

Our business relationship with you is described in these Terms of Business which apply to the services we provide to you. In respect of each service, we will supply a schedule describing the work we have agreed to undertake. When you instruct us to act on a new matter we will normally send to you a schedule of the additional service(s) we are to provide. The terms of such schedules, together with these Terms of Business will together form the contract between us.

This letter, and any schedules attached to it, therefore sets out the basis of the work which we are to undertake for you and the fees we are to charge. Our engagement does not commence until we receive a signed engagement letter.

It is important that you understand the nature of the relationship which is being established between us and how it operates at a practical level. Accordingly, before signing these Terms and Conditions and the assignment schedule(s), please read them carefully and let us know of anything you do not understand.

Tax and VAT Investigations and Enquiries

No matter how careful you are in preparing your tax, National Insurance, VAT and other tax and statutory financial returns, there is an increasing likelihood that HMRC will decide to investigate your affairs. Indeed the Treasury has recently increased the budgets to set up more investigation teams. The investigations are often selected at random so it could quite conceivably apply to you there might be a letter in tomorrows post what will you do? These investigations are both worrying and expensive. They take up a lot of time and may result in claims for money that you might want to fight.

To give you peace of mind, we have arranged with a long established specialist to provide low cost cover against professional fees arising from a PAYE/NIC, Tax or VAT investigation. Using this fee protection policy enables you to be sure that you have budgeted for the help that you will need to handle an investigation if your name is selected at random by the powers that be. Please contact us for details.

Publicity

You agree that we may disclose that you are a client. As regards a particular transaction, if information about it is in the public domain or if you specifically consent thereto, we may also disclose that we are acting or have acted for you in relation to it.

No Guarantee of Outcome

We do not and cannot give any guarantee or certain outcome in any matter for which we provide services to you.

Application To Subsequent or Additional Matters/Updating of Advice

The agreement reflected in these Terms and Conditions apply to our initial provision of services and to any subsequent matters which we agree in writing to undertake on your behalf, or to which we actually render services. Any advice we provide whether oral or written, will not be updated for events occurring after the advice has been issued in final form, unless you specifically request (in writing) that such advice is updated. Any updating of advice that is given will be the subject of a separate agreement.

Reliance on Oral or Draft Advice

Please note that if you wish to rely on oral or draft advice, you must let us know by writing to us and we will confirm such advice in writing.

Services to the Addressee only

You understand that we represent and act for the person or persons or entity identified as the addressee of these Terms and Conditions ("the addressee") and we have not agreed to act for any other person or persons or entity unless we have a written engagement letter with such person or entity. To the extent you ask us to perform services which benefit an affiliated entity or person, unless we have a separate written engagement letter with such affiliated entity or person, we are providing such services to the addressee only and we have not agreed to act for or provide services to such affiliated entity or person, despite the fact such affiliated entity or person may or may not benefit from the advice and service we perform to the addressee.

Our Aim

Whatever the specific type of service we provide, we can only measure our success if the service gives you added value. As a professional service organisation, our aim is to provide you with a high quality service at an effective cost to meet or, as we hope will often be the case, exceed your expectations. Whilst it will always be clear that our advice and support for you or your company is in the nature of assisting you to make decisions, we will never adopt the stance of "shadow" director.

Help Us to Give You the Best Service

If at any time you would like to discuss with us how our service to you can be improved, or if you are dissatisfied with the service you are receiving, please let us know as soon as possible. We undertake to look into any complaint carefully and promptly, and do all we can to explain the position to you. If we have given you less than satisfactory service, we undertake to do everything reasonable to put it right.

References and Supply of Information to Third Parties

We are happy to assist clients by supplying credit and other references wherever possible but you should note that it is our usual practice not to do so during the first six months of our engagement. It is our custom to make a small charge for the supply of a reference.

Third Party Services

When we are asked to recommend the services of a third party we shall always do so in good faith. However, no warranty is given in respect of the standing, ability or the quality of the services of any such third party. We do not accept liability for that third party's services and you will have a contract with that third party, but not with us in respect of that third party's goods or services. Accordingly, you will be responsible for the fees and expenses of that third party.

Disclosure

Our advice is provided to you and may not, without prior written consent, be disclosed to any other party. You will not refer to us or our advice in any public document or communication without our prior written consent.

Applicable Law

These Terms and Conditions shall be governed by and construed in accordance with English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. You and we irrevocably waive our rights to object to an action being brought in the Courts of England to claim that such action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Agreement of Terms

Once it has been agreed between us, these Terms and Conditions will remain effective until our engagement terms are replaced in writing. Periodically we may agree with you in writing minor variations to this Agreement.

Limitation of Liability

In particular, we exclude liability for indirect or consequential economic losses.

The advice which we give and the services which we provide to you is for your use only and does not constitute advice to any third party to whom you may communicate it. We will provide the 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 or other liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.

If required, and payment has been made to us, we will re-perform any work which is not in compliance with this undertaking if it is brought to our attention within a reasonable time after the work is performed. You agree that all claims with respect to services be asserted within one year from the date the subject services were performed.

You agree to hold harmless and indemnify us, our directors and staff against any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You agree to release, indemnify and hold harmless our directors and staff, heirs, executors, personal representatives, successors, and assigns from any liability and costs resulting from knowing misrepresentations by you or your management or from fraud caused by or participated in by management of your company or organisation.

Any liability of the Company, its Directors and staff from actions found against us to pay damages for losses arising as a direct result of breach of contract or negligence on our part in respect of services provided in connection with or arising out of the engagement set out in this letter (or any variation or addition thereto), whether in contract, negligence or otherwise shall in no circumstances exceed the amount of fees which have been paid to us for the work undertaken less all legal and other costs which we may incur in defending any actions against us. We undertake that we will exercise due care in the performance of our work in accordance with applicable professional standards.

It is agreed that our terms of business as contained in this engagement letter are only such as are reasonably necessary for the provision of services by us hereunder but should any of the same be held void, voidable illegal or otherwise unenforceable the same shall be deemed to be re-written with such minimum amendment as is compatible with the same being fully enforceable by us.

Duty to Mitigate

It is understood between us that you have a duty to mitigate any loss that you may suffer arising out of this agreement with us. We shall not be liable for any loss that could reasonably have been avoided or mitigated but for any failure on your part. This duty to mitigate means that if you believe you have suffered or are likely to suffer any loss which you believe is or may be attributable to any service provided by us pursuant to this agreement, you must:

- Inform us in writing, within 30 days of first becoming aware of such event;
- Allow us to remedy (including, but not limited to, re-doing the work concerned), where such is possible, the defect (if any) which you believe has or will give rise to a loss; and
- Expeditiously take such action as may be necessary to minimise any loss you may suffer.

Indemnity against Third Party Claims

You agree to release us from liability and to indemnify us in the event that a claim is brought against us by a third-party for misstatements in financial statements, which were caused by false representations made to us by you or members of your management. Accordingly, you agree to indemnify and hold our firm, its directors, and employees harmless from any and all liabilities, costs, and expenses relating to this engagement, and expenses (and those of our lawyers) incurred by reason of any action taken or committed to be taken by us in good faith. In no event will our firm or partners or staff be liable for incidental or consequential damages even if we have been advised of the possibility of such damages.

No Liability to Third Parties

It is our understanding that the essential purpose of the services provided to you under this agreement is for the use of the management of your organisation (if relevant) or by you personally, and that the services rendered by us are not intended to benefit or influence any other person, firm, or corporate body. Should there be any changes in these circumstances, you agree to notify us in writing promptly of any such changes, in any event before completion of the next engagement under the terms of this agreement.

Assessment of Creditworthiness

We reserve the right at all times to obtain information from third parties and other external sources and searches may be made on your file at a licensed credit referencing agency and the search trace may be recorded on your file. Undertaking such searches or obtaining such information will assist us in assessing your creditworthiness and ability to pay our fees and charges pursuant to our agreement with you.

Right to Withdraw and Terminate

We reserve the right to withdraw from and terminate the engagement to act for you and to provide services, should information become known that would either make our continued involvement in this engagement inappropriate as set forth in the professional standards that govern the accounting profession, or otherwise at any time and in our absolute discretion. If we choose to terminate the provision of services to you, we undertake to give reasonable notice of such termination. Termination will not affect our rights to fees or other charges due to us by you in respect of services etc provided by us prior to termination nor, in cases where our fees or charges are subject to a contingency arrangement, will it affect our rights there under.

You may, except in relation to distance selling (see Consumer Protection (Distance Selling) Regulations 2000 below), terminate our engagement at any time on reasonable notice. To do so you should notify us in writing.

We reserve the right to terminate our engagement by you on notice to you which we will confirm in writing. However, we will only decide to stop acting for you with good reason, for example, if you do not pay a bill or comply with our request for a payment on account, or if you fail to give us the cooperation which we are reasonably entitled to expect. We must give you reasonable notice that we will stop acting for you.

All fees and disbursements and VAT up to the date of termination will be charged and become due - see below.

Payment Notwithstanding Dispute

In the event of any dispute that relates to our entitlement to any payment from you, all undisputed amounts shall be paid by you. Any amounts in any client trust account held on your behalf, sufficient to pay the disputed amounts, shall continue to be held in such trust account until the final disposition of the dispute.

Suspension of Services

We reserve the right to suspend further services until payment is received on past due invoices. If we should be requested to issue a report or provide an opinion, we require to be paid in full prior to such issuance for all work performed to date (or for all work to date and the estimated time and expenses through to completion of such report).

Conflict

Subject to our treating as confidential all confidential information that you give to us, you agree that we may act during this engagement for other clients whose interest may be averse to yours. You agree that compliance with our duty of confidentiality may be achieved by us taking such steps as we, in good faith, think fit to preserve confidential information both during and after termination of this agreement. If there is a conflict of interest, we might have to cease acting for you. All fees and disbursements and VAT up to the date of termination will be charged and become due.

Force Majeure

We shall not be liable to you if we are unable to perform our services as a result of any cause beyond our reasonable control. In the event of any such occurrence affecting us we shall notify you as soon as reasonably practicable.

Consumer Protection (Distance Selling) Regulations 2000

Where these Regulations apply to the work we undertake for you, by instructing us to carry out that work, you agree that we should commence that work on your behalf. You acknowledge that on our commencing that work you will be incurring fees attributable to that work. Because we will have commenced work at your request, you may not cancel your contract with us in relation to that work after it has begun and our fees for that work will be payable by you. Although in our retainer letter we may endeavour to complete a particular piece of work by a particular time, there is no maximum time limit for performance of our services.

No Engagement of our Staff or Directors

Without our prior written approval, you agree not to offer employment to any member of our staff or directors working on this or any engagement for you nor will you use the service of such persons either independently or via a third party for a period of 12 months following the end of any involvement by any such person concerned with any engagement with you. You acknowledge that breach of this condition will render you liable to pay liquidated damages to us equal to six months fees calculated as 875 hours at the hourly charge rate applicable to the person concerned.

Basis of Charging Fees

- Fees for our services will usually be based on time spent and our hourly billing rates current at the time that the services are performed. However, we may take factors other than our time into consideration in determining our fees, including the responsibility assumed, the novelty and difficulty of the technical, financial, accounting or taxation problems involved, unusual efficiency, the time pressure under which the work is performed, the benefit resulting to you, and any unforeseen circumstances arising in the course of the work involved.
- Charges may reflect a flat fee charge, a project charge (billed as a minimum or quoted fee on the basis of the timekeeper's hourly rate).
- It is expected that fee requests will be paid promptly by you. A list of the fee charges for routine and special work can be obtained from our office or on our website.
- All our fees are payable on presentation of our Request for Payment.
- If you have queries on our charges, you must write to us within 30 days of the date of our fee account otherwise our fee accounts shall not be brought into question and the charges made by us shall remain valid and shall not be commuted.
- The amount of time spent on a matter will also be influenced by the manner in which you respond to our requests for information. Timely provision of up to date information will help us to spend less time on your matter than would be the case otherwise.
- Time spent on your matter may include, but is not limited to, meetings with you and others in relation to the matter, time spent travelling and waiting, considering and preparing papers, making and receiving telephone calls, correspondence, sending and receiving e-mails and documenting the arrangements on which we provide services to you and the advice and services we actually provide.

Interim Billing and Payment

Please also note that:

- It will usually be necessary for us to request payments on account at the commencement of an engagement or where special work or a new assignment is to be undertaken.
- Once our work in progress has utilised the initial payment on account we will require a further payment on account as may be appropriate given the level of work expected. Thereafter, we will render fee accounts periodically as our work progresses.

Refunds

Should your account be in credit and the work for which the payment relates be completed, then a refund will be made on request.

Fixed Fee Variations

If a fixed fee has been specified for any service we have agreed to provide, such fee shall be based on:

- The assumption that the information you are to provide shall be furnished within such timescale as we have specified to you; and
- The assumption that the information shall be complete and accurate.

In the event that the above requirements are not met, we reserve the right to increase the fixed fee by such amount as shall reflect such factors as our additional time of working and prioritising work to meet filing and other deadlines.

Fuller details may be found in our Payment Terms and conditions which you will be given on becoming a client and which will be printed on the back of every invoice issued to you. These terms and conditions may be varied from time to time and become part of our contract with you.

Estimates not binding

We would be pleased to estimate, upon request from you, the total amount of fees for particular matters we may undertake on your behalf. Any fee estimates we provide are a guide to assist you in budgeting, but should not be seen as a definitive quotation unless this is specifically agreed in writing. Estimates are not intended to be binding as they are subject to unforeseen circumstances, and are by their nature inexact.

Communications by E-Mail

For the sake of convenience, when we communicate with you by e-mail, we will use normal, non-encrypted email. This form of email is not secure and there is a risk to you if we communicate confidential information to you in this way. We cannot accept liability for any communication which is delayed, intercepted or otherwise falls into the hands of those other than the intended recipient. We will assume that we have your consent to communicate with you by this method, unless you advise us otherwise. There are certain risks associated with e-mail communication and, as a result, its use is subject to the following protocol:

As Internet communications are capable of data corruption, we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

Data Protection Act 1998

To enable us to discharge the services agreed under this 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. That data may be stored on our own servers located in our office or on servers located outside of our office and/or, in some cases, outside the UK. You hereby consent to our storage of such data. We acknowledge that you have a right of access, under data protection legislation, to the personal data that we hold about you.

Document Storage

Unless otherwise agreed in writing we shall retain documentation for a period that accords with our document retention policy from time to time. It is our usual policy to store files and papers relating to your matter for a minimum of seven years from the date the matter was completed. This does not apply to any papers that you ask to be returned to you. After seven years, we may dispose of them.

Documentation that is your property will be returned to you on request. In the course of our acting for you and providing services hereunder, we are likely to come into possession of copies or originals of documents or other materials belonging to you or others (collectively, referred to as "materials"). Once the particular matter to which those materials relate has been concluded, we will have no further responsibility to maintain such materials. If you have not sought the return of such materials within one year of the closing of the matter to which such materials relate, we will thereupon have the right to destroy such materials without notice to you.

Retrieval from archive storage

If we retrieve papers or documents from storage in relation to continuing or new instructions to act in connection with your affairs, we will normally charge you for the cost to us of the retrieval. We may also make a charge based on time spent producing papers or documents to you or another at your request.

Providing Information in Proceedings

From time to time we may be asked to retrieve and produce copies of your records and to give testimony as a witness in Court or at a tribunal or arbitration hearing. Accordingly, any time we spend in providing information about the relative engagement or about you as our client in legal proceedings in which the firm (or any of its partners or employees) is not a party, the efforts in responding will be deemed to be a part of the original engagement. The firm will therefore be entitled to be paid for time and out-of-pocket expenses (including legal fees) incurred in responding to such matters.

Contracts (Rights of Third Parties) Act 1999

For the avoidance of doubt, it is not intended by the parties to this agreement that any term which may be construed as conferring a benefit on any person who is not a party to this agreement should be enforceable by such party.

Confidentiality

Our files and other records may be subject to third party inspection for compliance or quality control purposes, or for other regulatory purposes or because of other statutory obligations. Your agreement with us expressly allows us to permit access to our records about you, your business and your transactions with us to these or other similar external agencies for compliance purposes.

The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007

There are compulsory checks which accountants have to make of their clients. In common with all accountancy and legal firms, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- have customer due diligence procedures in place for all clients;
- maintain appropriate records of identification evidence to support due diligence; and
- report in accordance with the relevant legislation and regulations.

In order to comply with the law on money laundering, we need to obtain evidence of your identity and residence as soon as practicable. We are under a professional and legal obligation to keep the affairs of clients confidential. This obligation, however, is subject to a statutory exception: recent legislation on money laundering and terrorist financing has placed accountants under a legal duty in certain circumstances to disclose information to the Serious and Organised Crime Agency. Where an accountancy firm knows or suspects that a transaction on behalf of a client involves money laundering, we may be required to make a money laundering disclosure. If this happens, we will not be able to inform you that a disclosure has been made nor the reasons for it.

Disability Discrimination Act

We are committed to ensuring that our clients and employees are not victim to any form of

discrimination (as defined under the Disability Discrimination Act). Upon receipt from you of reasonable notice of requirements to accommodate the disability of any Person meeting our directors or staff, we will undertake reasonable efforts to ensure that such persons do not suffer discrimination whilst in our offices and make such suitable adjustments to the place of meeting as may, in all the circumstances, be reasonable.

Duty of Disclosure

We have no duty to disclose information to you or to use such information which is not actually known by those of our directors and other personnel who are working on matters appertaining to your affairs even though that information may be known by those other directors and personnel and may be relevant to you.

Client Monies

We may, from time to time, hold monies on your behalf. Such monies will be held in trust in a client bank account, which is kept separate from the firm's funds.

Severability

If any provision of these terms and conditions is held to be invalid, illegal or unenforceable (in whole or in part) it will, to that extent, be deemed not to form part of these terms and conditions, the remainder of which will continue in full force and effect.

Other Services

We do not give investment business advice under the Financial Services Act 1986 (as amended) or the Financial Services and Markets Act 2000 but will be happy to refer you to an independent financial advisor, if required, suitably authorised by the Financial Services Authority. Introductory commissions may become payable to us in respect of introductions we make

Work to be Undertaken

Each category of work to be undertaken is described in separate schedules. This engagement letter should be read in conjunction with such schedules.

Acceptance

We should be grateful if you will kindly acknowledge your acceptance of the terms of this Engagement Letter, by signing below the schedules for the work required. If you already have an existing advisor, our acceptance of you as a client of our firm may be subject to the obtaining of professional clearance from that advisor.