

TERMS AND CONDITIONS

The following terms of business apply to all engagements accepted by Blackthorns. All work is carried out under these terms except where changes are expressly agreed in writing.

16 July 2018

1. Professional rules and statutory obligations

1.1 We will observe and act in accordance with the bye-laws, regulations and code of ethics of the Institute of Chartered Accountants in England and Wales and will accept instructions to act for you on this basis. In particular you give us authority to correct errors made by H M Revenue & 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. You can see copies of these requirements in our office. The requirements are also available on the internet at www.icaew.com/en/members/regulations-standards-and-guidance.

2. Confidentiality

2.1 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 our engagement.

2.2 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.

2.3 We reserve the right, for the purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

CHARTERED
ACCOUNTANTS
AND REGISTERED
AUDITORS

DIRECTORS

Mrs K.A. Turner
F.C.A., F.C.C.A.

Miss V. Brassington
F.C.A.

Ms. M. R. Samms

P. Rayney
C.T.A. (Fellow)
F.C.A., T.E.P.

CONSULTANT

J Khunkun

Blackthorns is a
trading name of
Blackthorns House
Limited

Registered to carry
on
audit work in the
UK
and Ireland and
regulated for a
range of
investment
activities
by the
Institute of
Chartered
Accountants in
England
and Wales

Registered in
England
and Wales No.
07182619
Registered Office:
80-82 Dudley Road
Lye
Stourbridge
West Midlands
DY9 8ET

3. Conflicts of interest

3.1 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 interests 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.

3.2 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 above.

4. Internal disputes within a client

4.1 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the normal correspondence address for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/proprietors in the business we will refer the matter back to the board of directors/partnership and take no further action until the board of directors/partners has/have agreed the action to be taken.

5. Retention of papers

5.1 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 and accounting affairs should be retained as follows:

5.2 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.

6. Lien

6.1 Insofar as we are permitted to 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.

7. Implementation

7.1 We will only assist with implementation of our advice if specifically instructed and agreed in writing.

8. Electronic and other communication

8.1 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.

8.2 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 despatch. 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 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.

8.3 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.

9. Reliance on advice

9.1 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 we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to rely on that advice, you must ask for the advice to be confirmed by us in writing.

10. General limitation of liability

10.1 We will provide services as outlined in our engagement letters with reasonable care and skill. We will provide those services under our engagement letter for your benefit only. 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 on our advice or respond promptly to communications from us or the tax authorities. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control.

10.2 You will not hold us, our (principal(s)/director(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 agree that you will not bring any claim in connection with services we provide to you against any of our directors or employees personally.

10.3 Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission.

11. Limitation of third party rights

11.1 The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is

not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

12. Quality control

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

12.2 When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all the necessary information in a timely manner. For more information about ‘Your Charter’ for your dealings with HMRC, see www.hmrc.gov.uk/charter/index.htm. To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

12.3 We will take account of the steps and checks suggested by HMRC in their ‘Agent Toolkits’. While use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that HMRC consider any of your tax returns with which we assist to be inaccurate, we will be able to help you demonstrate to HMRC that reasonable care has been taken in the preparation of the return, thereby significantly reducing the possibility of any inaccuracy penalty being imposed. To further reduce the possibility of an inaccuracy penalty, you will remain responsible for maintaining good quality supporting records for each return, for providing us with all relevant information and explanations and for acting on any advice that we give you.

13. Help us give you the best service and complaints procedure

13.1 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 Karen Turner or Vicky Brassington.

13.2 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.

13.3 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. Therefore, we 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.

14. Intellectual property rights

14.1 We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

15. Investment services

15.1 If, during the provision of professional services to you, you need advice on investments, we may have to refer you to someone who is authorised by the Financial Conduct Authority (FCA), as we are not. 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.

15.2 Such services may include:

- advice on investments generally, but not recommendation of a particular investment or type of investment;
- advice in connection with the disposal of an investment, other than your rights in a pension policy or scheme;

- advice and assistance in transactions concerning shares or other securities not quoted on a recognised exchange;
- assistance in making arrangements for transactions in investments in certain circumstances; and
- assistance in managing investments or acting as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

15.3 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.

15.4 If, during the provision of professional services to you, you need advice on investments, we may refer you to a permitted third party (PTP) (an independent financial adviser who is authorised and regulated by the Financial Conduct Authority). We may comment on or explain advice given by them but we will not make alternative recommendations. The PTP will issue you with their own terms and conditions letter, will be remunerated separately for their services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000.

15.5 In some circumstances introductory commissions may become payable to us in respect of introductions we make, in which case you will be notified in writing of the amount and terms of payment. We will account to you for the amount of such commission.

You have the right to require us to remit the amounts of the commission to you and we may only deal with these amounts otherwise on your express written consent.

15.6 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 of 8.00am to 6.00pm. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

15.7 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 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 in respect of exempt regulated activities undertaken.

15.8 If we receive or hold any property other than clients' money (for example, share certificates) on your behalf in connection with exempt regulated activities, we will give you a receipt for such property and retain it in safe keeping.

16. Client money

16.1 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.

16.2 All client monies will be held in an interest-bearing account. All interest earned on balances held on your behalf will be paid to you. 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.

16.3 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 held on your behalf remain in our client account unclaimed and if we are unable to trace you for a period of five years or if we as a firm cease to practise then we may pay those monies to a registered charity.

17. Commissions or other benefits

17.1 In some circumstances we may receive commissions or other benefits for introductions to other professionals or transactions we 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.

18. Data Protection Act 2018

18.1 We confirm that we will comply with the provisions of the Data Protection Act when processing personal data about you. In order to carry out the services under the 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.

19. Client identification

19.1 In common with other professional services firms, we are required 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.

19.2 If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.

20. Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards

20.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with International Tax Compliance (United States of America) Regulations 2013, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HM Revenue & Customs.

20.2 However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or Common Reporting Standards.

21. Fees

21.1 Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.

21.2 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.

21.3 Where requested we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

21.4 We will bill you, at intervals agreed with you, and our invoices will be due for payment within 30 days of issue. Our fees are exclusive of VAT which will be added where it is chargeable. 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 where appropriate.

21.5 Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.

21.6 We reserve the right to charge interest on late paid invoices at the applicable rate (currently 8%) above bank base rates under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees billed is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

21.7 If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.

21.8 In the event that this firm ceases to act for you, you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

22. Disengagement

22.1 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 a year or more we may issue to your last known address a disengagement letter and hence cease to act.

23. Termination of engagement

23.1 Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except:

- where you fail to cooperate with us; or
- we have reason to believe that you have provided us or H M Revenue & Customs with misleading information;
- in accordance with paragraph 13.3 above,

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 prior to termination.

23.2 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.

24. The Provision of Services Regulations 2009

24.1 We confirm we are Statutory Auditors eligible to conduct audits under the Companies Act 2006. When conducting audit work we are required to comply with the Ethical Standards for Auditors which can be accessed on the internet at <http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Ethical-standards-for-auditors.aspx>. We are registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details of our audit registration can be viewed at www.auditregister.org.uk for the UK and www.cro.ie/auditors for Ireland under reference number C003425824.

24.2 Our professional indemnity insurer is Royal Sun Alliance (RSA) Head office is: 20 Fenchurch Street, London, EC3M 3AU.

25. Applicable law

25.1 Our engagement and our standard terms and conditions of business are governed by, and should be construed in accordance with, English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and our standard terms and conditions of business and any matter arising from them on any basis. Each party irrevocably waives any right 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.

25.2 If any provision in this Standard Terms of Business or any associated engagement schedules, 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.

26. Interpretation

26.1 If any provision of our engagement letter or terms of business is held to be void, then that provision will be deemed not to form part of this contract. 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.