications thereof;
 - c) business plans and cash flow and profit forecasts;
 - d) advice concerning your personal financial affairs; and
 - e) advice in relation to inheritance tax planning, wills and trusts.

We shall be pleased to discuss the provision of other services at any time and to receive your separate instructions thereon.

P INVESTMENT SERVICES

1. Although we are not authorised by the Financial Conduct Authority 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.
2. In particular, we may:
 - a) advise you on investments generally, but not recommend a particular investment or type of investment;
 - b) refer you to an Authorised Third Party (ATP) (an independent firm authorised by the FCA), assist you and the authorised third party during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The ATP will issue you with their own terms and conditions letter, 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;
 - c) assist you in making arrangements for transactions in investments in certain circumstances, other than your rights in a pension policy or scheme.
 - d) advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange; and
 - e) 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.

3. It is our normal practice to introduce clients to Prism EBC Limited or such other IFA as thought appropriate. Prism EBC Limited is authorised and regulated by the Financial Conduct Authority.

Following an introduction, we will make available to Prism EBC Limited such details as they request to enable them to advise you properly. For the purposes of the Financial Services and Markets Act 2000, you will be deemed to be a client of Prism EBC Limited.

In certain circumstances, Prism EBC Limited or another IFA may share commission received or pay an introductory amount in respect of transactions arranged on your behalf. In such circumstances, you will be notified in writing of the amount, the terms of payment and receipt of any such commission or benefit. You consent to such commission or benefit being retained by us without our being liable to account to you for any such amount. Any commissions received by Prism EBC Limited will be notified to you by them in writing in advance of any transaction completing.

4. For corporate clients, we may also, on the understanding that the shares or other securities of the company are not publicly traded:
 - a) advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options valuation and methods;
 - b) arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
 - c) arrange for the issue of the new shares; and

- d) act as the addressee to receive confirmation of acceptance of offer documents etc.
5. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Quality of Service' section of this letter and, if 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 in respect of exempt regulated activities undertaken.

Q PROBATE-TYPE SERVICES

We are not licensed or authorised by the ICAEW for non-contentious probate services.

As we are not licensed or authorised for the reserved legal activity of non-contentious probate, any work we do for you on closely aligned activities, such as estate administration or Inheritance Tax advice, will not be covered by the ICAEW Probate Compensation Scheme and you will not have access to the Legal Ombudsman, nor is our advice covered by legal professional privilege.

R 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.

S 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.

T 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.

U 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.

Dealing with H M Revenue & Customs

2. When dealing with H M Revenue & Customs on your behalf, we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with H M Revenue & Customs, see www.hmrc.gov.uk/charter/index.htm. To the best of our abilities, we will ensure that H M Revenue & Customs meet their side of the Charter in their dealings with you.
3. We will take account of the steps and checks suggested by H M Revenue & Customs in their 'Agent Toolkits'. Whilst 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 any of your tax returns with which we assist 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 the return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. To further reduce the possibility of an inaccuracy penalty, you will remain responsible for maintaining good quality supporting records for each return, for providing us with all relevant information and explanations and for acting on any advice that we give you.

V 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.

W CLIENT MONIES

1. 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 account will be operated and all funds dealt with in accordance with the Client Money Regulations of the Institute of Chartered Accountants in England and Wales.
2. Client monies may be held in an interest-bearing account. In order to avoid an excessive amount of administration, interest will only be paid to you where the amount that would be earned on the balances

held on your behalf in any calendar year exceeds £35. Subject to any tax legislation, interest will be paid gross.

3. If money held on your behalf exceeding £10,000 is expected to be held by us for more than 30 days, we shall pay it into a designated deposit client bank account and account to you for all interest earned. Subject to any tax legislation, interest will be paid gross.
4. Any unqueried fees of this firm remaining unpaid more than 30 days after the invoice date will be collected from any client monies held on your behalf.
5. If you have entered into a standing order arrangement to make payments on account of current and/or future fees, any amounts which may be paid in excess of fees actually outstanding will not be treated as client money and the foregoing provisions will not apply.

X 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.

Y 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.

Z 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.

AA 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.

AB 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.

AC 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.

AD 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.

AE 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.

AF 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.

AG 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.

AH 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.

AI 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.

AJ 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.