

STANDARD NON-AUDIT TERMS AND CONDITIONS OF ENGAGEMENT

VERSION DATE 1 JUNE 2018

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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
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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

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**A NON-AUDIT LIMITED COMPANY AND NON-AUDIT LIMITED LIABILITY PARTNERSHIP
RESPECTIVE RESPONSIBILITIES OF DIRECTORS/MEMBERS AND ACCOUNTANTS**

1. As directors of the company or members of the LLP, you are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the entity and for preparing financial statements which give a true and fair view and which have been prepared in accordance with the Companies Act 2006 and, if applicable, the Limited Liability Partnership Regulations 2001 (SI2001/1090) and the Statement of Recommended Practice: Accounting by Limited Liability Partnerships. In preparing those accounts, you are also required to:
 - a) select suitable accounting policies and then apply them consistently;
 - b) make judgements and estimates that are reasonable and prudent; and
 - c) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company or LLP will continue in business.
2. You are also responsible for safeguarding the assets of the company or LLP and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.
3. You are also responsible for determining whether, in respect of each year/period, the company or LLP meets the conditions for exemption from an audit of the financial statements set out in sections 477 and 479 of the Companies Act 2006, and for determining whether, in respect of each year/period, the exemption is not available for any of the reasons set out in section 478.
4. You have undertaken to make available to us, as and when required, all the entity's accounting records and related financial information, including minutes of management and shareholders' or members' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information.
5. Where the company or LLP does not require an audit, then we have no statutory responsibilities to the company at all. Our only responsibilities arise from those specifically agreed upon between us in respect of other professional services.
6. We do not have any responsibility to report whether any shareholder of the company or member of the LLP has notified the entity that he or she requires an audit; consequently we have no responsibility to carry out any work in respect of this matter.
7. Should our work indicate that the company or LLP is not entitled to exemption from an audit of the accounts then we will inform you of this. In these circumstances, if appropriate, we will discuss with you the need to appoint us as auditors.

**B NON AUDIT LIMITED COMPANY AND NON AUDIT LIMITED LIABILITY PARTNERSHIP
SCOPE OF THE ASSIGNMENT**

1. Our work will not be an audit of the accounts in accordance with Auditing Standards. Accordingly, we will not obtain any evidence relating to entries in the accounting records, or to the accounts or to the disclosures in the accounts. Nor will we make any assessment of the estimates and judgements made by you in the preparation of the accounts. Consequently our work will not provide any assurance that the accounting records or the accounts are free from material misstatement, whether caused by fraud, or other irregularities or error. In addition, we have no responsibility to determine whether you have maintained adequate accounting records in accordance the Companies Act, and we will not address this point unless you specifically request us, in writing, to do so.
2. Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by the company or LLP, we are unable to provide any assurance as to whether the accounts that we prepare from those records present a true and fair view.
3. As part of our normal procedures when preparing the accounts, we will attach an accountant's report to them. This report will state that they have been prepared from the books and records of the company or LLP and from information supplied by the directors/members. This report should not be filed with the accounts at Companies House.
4. We have a professional duty to prepare accounts which conform with generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Act 2006 and applicable accounting standards; and for LLPs, the Statement of Recommended Practice: Accounting by Limited Liability Partnerships. Where we identify that the accounts do not conform to accepted accounting principles or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the accounts.
5. As part of our normal procedures, we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.

C NON AUDIT LIMITED COMPANY AND NON AUDIT LIMITED LIABILITY PARTNERSHIP

ACCOUNTING AND COMPANY SECRETARIAL

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 upon to disclose defalcations or other irregularities. If an investigation is required specifically to discover defalcations or irregularities, this can be separately undertaken on request.
4. A private company or LLP is required to file its accounts at Companies House within nine months of the year-end, or the entity will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts, suitable for filing, within the required period, provided 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.
5. If required, we will:
 - a) prepare abbreviated accounts in accordance with disclosure exemptions available to the company;
 - b) submit the accounts to the Registrar of Companies;
 - c) complete and submit the company's annual return;
 - d) complete and submit any other forms required by law to be filed at Companies House, provided that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House within one week of the change or event;
 - e) maintain the statutory books; and
 - f) provide a Registered Office facility.

D PARTNERSHIP AND SOLE TRADER ACCOUNTING

1. We shall prepare financial statements in the form of an income and expenditure account or a profit and loss account and balance sheet, as appropriate, for your consideration and approval. While we shall examine the records and make such enquiries as we consider necessary to enable us to prepare these accounts, we shall not carry out an audit in the sense required by statute for limited companies. Accordingly, we will not verify the assets and liabilities of the business nor the items of expenditure and income. To carry out an audit would require additional work to comply with Auditing Standards so that we could report on the truth and fairness of the accounts.

UK Generally Accepted Accounting Practice (UK GAAP) involves adjusting for monies owed to or by you, stock held, work in progress and other year-end timing differences. If certain criteria are met, your business may be eligible to use simpler cash accounting (without year-end adjustments) to calculate the taxable profits. However, it is the policy of this firm to produce more detailed accounts under UK GAAP, as these are more meaningful and allow the business performance to be properly assessed by you. It should be noted that your tax liabilities may differ between the two approaches but we consider that, in the vast majority of cases, any tax saving attributable to cash accounting is outweighed by restricted loss relief, additional administrative costs in switching between the two approaches and other factors. Please let us know if you would like to discuss further the suitability and eligibility of cash accounting for your business.

2. The accounts will contain a declaration for your signature that you approve the accounts and have made available all relevant records and information for their preparation. We shall report with such variations as we consider necessary that we have prepared, without carrying out an audit, the accounts from the accounting records presented to us and from the information and explanations supplied to us. This report must remain attached to any accounts shown to any other parties.
3. Because of our work, we may be able to suggest improvements that 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.
4. Where there is any change in a partnership during the year, either as regards the persons making up the partnership or involving variations in profit-sharing ratios, we shall, unless instructed to the contrary, prepare your accounts to the agreed accounting date, dividing the profits for the year on the basis of time apportionment, thus assuming that all profits have been earned equally throughout the year.

5. So that we might prepare accounts to reflect more accurately the profits generated through the year, we shall be grateful if you will arrange for the stock to be valued at each accounting date. We may invite the proprietor/partners to sign a certificate setting out this valuation.
6. Where no valid partnership deed is available, where a previous deed has become invalid or an existing deed requires an element of variation, we shall sometimes submit for approval to the partners a letter of representation, which we shall invite them to sign and return to us before the work on the accounts is completed.
7. Accounts need to be completed prior to submission of the proprietor's/partners' self-assessment tax return(s). Failure to submit a return on time will result in penalties and is likely to result in interest and surcharges. In order to avoid this, we must have your accounting records by 31st October following the end of the tax year in question and queries raised on those accounting records must be answered promptly, otherwise we cannot guarantee the completion of the accounts to ensure the timely submission of the tax returns.

E 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.

F PAYROLL

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

If you have asked us to operate your payroll, including ongoing auto-enrolment pension services if applicable, we 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 payroll 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.

We are not providing a Human Resources service and you will need to make separate arrangements in order to deal with all legal requirements.

G P11D BENEFITS FOR DIRECTORS/OFFICERS AND EMPLOYEES

1. If you have asked us to prepare forms P11D for your approval. To ensure these forms are correctly prepared we will require details of all benefits, perks or reimbursed expenses received by the directors/officers and employees.
2. There are penalties for the late submission of forms P11D. In order to avoid these, you must ensure that we receive complete and accurate details of all benefits and expenses for the tax year (NB: not accounts year) within 14 days of the end of the tax year.
3. We will carry out the following in respect of forms P11D and P11D(b):
 - a) We will prepare/review forms P11D as may be required for each employee including directors, from the accounts, information and explanations provided to us on your behalf.
 - b) We will submit the forms P11D with the form P11D(b) after the form P11D(b) has been signed by you.
 - c) We will prepare and send to you the P11D information for you to forward to your employees and directors by the statutory due date.
 - d) We will calculate your Class 1A NIC liability on the benefits returned in forms P11D that you are obliged to pay H M Revenue & Customs by the due date.
4. We will also provide such other taxation ad hoc and advisory services in relation to P11D benefits as may be agreed from time to time. These 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:
 - a) dealing with any enquiry opened into the benefits-in-kind returns by H M Revenue & Customs;
 - b) preparing any amended returns which may be required and corresponding with H M Revenue & Customs as necessary; or
 - c) advising on dispensations and PAYE Settlement Arrangements.

H SUBCONTRACTORS

1. Verification procedures must be carried out before any payment can be made to the subcontractor. They can, however, carry out work prior to verification. You will be responsible for carrying out verification procedures with H M Revenue & Customs for the subcontractors you use unless you have asked us to deal with it this. You will provide us with the verification references given to you by H M Revenue & Customs. You will confirm for each subcontractor whether H M Revenue & Customs have advised that payment should be made gross, after standard rate deduction, or after higher rate deduction.

Or, if you have asked us to do so, we will carry out verification procedures with H M Revenue & Customs for any new subcontractors you engage. To enable us to do this you will provide us with the following once a contract has been signed or a tender agreed:

- a) where the subcontractor is a sole trader you will provide their full name, unique tax reference (UTR) and national insurance number;
- b) where the subcontractor is a partnership you will provide the firm's name and unique tax reference, as well as the individual partner's name, unique tax reference (UTR), and national insurance number. If the partner is a company you will provide the company's unique tax reference (UTR) and registration number; and
- c) where the subcontractor is a limited company you will provide the company's name, unique tax reference (UTR) and registration number.

You will provide us with the verification reference (or details of other documentation seen for subcontractors first paid before 6 April 2008) for subcontractors paid before the date of this letter, along with the deduction rate as advised by H M Revenue & Customs.

2. If you receive a notice of change from HMRC with regard to a change in payment treatment for one of your subcontractors you undertake to forward it to us immediately. We will not be responsible for failure to effect a change where we do not receive the notice in time.
3. We will advise you of the net payment and deduction amounts for each subcontractor. In order for us to do this you will provide us with the following by the 25th of each month:
 - a) the amount of gross payment (excluding VAT) due to each subcontractor.
 - b) the amount of own materials cost included within the gross payment. In providing this to us you confirm that you have either obtained direct confirmation from the subcontractor of the amount or you consider the amount not to be excessive.

4. On the basis of the above calculations, we will complete the H M Revenue & Customs monthly returns on your behalf. We will send you a copy of the monthly return for signing, which you will return to us for submission [electronically/by internet]. The monthly returns are due by the 19th of each month, **even if no subcontractors have been paid since the last return**. Failure to meet this deadline will result in financial penalties being levied.
5. If requested, we will prepare the monthly written statements of deduction, which you will provide to each of your subcontractors by the 19th of the month following payment.
Otherwise you will be responsible for preparing the monthly written statements of deduction and providing them to each of your subcontractors by the 19th of the month following payment.
6. You will maintain the record of payments as required by H M Revenue & Customs.
7. We will calculate and advise you of the amount of tax deducted from your subcontractors that needs to be paid over to H M Revenue & Customs each month. Note that payments need to reach H M Revenue & Customs by the 19th of the month following payment for postal payments and by the 22nd where electronic payment methods are used.
8. You will be responsible for confirming the self-employment status of all your subcontractors. We will ask you to sign a written confirmation of this on the monthly return declaration. We can provide advice on a case by case basis, should you so require.

I 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.

J MANAGEMENT ACCOUNTS

1. If you require us to prepare management accounts of your business this involves us in completing the writing up of your books and records insofar as they are incomplete when presented to us, and preparing draft accounts for your approval.
2. You and where applicable your staff will be responsible for:
 - a) maintaining records of all receipts and payments of cash;
 - b) reconciling balances monthly/quarterly with the bank statements;
 - c) maintaining records of amounts owing by customers; and
 - d) maintaining records of amounts owing to creditors.
3. You will also provide estimates of any stocks at the end of each period.
4. We confirm that we will not be carrying out an audit and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would require additional work to comply with generally accepted auditing standards so that we could report on the truth and fairness of the financial statements.
5. We would like to emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees, although we will advise you of any such circumstances that we encounter in preparing your management accounts.
6. The management accounts are prepared for your internal use within your business. They should not be shown to any other party without our prior permission. To ensure that anyone reading the accounts is aware that we have not carried out an audit, we will annex to the accounts a short report. This report must remain attached to any accounts shown to any other parties.
7. The management accounts are not suitable for submission with the business's tax return, or for summary thereon.

K BOOKKEEPING

1. If you have instructed us to provide bookkeeping services, we will require you to provide us with all the information and explanations necessary. You, and where applicable, your staff will be responsible for providing:
 - a) sales invoices;
 - b) purchase invoices and receipts;
 - c) bank statements, paying in books and cheque stubs;
 - d) details of any stocks and work in progress at the end of each period; and
 - e) information and explanations of all relevant transactions.
2. From the source documents you supply, we will:
 - a) maintain the records of receipts and payments;
 - b) reconcile the balances with the bank statements; and
 - c) where applicable, maintain and balance the purchase and sales ledgers.
3. We emphasise that we cannot undertake to discover any missing information or irregularities although we will advise you of any such circumstances that we encounter.

L PERSONAL TAXATION AND PARTNERSHIP TAX RETURNS

1. You have instructed us to act on your behalf in the preparation of your tax return form(s) and in the preparation of such accompanying schedules as may be required. The returns and any schedules will be sent to you for approval prior to being submitted by us to H M Revenue & Customs. You authorise us to file the return electronically under the H M Revenue & Customs on line lodgement system.

2. We will prepare your self-assessment tax return and income tax computations together with such supplementary schedules that are required from the information and explanations that you provide to us.
3. 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.
4. You are legally responsible for:
 - a) ensuring that your self-assessment tax returns are correct and complete;
 - b) filing any returns by the due date; and
 - c) making payment of tax on time. Failure to do this may lead to automatic penalties, surcharges and/or interest.

Taxpayers who sign their returns cannot delegate this legal responsibility to others. You agree to check that returns we have prepared for you are complete before you approve and sign them.

5. To enable us to carry out our work, you agree to provide full information necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents.
6. You will keep us informed of material changes in your circumstances that could affect your tax liability. If you are unsure whether the change is material or not, please let us know so that we can assess the significance or otherwise.

In particular, you may be liable to a 'high income child benefit charge' if, at any time during a tax year, you are entitled to child benefit or you have a partner who is entitled to child benefit.

Please note that, for this purpose, 'partner' is wide ranging and includes not only spouses and civil partners (who are not separated) but a person (male or female) with whom you are living together as husband and wife or as civil partners. Where this applies, you will keep us informed of child benefit entitlement amounts and, where applicable, any changes to your relationship status with your partner.

7. Where applicable we will advise all the partners who were partners of the firm during the period of their respective shares of the firm's total income, gains, losses, tax credits and charges in order that they are able to file their personal self-assessment tax returns within the relevant time period.
8. Under the new self-assessment regime there are automatic penalties for late filing of tax returns. We can accept no responsibility for these if we do not receive all relevant information by 31st October following the end of the tax year in question.
9. We will calculate and advise you as to amounts of tax and National Insurance contributions to be paid and the dates by which you should make the payments, including payments on account and the balancing payment, and if appropriate we will initiate repayment claims when tax and national insurance contributions appear to have been overpaid.
10. We will deal with H M Revenue & Customs regarding any amendments required should a self-assessment tax return be challenged.
11. 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.
12. Other than as regards tax credits (see point 23) we will advise as to claims and elections arising from the tax returns and from 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.
13. Interest is charged on tax not paid by the due date. You are responsible for making payments by the due dates and we can only undertake to advise you of the correct amounts if all relevant information is provided to us, as in point 5 above.
14. When submitting your tax returns, we shall exercise our judgement as to the supporting information to be provided to H M Revenue & Customs along with the returns. This information will be chosen with a view to providing an explanation of large/unusual items appearing on your returns in order to reduce the likelihood of an investigation into your affairs. You are reminded however that under the self-assessment regime H M Revenue & Customs may launch an enquiry into your affairs without any reason or justification and regardless of whether there is any suspicion of irregularities. Assistance in respect of such an enquiry beyond the answering of straightforward queries regarding entries on the tax returns is additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an enquiry.

15. 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.
16. You have asked us to undertake all correspondence with H M Revenue & Customs on your behalf. 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.
17. Prior to the end of each fiscal year, if required, we will review your affairs, as they are known to us, in order to consider whether there are matters we should draw to your attention, in relation to your tax or business affairs, which we believe you should consider.
18. We shall, if required, discuss and agree with you schemes for reserving income tax, so as to provide funds to be set aside in order to meet your tax liabilities as these fall due.
19. We shall deal separately with those partners who instruct us to deal with their personal affairs. Where we do not receive instructions to act for individual partners we shall, if necessary, correspond with their own accountants and it may be necessary for an additional fee to be charged in respect of any work thus involved.
20. We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.
21. 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.
22. We will submit form 64-8 to H M Revenue & Customs which authorises them to send us copies of formal notices. In practice, H M Revenue & Customs will treat this as authority to correspond with us, in which case they will not correspond with you except to the extent that they are formally required to do so. However, this authority does not apply to all H M Revenue & Customs correspondence, and even where it does, H M Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from H M Revenue & Customs.
23. We will not provide advice in respect of child tax credit or working tax credit claims unless you make a specific request in writing. If we agree to advise you on tax credits, this is additional work and will result in separate charges. Tax credits are, in effect, a Social Security benefit. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household and we will require all relevant information to advise in this regard.
24. Since 17 July 2013, a General Anti-Abuse Rule has been in operation in the UK. This rule enables H M Revenue & Customs to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.
25. We will be pleased to advise on any other taxation matters referred to us.

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.