

All engagements accepted by JRW, Chartered Accountants, are subject to the following standard terms of business unless changes are expressly agreed in writing.

1. Legal Status of JRW, Chartered Accountants

1.1 JRW, Chartered Accountants is a Scottish partnership. The current partners' names and our office addresses are listed on our letterhead and our website www.jrwca.com.

1.2 The firm is registered for VAT under reference number - 902 7209 49.

2. Professional obligations

2.1 We are a member of ICAS and in our conduct are subject to its Code of Ethics which can be found at www.icas.org.uk/Ethics

2.2 Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

2.3 Details of the firm's professional registrations can be obtained from our offices, the addresses of which can be found on our letterhead or by visiting our website www.jrwca.com

3. Audit

3.1 We are a firm of statutory auditors registered to carry on audit work in the UK by ICAS.

3.2 Details about our audit registration can be viewed at www.auditregister.org.uk under reference number 3338.

3.3 The professional rules applicable to JRW as Registered Auditors include:

- Audit regulations: <http://www.icas.org.uk/site/cms/contentviewarticle.asp?article=5440>
- APB International Standards on Auditing (UK and Ireland), Practice Notes, Bulletins and APB Ethical Standards: <https://www.frc.org.uk/Our-Work/Codes-Standards>
- Companies Act 2006: http://www.legislation.gov.uk/ukpga/2006/46/pdfs/ukpga_20060046_en.pdf

4. Professional indemnity insurance

4.1 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Liberty Mutual Insurance (Europe) Limited, 3rd Floor, Two Minster Court, Mincing Lane, London, EC3R 7YE. 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.

5. Fees

5.1 Our fees are calculated on the basis of time spent on your affairs, the levels of skill and responsibility involved the importance and value of the advice provided to you, and the level of risk. In addition we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs. Unless otherwise agreed, our fees will be issued at appropriate intervals during the course of the year and will be due upon presentation.

5.2 If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this. Any additional work will result in additional fees being charged. We would therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.

5.3 If we give you an estimate of our fees for carrying out any specific work, then that estimate will not be contractually binding unless we have explicitly stated that will be the case.

5.4 If we agree a fixed fee with you for providing a specific range of services this will be the subject of a separate agreement. This agreement will set out the period which the fixed fee relates to and the services covered by it.

5.5 Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 21 days of receipt or we shall deem you to have accepted that payment is due.

5.6 Where we have agreed that you will pay us on a standing order basis, we will discuss with you separately the amount and frequency of payments. These standing orders will be applied to fees arising from work agreed in our letter of

engagement for the current and ensuing years. Where a scheduled monthly payment is not made any fees invoiced to you that are outstanding at that time will immediately become due for payment in entirety.

5.7 You may have an insurance policy or membership of a trade or professional body that entitles you to assistance with payment of our fees in some situations. A particular example would be assistance with an investigation by HM Revenue & Customs. Unless you arranged the insurance through us then you will need to advise us of any such cover you have. Please note that you remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

5.8 We reserve the right to charge interest of 2% over base in the case of amounts outstanding for 30 days or more 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. However, it is not our intention to use these rights in a way that is unfair or unreasonable.

5.9 In the event that we cease to act for you then you agree to meet all reasonable costs of providing information to your new advisers.

6. Help us to give you the right service

6.1 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 the partner noted in your engagement letter or one of the other partners as can be found on our letterhead or website.

6.2 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 ICAS.

6.3 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 period of 2 year or more we may issue to your last known address a disengagement letter and hence cease to act.

7. Commissions or other benefits

7.1 In some circumstances, commissions or other benefits may become payable to us or one of our associates in respect of transactions we or such associates arrange for you. If this happens we will notify you in writing of the amount and terms of payment. The fees that would be otherwise payable by you will not be abated by such amounts. You consent to such commission or other benefits being retained by us or, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

8. Client monies

8.1 We may at times hold money on your behalf. Any such money will be held on trust in a client bank account, which is held separately to funds that belong to us. The client bank account will be operated, and all funds dealt with, in accordance with the ICAS Clients' Money Regulations.

8.2 To avoid excessive amounts of administration, interest will only be paid to you if the amount of money held on your behalf is enough to give rise to a significant amount of interest, or is likely to do so. Any such interest would be calculated using the prevailing rate applied by our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

8.3 If the total sum of money held on your behalf exceeds £10,000 for a period of time of 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.

8.4 We will exercise reasonable skill and care to ensure that a fair rate of interest is earned.

9. Retention of and access to records

9.1 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 (and Audit, where applicable) of your accounts and returns. You have a legal responsibility to retain these records. The law requires individuals, trustees and partnerships to keep records in relation to trading or rental income 6 years from the 31 January following the end of the tax year to which they relate. Other records should be kept for 22 months after the end of the tax year they relate to. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.

9.2 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.

10. **Conflicts of interest and independence**

10.1 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. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you.

10.2 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 the ICAS Code of Ethics which can be viewed at www.icas.org.uk/Ethics.

11. **Confidentiality**

11.1 Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Any subcontractors we use will be bound by the same confidentiality requirements.

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. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

13. **Applicable law**

13.1 This engagement letter is governed by, and construed in accordance with, Scots law. The Courts of Scotland 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.

13.2 If any provision in these 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.

14. **Internet communication**

14.1 Unless you tell us otherwise we will at times use email or other electronic means to communicate with you.

14.2 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their dispatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. Unless specifically stated, such communications should not be construed as an offer or acceptance, or to form part of a legally binding contract. Any views expressed in such communications are those of the individual sender, except where the sender specifically states them to be the views of JRW.

14.3 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 email is not an acceptable form of communication and that all relevant communications should be by post.

In accordance with the Data Protection Act 1998 we are required when transmitting personal information (including sensitive data as prescribed by the Act, or personal financial information) to encrypt all email communications to at least the minimum standard of FIPS 140-2.

We may be able to provide you with the means to communicate with us in an encrypted format. If you do not agree to the use of encryption technology when required by law, you should notify us in writing that encrypted email is not an acceptable form of communication and that all relevant communications should be by post.

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

15. Data Protection Act 1998

15.1 To enable us to discharge the services agreed under our engagement, 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 may obtain, use, process and disclose personal data about you / your business / company / partnership / its officers and employees. 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 and any best practice guidance issued by the Information Commissioner's Office (ICO). For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Kevin D Ferguson.

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

16.1 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.

16.2 We are obliged to comply with the terms and conditions of the legislation. We will provide details if requested.

16.3 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.

16.4 We are obliged by law to report any instances of money laundering to NCA 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.

16.5 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.

16.6 We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

17. General limitation of liability

17.1 We will provide services as outlined in this letter with reasonable care and skill. 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.

17.2 You will not hold us, the owners of this firm and any staff employed by the firm, 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 the principals or employees personally.

17.3 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.

18. Use of our name in statements or documents issued by you

18.1 You are not permitted to use our name in any statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.

19. Draft/interim work

19.1 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form. However, final written work products will always prevail over any draft, or interim statements.

20. **Advice**

- 20.1 Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing.
- 20.2 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

21. **Intellectual property rights**

- 21.1 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.

22. **Internal disputes within a client**

- 22.1 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 registered office/normal place of business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/partnership and take no further action until the board/partnership has agreed the action to be taken.

23. **Investment services**

- 23.1 Since we are not authorised by the Financial Conduct 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 of Scotland, 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.

- 23.2 We may therefore be able to:

- 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 FCA), 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 donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

- 23.3 We are not authorised by the Financial Conduct Authority. However, we are included on the Register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by ICAS. The register can be accessed via the Financial Conduct Authority website at www.fca.org.uk/register.

Please read the above standard terms carefully