

HAGGARDS CROWTHER

TERMS AND CONDITIONS

These terms and conditions ("the Agreement") govern the appointment of Haggards Crowther ("we", "us", "our") to act as accountants for the client ("you", "your") named in any engagement letter between you and us ("Engagement Letter") to provide the services specified in that Engagement Letter ("the Services").

If you are a corporate client or Limited Liability Partnership ("LLP") please read sections 1 and 3. References to "director" shall, where the context requires, also mean a member of a LLP.

If you are a personal client, partnership, LLP or other non-corporate client, please read sections 2 and 3.

1. Corporate Clients

1.1. Your Directors' Responsibilities

- 1.1.1. Your directors are responsible for ensuring that:
- 1.1.2. you maintain proper accounting records and prepare accounts which give a true and fair view and which have been prepared in accordance with the Companies Act 1985 (as amended or replaced by the Companies Act 2006, and/or the Limited Liability Partnership Act 2000, as the case may be);
- 1.1.3. to the best of their knowledge and belief, financial information, whether used by you or for the accounts, is reliable;
- 1.1.4. In preparing the financial statements, they:
 - (a) Select suitable accounting policies and then apply them consistently;
 - (b) Make judgements and estimates that are reasonable and prudent; and
 - (c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that you will continue in business;
- 1.1.5. Your activities are conducted honestly, your assets are safeguarded, for establishing arrangements designed to deter fraudulent or other dishonest conduct and to detect any that occurs;
- 1.1.6. You comply with laws and regulations that apply to your activities, prevent non-compliance and detect any that occurs; and
- 1.1.7. They make themselves aware of, and make available to us, as and when required, all your accounting records and related financial and management information necessary for us to perform the Services, and make full disclosure to us of all relevant information.

1.2. Accounting services

- 1.2.1. As part of the annual accounts, we shall report, with any variations that we consider necessary, that in accordance with your instructions and in order to assist you to fulfil your responsibilities, we have compiled, without carrying out an audit, the accounts from the accounting records of the company and from the information and explanations supplied to us.
- 1.2.2. Our work as the compilers of the annual accounts will not be an audit of the accounts in accordance with Auditing Standards. Consequently our work will not provide assurance that the accounting records or the accounts are free from material misstatement, whether caused by fraud, other

irregularities or error nor to identify weaknesses in internal controls.

- 1.2.3. We have a professional duty to compile accounts that conform to generally accepted accounting principles. The accounts of a limited company must also comply with the Companies Act 1985 and applicable accounting standards. 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.
- 1.2.4. We will make enquiries of management and undertake any procedures that may be required for assurance engagements such as audits or reviews that we judge appropriate but are under no obligation to do so.
- 1.2.5. You have told us that you are exempt from an audit of the financial statements. We will not check whether this is the case. However, if we find that you are not entitled to the exemption, we will inform you of this.
- 1.2.6. You will be responsible for providing all the information that we require for this purpose and all relevant data should be made available to us within 6 months after the end of each year end, annually.
- 1.2.7. If we ask you for information to complete the Services and it is not provided within a reasonable timescale, so that the preparation and submission of the accounts is delayed, we accept no responsibility for any penalty or interest that may arise. In addition, where the delay in providing the information requested affects our ability to complete our work in a timely manner, we reserve the right to increase our fee.

1.3. Corporation tax and calculation

- 1.3.1. When requested to provide these services in an Engagement Letter, we will:
 - 1.3.1.a. Prepare the corporation tax computation with all supporting schedules and, if necessary, amended returns, based on it from your accounting records and other information and explanations you have provided;
 - 1.3.1.b. Advise you on the adequacy of your records for this purpose but we will not carry out an audit of those records;
 - 1.3.1.c. Make the relevant tax calculation from the accounting records prepared by us and other information and explanations provided by you and advise you as to amounts of corporation tax to be paid and the dates by which you should make the

payments, and if appropriate we will initiate repayment claims when tax appears to have been overpaid;

- 1.3.1.d. Advise you as to claims and elections arising from the tax return 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 HM Revenue & Customs;
- 1.3.1.e. Forward to you the tax return and supporting schedules for your approval and signature. By signing those documents, you will take responsibility for their content. Once the return has been approved and signed and returned to us, we will submit it, with the accounts and computations, to HM Revenue & Customs;
- 1.3.1.f. Agree with HM Revenue & Customs the company's liability to corporation tax and attend to notices of assessment, lodging appeals against incorrect assessments as appropriate;

1.3.1.g. deal with all communications relating to the company's tax return addressed to us by HM Revenue & Customs or passed to us by the company; and

1.3.1.h. prepare the tax provisions and disclosures to be included in the company's statutory accounts.

1.3.2. Failure to meet the deadlines by which returns and payments must be made may result in automatic penalties, surcharges and/or interest. You are legally responsible for making correct returns and for payment of tax on time.

1.3.3. If you are a company and your profits exceed £1.5m a year, you must pay quarterly instalments of tax due starting six and a half months into the accounting period. Interest will be charged on instalments paid late and credited on those paid early. If you provide appropriate management information on time, we will tell you whether you should make quarterly tax payments.

2. Personal Clients

2.1. Preparation of personal tax return

- 2.1.1. You will be responsible for providing all the information that we require for this purpose and all relevant data should be made available to us by 31 October, after the end of each tax year, annually.
- 2.1.2. If we ask you for information to complete the tax computation and it is not provided within a reasonable timescale, so that the preparation and submission of the Return is delayed, we accept no responsibility for any penalty or interest that may arise. In addition, where the delay in providing the information requested affects our ability to complete our work in a timely manner, we reserve the right to increase our fee.
- 2.1.3. Where requested, we will check PAYE notices of coding where such notices are forwarded to us. We will prepare the tax provisions and disclosures to be included in your financial statements or information.
- 2.1.4. If we are providing the Services to you in your private capacity, you are legally responsible for submitting your tax return. In either case, it is essential that as your agent we are supplied with all relevant information.
- 2.1.5. Please note that your spouse is legally responsible for his or her own tax affairs and should be dealt with independently. However, if both spouses sign this Agreement you agree that we can disclose to your spouse such details of your financial affairs that are required to consider your combined tax position.

2.2. Accounting services

- 2.2.1. You undertake to make available to us, as and when required, all the accounting records and related financial information, including minutes of management meetings, which we need to perform the Services. You will provide us with all information and explanations relevant to the purpose and compilation of the financial information or statements, and you will disclose to

us all relevant information in full.

2.2.2. You are responsible for ensuring that, to the best of your knowledge and belief, financial information, whether used by the business or for the financial information or statements, is accurate and complete. You are also responsible for ensuring that the activities of the business are conducted honestly, and for safeguarding your assets and for taking reasonable steps to prevent and detect fraud and other irregularities.

2.2.3. You will approve and sign the financial information or statements to acknowledge responsibility for it, including the appropriateness of the accounting basis and for providing us with all information and explanations necessary for its compilation.

2.2.4. You are responsible for ensuring that you comply with the laws and regulations that apply to your activities, and for preventing and detecting non-compliance.

2.2.5. We may have a professional duty to compile financial information that conforms to the generally accepted accounting principles selected by management as being appropriate for the purpose for which the information is prepared. If so, the accounting basis on which the information has been compiled, its purpose and limitations will be disclosed in an accounting policy note to the financial information and will be referred to in our accountants' report.

2.3. Income tax payable on business profits

2.3.1. When requested to provide these services in an Engagement Letter, we will:

2.3.1.a. Prepare the income and expenditure account of your business and the income tax computations with all supporting schedules and, if necessary, amended returns, based on it from your accounting records and other information and explanations you have provided;

2.3.1.b. Advise you on the adequacy of your records for this purpose but we will not carry out an audit of

those records;

- 2.3.1.c. Make the relevant tax calculation from the accounting records prepared by us and other information and explanations provided by you and advise you as to amounts of corporation tax to be paid and the dates by which you should make the payments, and if appropriate we will initiate repayment claims when tax appears to have been overpaid;
- 2.3.1.d. Advise you as to claims and elections arising from the tax return 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 HM Revenue & Customs;
- 2.3.1.e. Forward to you the tax return and supporting schedules for your approval and signature. By signing those documents, you will take responsibility for their content. Once the return has been approved and signed and returned to us, we will submit it, with the accounts and computations, to HM Revenue & Customs;

- 2.3.1.f. Agree with HM Revenue & Customs the company's liability to income tax and attend to notices of assessment, lodging appeals against incorrect assessments as appropriate; and
- 2.3.1.g. Deal with all communications relating to the company's tax return addressed to us by HM Revenue & Customs or passed to us by the company.
- 2.3.2. Failure to meet the deadlines by which returns and payments must be made may result in automatic penalties, surcharges and/or interest. You are legally responsible for making correct returns and for payment of tax on time.
- 2.3.3. If you are a partnership or LLP, we will advise all the partners or members who were partners or members in the firm during the period of their respective shares of the firm's total income, gains, losses, tax credits and charges so that they can file their personal self-assessment tax returns within the relevant time period.

3. All clients

3.1. Accounting services

3.1.1. We have a professional responsibility not to allow our name to be associated with financial information or statements which we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial information or statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial information or statements. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial information or statements is or are misleading, we will withdraw from the engagement.

3.1.2. 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.

3.2. Tax returns:

- 3.2.1. To enable us to perform the Services, you agree to:
 - 3.2.1.a. Fully disclose to us all sources of income, charges, allowances, significant transactions and changes in your circumstances, as well as the full information necessary for dealing with the company's affairs (we will rely on the information and documents being true, correct and complete and will not audit the information or those documents);
 - 3.2.1.b. Respond quickly and fully to our requests for information and other communications. Where the delay in providing the information requested affects our ability to complete our work in a timely manner, we reserve the right to increase our fee;

- 3.2.1.c. Provide us with information in sufficient time for the company's tax returns to be completed and submitted by the due date following the end of the relevant accounting period;
- 3.2.1.d. Forward to us on receipt copies of notices of assessment, agreements, statements of account, PAYE coding notices and other communications received from HM Revenue & Customs.
- 3.2.2. You give us authority to correct HM Revenue & Customs' errors, even if doing so results in correction of an error made in your favour.
- 3.2.3. You agree that we can approach third parties as may be appropriate for information that we consider necessary to deal with the your affairs.

3.3. General Tax Advice and Other Taxation Services

- 3.3.1. We will be pleased to assist you generally in tax matters if you request us to. To enable us to do this, you will need to instruct us in good time and we may need to issue a separate Engagement Letter.
- 3.3.2. Because tax rules often change, you must ask us to look again at the tax advice we have already given you if a transaction is delayed, or if you are to make an apparently similar transaction.
- 3.3.3. We will confirm in writing advice upon which you may wish to rely.

3.4. Excluded Services

- 3.4.1. Unless otherwise specified in an Engagement Letter, you will continue to deal with all matters required by law, such as:
 - Pay As You Earn, including year-end returns P35/P14/P60;
 - forms P11D;
 - returns for subcontractors;
 - forms CT61;

- tax credit claims; and
 - VAT returns.
- 3.4.2. We will be pleased to advise on any of these or other tax matters if so requested.
- 3.5. Emails**
- 3.5.1. Unless you advise us otherwise, we will assume that we have your consent to communicate with you by email to an email address provided by you. Where we communicate with you by email, you warrant that the email address details that you give us are accurate, and that you are responsible for the messages sent from and received at that address. As with any other means of delivery this carries with it the risk of inadvertent misdirection or non-delivery. It is the responsibility of the recipient to carry out a virus check on any attachments received. If you do not wish us to use an email address provided by you to communicate with you, please advise us in writing.
- 3.5.2. Internet communications may be corrupted, and, we accept no responsibility for changes to such communications after their despatch. It may therefore be advisable to get written confirmation of advice provided by email. We do not accept responsibility for any errors or problems that may arise through the use of the Internet, and you must accept all risks connected with sending commercially sensitive information relating to you or your business. If you do not accept this risk, you should notify us in writing that communication by email is not acceptable to you.
- 3.6. Fees**
- 3.6.1. Our final fee will depend on the time spent completing the work by partners and staff of this practice, which will be charged at the prevailing hourly rates. Our fee will be billed at the end of the month in which our work is completed.
- 3.6.2. Our invoices are subject to VAT at the standard rate and each is payable within 30 days of the date on the invoice. Any disagreement or dispute relating to the invoice issued must be communicated in writing to us within 30 of the date on the invoice.
- 3.6.3. Balances outstanding beyond this period are, at our discretion, subject to an interest charge pursuant to the Late Payment of Commercial Debts (Interest) Act 1998, at the rate of 8% above the official dealing rate of the Bank of England per annum.
- 3.6.4. If any fee is outstanding for 90 days or more, in the following year we will require 75% of the fee in advance of the work starting.
- 3.6.5. We have quoted based on the work required, including any necessary meetings, being completed at our offices. In the event that you request a meeting at your offices, we will charge for the travel time at the prevailing staff hourly rates and any reasonable disbursements incurred in meeting your requirements.
- 3.6.6. Our fee quote is based on the timely provision of accurate and complete information. In the event that data is not provided in this way, we reserve the right to revise the quote. In this event, we will

make all reasonable efforts to explain why is revision is necessary, so that cost increases can be restricted in future years. In the event that the complete information that we require to finish our work is not received within 6 months of the accounting reference date each year, we reserve the right to apply a fixed percentage increase to the fee depending on the date when the required information is received. The percentages vary periodically and are available from our offices on request.

- 3.6.7. If you terminate the contract, we reserve the right to raise an invoice to you for any costs that have been incurred on your account that have not been invoiced on the date of termination, together with any reasonable costs incurred in assisting you in transfer of the services.

3.7. Period of Engagement

- 3.7.1. This Agreement will remain effective from the date of signature of the Engagement Letter until it is replaced, expires or is otherwise terminated. This Agreement supersedes any previous Agreement for the period covered. You or we may agree to vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing.

3.8. Let Us Know How We Can Improve our Service to You

- 3.8.1. We wish to provide a high quality of service at all times. If you wish to discuss with us how we could improve our service, or if you are dissatisfied with the service you are receiving please let us know by contacting Andrew Haggard. We will look into any complaint carefully and promptly and 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 of course refer the matter to the Institute of Chartered Accountants in England and Wales.

- 3.8.2. As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as our principal and staff.

3.9. Limitation of liability

- 3.9.1. The advice that we give to you is confidential to you and for your sole use. Our work and advice are not to be made available to third parties without our written permission, unless there is a legal or regulatory requirement to do so. We will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them. Our advice does not constitute advice to any third party to whom you may communicate it.
- 3.9.2. We will provide the professional services outlined in this Agreement with reasonable care and skill. However, to the fullest extent permitted by law, 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 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.

3.9.3. You will not hold us, our partners and/or 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 the Services or this Agreement of engagement. You will not bring any claim in connection with Services against any of our partners or employees personally.

3.9.4. You will indemnify us for all costs, actions, claims, losses, damages and expenses (including reasonable legal fees and expenses) incurred by us as a direct result of any misrepresentation made to us by you, your directors, partners or members.

3.10. Our Compliance with Various Regulations

3.10.1. 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, your partners, directors, officers, employees, advisers and contractors. You have a right of access, under data protection legislation to the personal data that we hold about you. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Andrew Haggard.

3.10.2. We are a Member of the Institute of Chartered Accountants in England and Wales. A list of our partners can be found at www.haggards.co.uk. We will observe the bye-laws, regulations and ethical guidelines of the Institute of Chartered Accountants in England and Wales and accept instructions to provide services to you on the basis that we will act in accordance with them. You can see copies of these requirements in our offices. The requirements are also available on the internet at www.icaew.com/membershandbook.

3.10.3. In some circumstances we or one of our associates may receive commissions or other benefits for introductions to other professionals or transactions we or such associates arrange for you. In this case, we will notify you in writing of the amount, the terms of payment and receipt of any such commissions or benefits. The fees you would otherwise pay to us will not be reduced by such amounts. Provided that we comply with the terms of this paragraph, you agree that we, or our associates, can retain the commission or other benefits without being liable to account to you for any such amounts.

3.10.4. We may, from time to time, hold money on your behalf. The 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 and Wales. All client monies will be held in an interest-bearing account. To avoid excessive administration, interest will only be paid to you where the amount earned on the balances held on your behalf in any calendar year exceeds £25.00. 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 we will put the money in a designated interest-bearing client bank account and pay the interest to you. Subject to any tax legislation, interest will be paid gross.

3.10.5. During our work we will collect information from you and others acting on your behalf and will return any original documents to you following completion of the relevant aspect of the Services. You should retain them for 6 years from the 31 January following the end of the accounting or tax year, as the case may be. You should retain them for longer if HM Revenue & Customs enquire into your tax return.

3.10.6. Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that are more than seven years old, except documents we think may be of continuing significance. You must tell us if you wish us to keep any document for any longer period.

3.10.7. 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, provided 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. We will notify you immediately should we become aware of any conflict of interest involving us and affecting you.

3.10.8. Nothing in this Agreement is intended to confer a benefit on any third party. A person who is not party to this Agreement shall have no right 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.

3.10.9. This Agreement 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 the Agreement and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.