

## STANDARD TERMS OF BUSINESS

Last revised 26th August 2015

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

### 1. PROFESSIONAL OBLIGATIONS

- 1.1. Details of the firm's professional registrations can be found at [www.icaew.com](http://www.icaew.com)
- 1.2. We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and Wales 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 HM Revenue and 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

- 1.3. In accordance with the disclosure requirements of the Provision of Services Regulations 2009, the details of our current professional indemnity insurer can be found on our website [www.williams-ross.co.uk](http://www.williams-ross.co.uk) or at our business address 4 Ynys Bridge Court, Gwaelod y Garth, Cardiff CF15 9SS. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

### 2. INVESTMENT SERVICES

- 2.1. Since we are not authorised by the Financial Conduct Authority (FCA) then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by the Institute of Chartered Accountants in England and Wales, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.
- 2.2. We may therefore:
  - advise you on investments generally, but not recommend a particular investment or type of investment;
  - refer you to a Permitted Third Party (PTP) (an independent firm authorised by the FCA), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
  - advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
  - advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
  - assist you in making arrangements for transactions in investments in certain circumstances;
  - 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.
- 2.3. For corporate clients we may also, on the understanding that the shares or other securities of the company are not publicly traded:
  - advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
  - arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
  - arrange for the issue of new shares; and
  - act as the addressee to receive confirmation of acceptance of offer documents etc
- 2.4. 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.

- 2.5. We are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on the insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the Institute of Chartered Accountants in England and Wales. The register can be accessed via the Financial Conduct Activity website at [www.fca.org.uk/register](http://www.fca.org.uk/register).

#### Financial Promotions

- 2.6. To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, but would only do so in our normal office hours of 9:00am to 5:00pm. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

### 3. COMMISSIONS OR OTHER BENEFITS

- 3.1. Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.

### 4. CLIENT MONIES

- 4.1. 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 Clients' Money Regulations of Institute of Chartered Accountants in England and Wales.
- 4.2. In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by National Westminster Bank for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 4.3. If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, 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.
- 4.4. We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.

### 5. FEES

- 5.1. Our fees are computed on the basis of time spent on your affairs by the principals and our staff and sub-contractors or consultants, and on the levels of skill and responsibility involved. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.
- 5.2. If it is necessary to carry out work outside the responsibilities agreed with you for each service, we will advise you in advance. Any additional work 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.
- 5.3. Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. 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. We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed.
- 5.5. As directors you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up.

- 5.6. In the event that this firm ceases to act in relation to your affairs you agree to meet all reasonable costs of providing information to the new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

## 6. RETENTION OF & ACCESS TO RECORDS

- 6.1. During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation or audit of your financial statements and returns. You should retain these records for six years from the 31<sup>st</sup> January following the end of the tax year to which they relate. You should retain them for longer if HM Revenue and Customs enquire into your tax return.
- 6.2. Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

## 7. CONFLICTS OF INTEREST & INDEPENDENCE

- 7.1. 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 8 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. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.
- 7.2. 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 Institute of Chartered Accountants in England and Wales which can be viewed at [www.icaew.com/regulations](http://www.icaew.com/regulations).

## 8. CONFIDENTIALITY

- 8.1. 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.
- 8.2. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

## 9. QUALITY CONTROL

- 9.1. As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent regulatory or quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

### Dealing with HM Revenue & Customs

- 9.2. When dealing with HM 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 HM Revenue & Customs, see [www.hmrc.gov.uk/charter/index.htm](http://www.hmrc.gov.uk/charter/index.htm). To the best of our abilities, we will ensure that HM Revenue & Customs meet their side of the Charter in their dealings with you.
- 9.3. We will take account of the steps and checks suggested by HM 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 HM Revenue & Customs consider any of your tax returns with which we assist to be inaccurate, we will be able to help you demonstrate to HM 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.

## 10. HELP US TO GIVE YOU THE RIGHT SERVICE

- 10.1. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by contacting Keith Jones our Director responsible for Practice Assurance Matters on 02920 814114.
- 10.2. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales. Complaints forms are available from the website at [www.icaew.com/complaints](http://www.icaew.com/complaints)
- 10.3. In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
  - your insolvency, bankruptcy or other arrangement being reached with creditors;
  - failure to pay our fees by the due dates;
  - either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

## 11. APPLICABLE LAW

- 11.1. This engagement is governed by, and construed in accordance with, English law. The Courts of England and Wales will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.
- 11.2. 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.

## 12. CHANGES IN THE LAW

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

## 13. INTERNET COMMUNICATION

- 13.1. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or other electronic means. However, 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.
- 13.2. It is the responsibility of the recipient to carry out a virus check on any attachments received.

## 14. DATA PROTECTION ACT 1998

- 14.1. To enable us to discharge the services agreed under our engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain use, process and disclose personal data about you / your business / company / partnership / its officers and employees. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998.

14.2. Sections 11 and 12 of the Data Protection Act 1998 place 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 comply with the requirements of the Data Protection Act 1998 when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.

## 15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

15.1. 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 affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

15.2. The advice that we give to you is for your sole use and is confidential to you and will not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

## 16. GENERAL LIMITATION OF LIABILITY

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

16.2. You will not hold us, our directors 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 in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of our directors or employees personally.

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

## 17. USE OF OUR NAME IN STATEMENTS OR DOCUMENTS ISSUED BY YOU

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

## 18. DRAFT/INTERIM WORK OR ORAL ADVICE

18.1. In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, 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.

## 19. INTERPRETATION

19.1. If any provision of our engagement letter or terms of business 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.