

STANDARD TERMS AND CONDITIONS OF BUSINESS

The following standard terms of business apply to all engagements accepted by Charltons Accountancy Ltd. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1. Professional rules

- 1.1 We will observe and act in accordance with the byelaws, regulations and Code of Ethics of CPAA including Professional Conduct in Relation to Taxation and will accept instructions to act for you on the basis that we will act in accordance with that Code.

2. Confidentiality

- 2.1 Where you provide us with confidential information we shall take all reasonable steps to keep it confidential, except as required to disclose it by law or as provided for in regulatory, ethical or other professional pronouncements applicable to this engagement, or by our insurers or as part of any external peer review. Any subcontractors we use will be bound by the same confidentiality requirements. If we use external or cloud-based systems, we will ensure confidentiality of your information is maintained.

3. Investment Services

- 3.1 We are not authorised by the Financial Conduct Authority (FCA) nor are we licensed by [our Regulator] to perform investment services which should be carried out by an FCA-regulated person, known as an Independent Financial Adviser (IFA). Should you require any specific investment advice we will refer you to an IFA. The IFA will take full responsibility for all aspects of compliance under any regulations required by the Financial Services and Markets Act 2000, they will issue you with their own terms and conditions letter and they will be remunerated separately for their services. If we refer you to an IFA we will not charge you or receive remuneration from them. We will charge only for work carried out assisting the adviser and yourself with tax or other factual information and support as requested by you.

4. Client monies

- 4.1 We may from time to time hold money on your behalf if it relates to an accountancy service that is being (or has been or will be) provided by this firm. 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 Clients' Money Regulations of the CPAA. An example of such funds would be tax repayments claimed on your behalf. In order to avoid excessive administration, interest will only be paid to you where the amount would be in excess of £25 calculated using the Lloyds interest rate for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 4.2 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest

earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

- 4.3 We will return money held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any unclaimed funds remain in our client account and the client to which they relate has remained untraced for five years, or this firm ceases to practice, we may pay such money to a registered charity.

5. Fees and payment terms

- 5.1 Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility involved and the importance and value of the advice that we provide, as well as the level of risk.
If we provide you with an estimate of our fees for any specific work, then the estimate will be an approximation rather than a contractually binding amount.
- 5.2 Our invoices are due for payment upon presentation. Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.
- 5.3 We reserve the right to charge interest and recovery costs on late paid invoices at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to terminate our engagement if any fees remain unpaid for over 30 days without our prior approval. If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.
- 5.4 If a client company, trust or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual giving us instructions on behalf of the client and you agree that we shall be entitled to enforce any sums due.
- 5.5 In the event that we cease to act for you then you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.
- 5.6 As directors you guarantee to personally pay any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up.
- 5.7 In some cases, you may be entitled to assistance with your professional fees, particularly in relation to an investigation into your affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such cover was arranged by or through us you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 5.8 Insofar as we are permitted to so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

6. Retention of and access to records

- 6.1 During 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 financial statements and returns. You should retain these records for at least seven years from the end of the accounting year to which they relate.
- 6.2 Whilst certain documents will legally belong to you, we intend to destroy correspondence and other papers that we have stored 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 for a longer period, you must notify us of that fact in writing.
- 6.3 You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you if requested. Documents and records relevant to your tax affairs are required by law to be retained as follows:

Individuals, trustees and partnerships:

- with trading or rental income: 5 years and 10 months after the end of the tax year;
- otherwise: 22 months after the end of the tax year;

Companies, Limited Liability Partnerships and other corporate entities:

- 6 years from the end of the accounting period.

7. Quality Assurance

- 7.1 In order for us to provide you with a high quality service on an ongoing basis it is important that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters.
- 7.2 We reserve the right to cancel the engagement between us with immediate effect in the event of:
- Your insolvency, bankruptcy or other arrangement being reached with creditors;
 - Failure to pay our fees by the due dates;
 - Either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.
- 7.3 When dealing with HMRC 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.

8. Applicable Law

- 8.1 Our engagement letter, the schedule of services and our standard terms and conditions of business are governed by and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference of opinion concerning the engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being

brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

- 8.2 If any provision in this Standard Terms of Business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

9. Communication

- 9.1 We will at times use email or other electronic means to communicate with you using our portal or secure e-mail.
- 9.2 Communications are capable of corruption and interception, and we do not accept any responsibility for changes made to such communications after their despatch through our portal or e-mail. It is inappropriate for you to rely on advice contained in an e-mail without obtaining written confirmation of it. With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection, or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through electronic data. However electronic communication is not totally secure, and we cannot be held responsible for damage or loss caused by viruses nor for communications which are corrupted or altered after despatch.
- 9.3 We cannot accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks being borne in return for greater efficiency and lower costs. If you do not wish to accept these risks, please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.
- 9.4 It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 9.5 Unless you instruct us otherwise, we will file your returns and other legal requirements online on your behalf by electronic means. For the avoidance of doubt, we will take responsibility for the electronic tagging and filing (iXBRL) of financial statements and tax returns, if applicable to your affairs.

10. Data Protection Act 2018

- 10.1 The Data Protection Act 2018 is the UK's implementation of the General Data Protection Regulations (GDPR). Everyone responsible for using personal data has to follow strict rules called 'data protection principles' and must make sure the information is:

- Used fairly, lawfully and transparently
- Used for specified, explicit purposes
- Used in a way that is adequate, relevant and limited to only what is necessary
- Accurate and, where necessary, kept up to date
- Kept for no longer than is necessary
- Handled in a way that ensures appropriate security, including protection against unlawful or unauthorised processing, access, loss, destruction or damage

We may obtain, use, process and disclose personal data about you in order that we may fulfil the services agreed under these Standard terms of business and the specific engagement letter(s), and for other related purposes including updating and enhancing

client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance.

You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 2018. Should you require any further details regarding our treatment of personal data, please contact our [Data Protection Manager] [Data Protection Officer] adapt as relevant.

11. Client Identification

- 11.1 We are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these lawful purposes and/or make searches of appropriate databases.
- 11.2 Our responsibilities broadly include:
- Maintaining identification procedures for clients and beneficial owners of clients;
 - Maintaining records of identification evidence and the work undertaken for the client; and
 - Reporting, in accordance with the relevant legislation and regulations.
- 11.3 We are obliged by law to report any instances of money laundering or terrorist financing to the National Crime Agency (NCA) without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 11.4 If you undertake business that requires you to be supervised by an appropriate supervisory authority to follow anti-money laundering regulations including if you accept or make a high value cash payments of £10,000 or more (or equivalent in any currency) in exchange for goods you should inform us.
- 11.5 We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.
- 11.6 Any personal data received from you to comply with our obligations under The Money Laundering, Terrorist Financing and Transfer for Funds (Information on the Payer) Regulations 2017 (MLR 2017) will be processed only for the purposes of preventing money laundering or terrorist financing. No other use will be made of this personal data unless use of the data is permitted by or under enactment other than the MLR 2017, or we have obtained the consent of the data subject to the proposed use of the data.

12. Limitation of liability

- 12.1 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. We will not be liable if such losses due to the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or if they are due to a failure to act on our advice or a failure to provide us with relevant information.
- 12.2 We will not be liable to you for any delay or failure to perform our obligations under this Terms of Business or our engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

- 12.3 We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.
- 12.4 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.
- 12.5 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 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.
- 12.6 The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
- 12.7 You give us the authority to correct errors made by HM Revenue & Customs where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

13. Implementation

- 13.1 We will only assist with implementation of our advice if specifically instructed and agreed in writing. Advice we give you orally should not be relied upon unless we confirm it in writing.
- 13.2 We endeavour to record all advice on important matters in writing. However, if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing. Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

14. Intellectual property rights

- 14.1 We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise. You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.

15. Interpretation

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

16. Internal disputes within a client

- 16.1 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business, and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors or proprietors. If conflicting advice, information or instructions are received from different principals in the business we will refer the matter back to the board of directors or the partnership and take no further action until the board or partnership has agreed the action to be taken.

17. Period of engagement and termination

- 17.1 Unless otherwise agreed in the engagement covering letter our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.
- 17.2 Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.
- 17.3 In the event of termination of this agreement, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

18. Professional Indemnity Insurance

In accordance with CPAA requirements we hold professional indemnity insurance. Our professional indemnity insurer is Genen's Underwriting Ltd, of 20 Fenchurch street, London, EC3M 3BY. The territorial coverage is worldwide excluding professional business carried out from an office in the USA or Canada.