

The following standard terms of business apply to all engagements accepted by **D Inglis Ltd t/a Inglis Chartered Accountants**.

All work carried out is subject to these terms except where changes are expressly and specifically agreed in writing.

1. Your responsibilities

1.1 You will, at all times, retain full responsibility for the management of your business, including taking decisions about whether to follow any advice given by us. You will provide us with complete, accurate and timely information in relation to the services that we are to provide.

2. Professional obligations

2.1 We will observe the bylaws, regulations and ethical guidelines of the Institute of Chartered Accountants of Scotland and accept instructions to act for you on the basis that we will act in accordance with those guidelines. In particular you give us the authority to correct errors made by HMRC 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.

2.2 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.

2.3 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.

2.4 If we can adopt safeguards to protect your interests where a conflict exists, we will do so; where possible this will be done with your informed consent. We reserve the right to act for other clients whose interests may be different or adverse to yours subject of course to maintaining confidentiality.

2.5 Where conflicts are identified which we cannot manage in a way that protects your interests then we regret that we will be unable to provide further services

3. Investment services

3.1 We are not authorised by the Financial Services Authority to conduct Investment Business. If you require investment business services we will refer you to a firm authorised by the Financial Services Authority.

4. Commissions or other benefits

4.1 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 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.



5. Confidentiality

5.1 Communication between us is confidential and we shall take all reasonable steps to keep confidential your information except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

5.2 We may, on occasion, subcontract work on your affairs to other tax, accounting or advisory professionals. The subcontractors will be bound by our client confidentiality terms. In line with professional guidance, an alternate may have access to your contact details to help ensure continuity of service in the event of serious business interruption such as incapacity. Such an alternate will be bound by professional rules and guidance on confidentiality.

5.3 We reserve the right, for promotional activity, training or for other business purpose, to mention that you are a client. We will not disclose any confidential information.

6. Fees

6.1 Our fees are calculated on the basis of the time spent on your affairs and on the levels of skill or responsibility involved and the importance and value of the advice that we provide, as well as the level of risk. If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.

6.2 We strive to maintain client service at all times including during our busiest period, which is between 1 November and 31 January each year. To help us maintain service levels we may specify a delivery date for information that we need from you. Where this is the case and information is delivered late for work to be completed by 31 January we reserve the right to add a late delivery charge to your bill at the rate of £100 per month.

6.3 Our invoices will be due for payment within 14 days unless section 6.11 applies.

6.4 Our fees are exclusive of VAT, which will be added where it is chargeable. Where relevant, any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices in addition to our fees.

6.5 Some clients may opt to pay our estimated fee by standing order through twelve equal monthly instalments instead of being invoiced as work proceeds. In this case our work will commence only following receipt of the first instalment. Should additional fees or costs be incurred a separate invoice will be raised which will be payable separately on receipt.

6.6 If we need to do work outside the responsibilities outlined in our engagement letter, we will advise you in advance. This may involve additional fees. Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.

6.7 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.

6.8 If you do not accept that an invoiced fee is fair and reasonable you must notify us within 14 days of receipt, failing which you will be deemed to have accepted that payment is due.

6.9 If a client company, trust or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual (or parent company) giving us instructions on behalf of the client and you agree that we shall be entitled to enforce any sums due against the Group Company or individual nominated to act for you.

6.10 Where fees are not received in accordance with the agreed payment terms, we reserve the right to suspend work, claim interest and take legal action to recover outstanding fees.

6.11 We reserve the right not to file accounts or tax returns if our fee has not been paid. This may result in penalties and interest being charged. This overrides our normal payment terms of 14 days from invoice date, as outline in section 6.3.

6.12 In the event of us being engaged to carry out work within 1 month of a filing deadline we reserve the right to request for payment in full and prior to commencement of work.

7. Working papers and retention of papers for tax purposes

7.1 We retain copyright in all material provided to you or otherwise generated in the course of our engagement. You shall keep confidential any methodologies used by us in the engagement.

7.2 You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to those affairs. We will return any original documents to you if requested.

Documents and records relevant to your tax affairs are required by law to be retained for the following minimum periods and for longer if HMRC enquire into your tax affairs:

- *Individuals, trustees and partnerships:*
 - o with trading or rental income: 5 years and 10 months after the end of the tax year;
 - o otherwise: 22 months after the end of the tax year;
- *Companies:*
 - o 6 years from the end of the accounting period.

7.3 Whilst certain documents may legally belong to you we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than 7 years old. You must tell us if you require the return or retention of any specific documents for a longer period.

8. Quality control

8.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality review, normally by The Institute of Chartered Accountants of Scotland. They are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals, staff and sub-contractors.

9. Help us to give you the right service

9.1 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, as soon as possible.

9.2 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 of Scotland.

9.3 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.

9.4 In addition this agreement may be terminated for any reason if 21 days' notice is given.

10. Applicable law

10.1 These terms and conditions are 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 our engagement letter and terms of business and any matter arising from or under 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. 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.

10.2 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.

11. Electronic and other communication

11.1 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means including issuing electronic forms such as P60s. The recipient is responsible for virus checking emails and any attachments.

11.2 With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications corrupted or altered after despatch. We cannot accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs. If you do not wish to accept these risks please tell us and we will communicate by paper mail, except where electronic submission is mandatory.

11.3 Any communication by us with you sent through the postal system is deemed to arrive at your postal address two working days after the day that the document was sent.

12. Data Protection Act 1998

12.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, 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 Mr Donald Inglis.

13. Contracts (Rights of Third Parties) Act 1999

13.1 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.

13.2 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.

14. Client identification, Proceeds of Crime Act 2002 and Money Laundering Regulations 2007

14.1 In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 (POCA) and the Money Laundering Regulations 2007 to:

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

14.2 In order to fulfil our client identification responsibility, we may request from you, and retain, such information and documentation as we require and/or make searches of appropriate databases.

14.3 We are required by the POCA to report to the Serious and Organised Crime Agency (SOCA) if we know or suspect that you or anyone connected with your business is or has been involved in money laundering. Money laundering is widely defined in the POCA and includes such crimes as deliberate tax evasion, deliberate failure to inform the tax authorities of known underpayments or excessive repayments, fraudulent claims of benefits or grants or obtaining a contract through bribery.

14.4 We are required to make such a report to SOCA without your knowledge or consent. We would not discuss such a report with you, as in doing so we may be guilty of the criminal offence of tipping off.

15. Reliance on advice

15.1 We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if you wish to rely on oral advice (e.g. from a meeting or telephone conversation), you must ask us to confirm the advice in writing.

16. Advisory services

16.1 We would be pleased to discuss other services where we may be able to help you. These include advice on:

- (a) tax including ad hoc advice or planning;
- (b) financial systems and controls and corporate governance;
- (c) financial control weaknesses – risks, identification, investigation and rectification;
- (d) business strategy and planning and profitability improvement;
- (e) managing organisational change; or
- (f) investigations and reports for special purposes, e.g. business acquisitions, funding applications, investment appraisal or examination of specific aspects of your business;

17. Tax compliance work and tax return filing positions

17.1 Tax compliance work is limited to advising on compliance, rather than on tax efficiency. Where it comes to our attention that a more efficient option might be available we will tell you. For compliance only clients, advisory work on tax efficiency will usually be subject to a separate engagement letter and a separate fee.

17.2 As well as having a duty to you, we have a duty to the tax system. Our duty to you includes to assist you to pay no more tax than is legally owed.

17.3 A self-assessment tax return remains primarily the taxpayer's representation of the facts, and you have final responsibility for positions taken on the return.

17.4 Should we recommend a tax return filing position that we believe is tenable (i.e. that may be advanced in good faith and is supported by reasoned technical argument) we will advise you as to the appropriate disclosure and associated risks.

17.5 When advising on a filing position we will advise you on potential penalty consequences where relevant, and on the opportunity, if any, to reduce the risk of such penalties through disclosure.

17.6 When recommending a filing position, we have both the right and responsibility to be your advocate with respect to that position.

18. Internal disputes within a client

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

19. Lien

19.1 Insofar as we are permitted to so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

20. Limitation of liability

20.1 We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default.

20.2 We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are due to the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or to a failure to act on our advice or to provide us with relevant information.

20.3 We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.

20.4 We will not be liable to you for any delay or failure to perform our obligations under these terms and conditions if the delay or failure is caused by circumstances outside our reasonable control.

20.5 You agree to indemnify us and our agents in respect of any claim (including for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates of £50 / hour for the time that we spend in defending it.

20.6 You agree that you will not bring any claim of a kind that is included within the subject of the limit against any of our employees on a personal basis.

21. Limitation of Third Party rights and Contracts (Rights of Third Parties) Act 1999

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

21.2 Only someone who is a party to this agreement has the right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms. This clause does not affect any right or remedy that exists independently of the Act.

22. Period of engagement and termination

22.1 Unless otherwise agreed in the engagement letter our work will begin when we receive your implicit or explicit acceptance of that letter and will be with regard to the period(s) stated in the engagement letter. Except as stated in that letter we will not be responsible for work in relation to earlier periods.

22.2 Each of us may terminate this agreement by giving 21 days notice in writing to the other except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us.

22.3 In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

23. Confirmation of your agreement of terms and your right to cancel

23.1 We request that you confirm your agreement to these terms and conditions, the relevant schedules of service and the engagement letter (if issued) by signing and returning a copy of these terms and conditions or engagement letter.

23.2 If the engagement letter, schedule of services and terms of business are not in accordance with your understanding of our terms of appointment, please let us know.

23.3 If you fail to return a signed copy of the engagement letter (or terms and conditions) but proceed with any of the services offered, then this will be taken to indicate your agreement of all the terms therein and they will take immediate effect.

23.4 If you would like to cancel the engagement you have the right to do so by notifying us within seven days of your acceptance of these terms. We will not start work during the seven-day cancellation period unless you specifically agree to compensate us for any work done during that period, should you cancel the contract.

24. Disengagement

24.1 Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. Should we have no contact with you for two years or more we may issue to your last known address a disengagement letter and hence cease to act.