

# LAMBERT CHAPMAN LLP

## STANDARD TERMS OF BUSINESS

The following standard terms of business apply to all engagements accepted by Lambert Chapman LLP. All work carried out is subject to these terms except where changes are expressly agreed in writing.

### **1 Professional obligations**

We will observe the Bye-laws, regulations and ethical guidelines of The Institute of Chartered Accountants in England and Wales and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for inspection in our offices.

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.

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 Investment services**

- 2.1 Although we are not authorised by the Financial Services Authority (FSA) to conduct Investment Business, we are licensed by the ICAEW to provide certain limited investment services where these are complimentary to, or arise out of, the professional services we are providing to you. If you require investment business services which we are not authorised to provide, we will refer you to a firm authorised by the Financial Services Authority.

### **3 Commissions or other benefits**

- 3.1 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 in writing 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.

### **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.
- 4.2 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 National Westminster Bank plc 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 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 interest would be calculated using the prevailing rate applied by National Westminster Bank plc. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

### **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 or as a fixed fee as agreed in advance.
- 5.2 If it is necessary to carry out work outside the responsibilities outlined in this letter it 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.

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5.3 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the rate stated on the invoice, which is currently 1% per month *or at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998, whichever is the higher*. Settlement of fees by credit or debit card is accepted.

5.4 Any queries relating to invoices raised must be made in writing within 28 days of the date of the invoice otherwise our fee accounts shall not be brought into question and the charges made by us shall remain valid.

### 5.5 **For Limited Companies Only:**

As directors you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay.

This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound up.

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

6.1 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 financial statements and returns. You should retain these records for six years from the end of the accounting year to which they relate.

6.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than six 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 **Quality control**

7.1 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.

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

8.1 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 telephoning Nigel Whittle, Managing Partner.

8.2 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 in England and Wales.

8.3 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.

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8.4 In addition this agreement may be terminated for any reason if 90 days notice is given.

### **9 Applicable law**

9.1 This engagement letter is 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 this engagement letter and any matter arising from it. 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.

9.2 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.

### **10 Internet communication**

10.1 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.

10.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

### **11 Data Protection Act 1998**

11.1 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: the Partners.

### **12 Contracts (Rights of Third Parties) Act 1999**

12.1 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.

12.2 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.

### **13 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007**

13.1 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.

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- 13.2 We have a duty under s. 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.
- 13.3 The offence of money laundering is defined by s. 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.
- 13.4 We are obliged by law to report any instances of money laundering to SOCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.
- 13.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

### **14 Disability Discrimination Act**

We are committed to ensuring that our clients and employees are not victim to any form of discrimination (as defined under the Disability Discrimination Act) whilst in our offices. Upon receipt from you of reasonable notice of requirements to accommodate the disability of any Person visiting our offices, we will undertake reasonable efforts to ensure that such persons do not suffer discrimination whilst in our offices and make such suitable adjustments as may be necessary to accommodate them.

### **15 Limitation of liability**

- 15.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.
- 15.2 You agree to hold harmless and indemnify us against any misrepresentation, whether 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 provided to you by the firm against any of our employees on a personal basis.
- 15.3 We have drawn your attention to the extent of our liability to you in respect of the professional services set out in this letter. Having considered both your circumstances and our own we have agreed that this firm's aggregate liability, whether to you or any other party, of whatever nature, whether in contract, tort or otherwise, of this firm for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall not exceed (including interest) 15 times the fee.
- 15.4 We acknowledge that the limit in respect of our total aggregate liability will not apply to any acts, omissions or representations that are in any way criminal, dishonest or fraudulent on the part of the firm, its principals or employees.