

## **Carpenter Keen LLP**

### **General Terms of Business**

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

## **1 Professional obligations**

- 1.1 We will observe the Bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England & Wales and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for inspection in our offices.
- 1.2 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 pronouncements applicable to this engagement.
- 1.3 We reserve the right to act during this engagement for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

## **2 Investment services**

- 2.1 Although we are not authorised by the Financial Services Authority (FSA) to conduct investment business, we are licensed by the Institute of Chartered Accountants in England & Wales to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.
- 2.2 In particular, we may:
  - 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 FSA), 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, 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; and
  - 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 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 The firm may receive commission from any introduction to a PTP in connection with the above, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction. Such commission will be held in our clients' account until we receive instructions from you as to how it should be treated. In the event of no such instructions being received, we may use such monies against any fees that have been outstanding for 30 days or more and concerning which you are not in dispute with us.
- 2.5 We may also request that you allow us to retain such commissions to cover our costs in connection with the above, but permission will be sought separately from you in these circumstances. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of these terms and, 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.

### **3 Commissions or other benefits**

- 3.1 In some circumstances, commissions or other benefits may become payable to us in respect of transactions we arrange for you, in which case you will be notified in writing of the amount and terms of payment. The fees that would otherwise be payable by you as described above will be abated by such amounts unless you consent to such commission or other benefits being retained by us without 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 the Institute of Chartered Accountants in England & 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 Barclays Bank PLC 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 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.

### **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 and 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 outlined in the engagement terms 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.
- 5.3 Invoices are payable in full (including disbursements) before any report is signed and before financial statements or returns are made available for filing or submission.

- 5.4 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.
- 5.5 Our terms relating to payment of amounts invoiced (fees and disbursements) and not covered by standing orders, where appropriate, are strictly payment on presentation. Interest and compensation for recovery costs may be charged on all overdue debts at the Bank of England Base rate plus 5%, or at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998, whichever is the higher.
- 5.6 Corporate clients: 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.
- 5.7 Corporate clients: in the event that this firm ceases to act in relation your company's affairs you agree to meet all reasonable costs of providing information to the company's new advisors. In particular you agree to meet these costs even where we are required by law to provide information to a successor firm.

## **6 Retention of and 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 and audit (where relevant) 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 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 notify us of that fact in writing.

## **7 Quality control**

- 7.1 As part of our ongoing commitment to providing a high 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.

## **8 Help us to give you the right service**

- 8.1 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 or emailing Stuart Carpenter or Fraser Keen.
- 8.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with the Institute of Chartered Accountants in England & Wales.
- 8.3 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 terms. 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.

8.4 In addition this agreement may be terminated for any reason if 90 days notice is given.

## **9 Applicable law**

9.1 This engagement is 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 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.

9.2 If any provision in this Standard Terms of Business or any associated engagement terms, 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.

## **10 Internet communication**

10.1 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.

10.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **11 Data Protection Act 1998**

11.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed with you, 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 1998. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Carpenter Keen LLP.

## **12 Contracts (Rights of Third Parties) Act 1999**

12.1 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.

12.2 The advice that we give to you is for your sole use and does 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.

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

- 13.1 In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- Maintain identification procedures for clients and beneficial owners of clients;
  - Maintain records of identification evidence and the work undertaken for the client; and
  - Report, in accordance with the relevant legislation and regulations.
- 13.2 We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the Serious Organised Crime Agency (SOCA) if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.
- 13.3 The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.

This definition is very wide and would include such crimes as:

- deliberate tax evasion;
- deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
- fraudulent claiming of benefits or grants; or
- obtaining a contract through bribery.

Clearly this list is by no means exhaustive.

- 13.4 We are obliged by law to report any instances of money laundering to SOCA 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.
- 13.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

## **14 Limitation of liability**

- 14.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses 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 other relevant authorities.
- 14.2 You agree to hold harmless and indemnify us against any misrepresentation, whether 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 provided to you by the firm against any of our employees on a personal basis.

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