

## Standard terms of business

### 1 Professional obligations

- 1.1 Details of the firm's professional registrations can be found at [www.kingsmill.co.uk](http://www.kingsmill.co.uk).
- 1.2 We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and Wales together with their ethical code referred to above. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HM Revenue and Customs where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.
- 1.3 We are registered to carry out audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details of our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference C008363043.

### Professional indemnity insurance

- 1.4 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Allied World Assurance Company (Europe). The address is King James VI Business Centre, Riverview Business Park, Friarton Road, Perth, PH2 8DY. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

### 2 Investment services

- 2.1 Since we are not authorised by the Financial Services Authority then we may have to refer you to someone who is authorised if you need advice on investments. However, as we are licensed by the Institute of Chartered Accountants in England and Wales, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.
- 2.2 Such advice may include:
  - 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 letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000;
  - advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
  - advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
  - assist you in making arrangements for transactions in investments in certain circumstances; and
  - manage investments or act as trustee (or power of attorney) where decisions to invest are taken on the advice of an authorised person.
- 2.3 In the event of corporate client (and possibly director), 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 unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme in respect of exempt regulated activities undertaken.

## taking care of business

+ Chartered Accountants  
Business Advisers  
Statutory Auditors  
Chartered Tax Advisers

### + office

75 Park Lane  
Croydon  
Surrey  
CR9 1XS

t: 020 8686 7942  
f: 020 8667 0909  
e: [info@kingsmill.co.uk](mailto:info@kingsmill.co.uk)

### + partners:

Ketan Kamdar FCCA ACA CTA  
Priyesh Shavdia FCCA  
Romit Basu FCA  
Richard Clarke FCA  
Laura Dutton BA(Hons) ACCA

### + consultant:

Paul Taylor BSc FCA

Registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

Registered with The Chartered Institute of Taxation as a firm of Chartered Tax Advisers.



## ***Financial Promotions***

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

## **3 Commissions or other benefits**

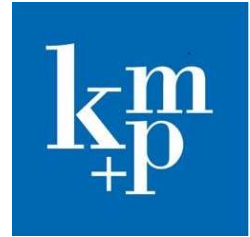
- 3.1 In some circumstances, we may receive commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits. The same will apply where the payment is made to or the transactions are arranged by a person or business connected with ours. The fees you would otherwise pay will not be reduced by the amount of the commission or benefits.

## **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 and Wales. However, we will only open a designated account on your behalf if expressly asked to do so.
- 4.2 To avoid excessive 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 Royal Bank of Scotland for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 4.3 If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.
- 4.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed and the client to which they relate has remained untraced for five years or we as a firm cease to practice, then we may pay those monies to a registered charity.

## **5 Fees**

- 5.1 Our fees are computed on the basis of time spent on your affairs by the principals and our staff 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 this letter, we will advise you in advance. Any additional work will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc are completed to the agreed stage.
- 5.3 Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice.
- 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 in this letter of engagement 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 We reserve the right to charge interest on overdue account 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. We accept Settlement of fees by certain credit cards.



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

## **6 Retention of and access to records**

- 6.1 You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we may collect information from you and others relevant to your tax and financial 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 as follows:

Individuals, trustees and partnerships:

- With trading or rental income: 5 years and 10 months after the end of the tax year;
- Otherwise: 22 months after the end of the tax year;

Companies, Limited Liability Partnerships, and other corporate entities:

- 6 years from the end of the accounting period;

- 6.2 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

## **7 Conflicts of interest and independence**

- 7.1 We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client unless we are unable to do so because of our confidentiality obligations. We have safeguards that can be implemented to protect the interest of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.
- 7.2 If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. We reserve the right to provide services for other clients whose interests are not the same as yours or are adverse to yours subject of course to the obligations of confidentiality referred to below.

In resolving the conflict, we would be guided by the Code of Ethics of the Institute of Chartered Accountants in England and Wales which can be viewed at:

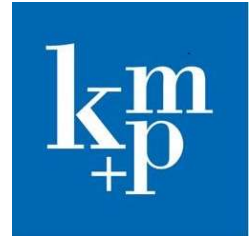
[http://www.icaew.com/index.cfm/route/143703/icaew\\_ga/en/Members/Support/Professional\\_conduct/Members\\_Handbook/Members\\_handbook](http://www.icaew.com/index.cfm/route/143703/icaew_ga/en/Members/Support/Professional_conduct/Members_Handbook/Members_handbook), Section 3.3.

## **8 Confidentiality**

- 8.1 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, or 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.
- 8.2 We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.
- 8.3 We reserve the right, for the purpose of promotional activity, training or for other business purposes, to mention that you are a client. As stated above, we will not disclose any confidential information.

## **9 Quality control**

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



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

- 10.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by contacting Romit Basu or Ketan Kamdar on 020 8686 7942.
- 10.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales.
- 10.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
- Your insolvency, bankruptcy or other arrangement being reached with creditors;
  - Failure to pay our fees by the due dates;
  - Either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

## **11 Applicable law**

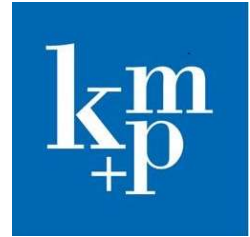
- 11.1 Our engagement letter, the schedule of services and our standard terms and conditions of business are governed by, and construed in accordance with, English law. Each part agrees that the Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it on any basis. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.
- 11.2 If any provision in this Standard Terms of Business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

## **12 Electronic and other communication**

- 12.1 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments.
- 12.2 With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning 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 which are corrupted or altered after dispatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks that you must bear in return for greater efficiency and lower costs. If you do not wish to accept these risks, please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.
- 12.3 Any communication by us with you sent through the post system is deemed to arrive at your postal address two working days after the day that the document was sent.

## **13 Data Protection Act 1998**

- 13.1 We confirm that we will comply with the provisions of the Data Protection Act 1998 when processing personal data about you and your family. In order to carry out the services under our engagement letter and for related purposes such as updating and enhancing our client records, analysis for management purposes and statutory returns, legal and regulatory compliance and crime prevention we may obtain, process, use and disclose personal data about you.



**14 Contracts (Rights of Third Parties) Act 1999**

- 14.1 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.
- 14.2 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.

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

- 15.1 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
- 15.2 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.
- 15.3 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.

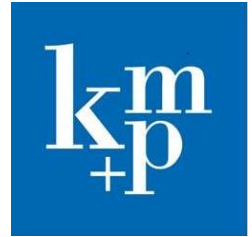
This definition is very wide and would include such crimes as:

- 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.

**16 General Limitation of liability**

- 16.1 We will provide services as outlined in this letter with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our wilful default. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act or on our advice or respond promptly to communications from us or the tax authorities.
- 16.2 You will not hold us, our principal(s) and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services we provide to you against any of our partners or employees personally.
- 16.3 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.
- 16.4 We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.



- 16.5 We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given.