

**DARNELLS – STANDARD TERMS OF BUSINESS
(GENERAL TERMS & CONDITIONS)**

1 Applicable law

- 1.1 The engagement letter 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 this engagement (including the firm's terms of business) 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.
- 1.2 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.
- 1.3 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.

2 Quality of service

We aim to provide you with a fully satisfactory service that is both efficient and effective. If at any time you would like to discuss with us how our service could be improved, or if you are dissatisfied with the service you are receiving, please contact your engagement partner either by telephone or in writing. We undertake to look into any complaint carefully and promptly and to 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 (ICAEW) by whom we are regulated.

3 Client monies

- 3.1 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 ICAEW.
- 3.2 All client money will be held in an interest-bearing account. In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by Barclays Bank Plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 3.3 If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.
- 3.4 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 whom they relate has remained untraced for five years or we as a firm cease to practise then we may pay those monies to a registered charity.

4 Investment advice – exempt regulated activities

4.1 Although we are not authorised by the Financial Conduct Authority to conduct Investment Business, we are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.

4.2 Such assistance may include the following:

- advising you on investments generally, but not recommending a particular investment or type of investment;
- referring you to a Permitted Third Party (PTP) (Darnells Wealth Management Limited (DWM), a firm authorised by the FCA in which we have a financial interest) and assisting you and DWM during the course of any advice given by DWM. This may include comment on, or explanation of, the advice received (but we will not make alternative recommendations). DWM 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. The firm may receive commission from such an introduction, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction.
- advising on the sale of a contractually based investment other than disposing of any rights or interests which you may have as a member of a personal pension scheme;
- advising and assisting you in transactions concerning shares or other securities not quoted on a recognised exchange;
- 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;
- other [as appropriate].

4.3 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 valuation and methods;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of the new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

4.4 If you are dissatisfied in any way with our services described in this section, you should follow the procedures set out in the "Quality of Service" section above. 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.

5 Retention of and access to records

5.1 Legally you are required by HM Revenue & Customs to retain **all** records which include prime records ie. till rolls, diaries, estimates, etc. for six years. If you wish to destroy any paperwork at all, then you must contact us first to confirm you are allowed to do so.

- 5.2 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your accounts and any returns
- 5.3 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

6 Proceeds of Crime Act 2002 and Money Laundering Regulations 2007

- 6.1 In common with all accountancy and legal practices, we are required by the Proceeds of Crime Act 2002 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 relevant legislation and regulations.

7 Electronic communication

- 7.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.
- 7.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

8 Data Protection Act 1998

- 8.1 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. We confirm when processing data on your behalf that we will comply with the relevant provisions of the Data Protection Act 1998. You also confirm that any personal data you provide to us complies with the Data Protection Act 1998. For the purpose of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is our IT Manager.

9 Confidentiality

- 9.1 Where you give us confidential information, we confirm that we shall at all times keep it confidential, other than as required by law, by our insurers, or as provided for in regulatory (including external peer reviews), ethical or other professional statements relevant to our engagement. This will apply during and after this engagement.
- 9.2 We may subcontract our work to other professionals within the sector. Any subcontractors are also bound by our client confidentiality terms.

10 External review

- 10.1 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 us.

11 Professional rules and practice guidelines

We will observe and act in accordance with the bye-laws, regulations and Code of Ethics of the ICAEW and accept instructions to act for you on this basis. 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. You can see copies of these requirements in our offices. The requirements are also available on the internet at www.icaew.com/regulations . We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006.

12 Conflicts of interest

- 12.1 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, subject to our confidentiality clause. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting the company.
- 12.2 If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by our Code of Ethics which can be viewed on the internet at the address above, in part B, sub-section 220.

13 The Provision of Services Regulations 2009

- 13.1 We are registered to carry on audit work in the UK and Ireland by the ICAEW. Details of our audit registration can be viewed at www.auditregister.org.uk for the UK and for Ireland at www.cro.ie/auditors under reference number C005317472.
- 13.2 Our professional indemnity insurers are AIG Europe Limited, of The AIG Building, 58 Fenchurch Street, London EC3A 4AB and Allianz Global Corporate & Specialty of 27 Leadenhall Street, London EC3A \$AB. 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 or Canada.
- 13.3 The professional rules applicable to our audit work are 'Audit Regulations and Guidance' which can be found at www.icaew.com/auditnews . There are also the 'International Standards on Auditing (UK and Ireland)' at www.frc.org.uk/apb/publications/isa.cfm .
- 13.4 The code of conduct to which the firm is subject is the 'Code of Ethics' of the Institute of Chartered Accountants in England and Wales which can be found at www.icaew.com/membershandbook , section 3. For our audit work we are also subject to the 'APB Ethical Standards' at www.frc.org.uk/apb/publications/ethical.cfm .

14 Timing of our services

- 14.1 If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time in order to meet any regulatory deadlines. However, failure to complete our services prior to any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.