

## Standard terms of business

### 1 Applicable law

1.1 This 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 the engagement letter (including the firm's standard 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 Client identification

2.1 In common with all accountancy and legal practices, the firm is required by law 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.

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

### 3 Quality of service

3.1 We aim to provide you with a fully satisfactory service and your named engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through them and their team please contact Chris Ketley on 01273 480480. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. We will acknowledge your letter within five business days of its receipt and endeavour to deal with your complaint within eight weeks. 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).

### 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 ICAEW.

4.2 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.

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 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 practise then we may pay those monies to a registered charity.

### 5 Commissions or other benefits

5.1 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 nature of the engagement and professional judgement would determine the frequency and detail required to ensure compliance with our Code of Ethics. 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.

5.2 The following are examples of likely commissions that may be received and the likely amounts. These are examples only, and may not cover all receipts in the future.

Provided service	Type of firm paying commission	Basis of commission	Rate of commission	Frequency
Access to finance portal	Limited company	Fixed % of the commission received by the provider	Up to a maximum of 40%	One-off
Mortgage broker	Limited Company	Fixed % of the commission/fee received by the broker	Up to a maximum of 20%	Over the duration of the client relationship with the broker

5.3 If in the future, abnormally large commissions (for example more than double the largest amount in 5.2) are received which were not envisaged when the engagement letter was signed, we will obtain specific consent to the retention of those commissions.

## 6 Investment advice - exempt regulated activities

6.1 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.

6.2 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) (an independent firm authorised by the FCA) and assisting you and the authorised third party during the course of any advice given by that party. This may include comment on, or explanation of, the advice received (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. 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.

6.3 *For corporate clients only:* 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.

6.4 Where appropriate we may refer you to Knill James Wealth Management Limited for investment advice. This company is a joint venture with Square One Financial Planning (a permitted third party). Knill James LLP has no interest in this company but two members are directors and four members are shareholders.

## 7 Fees and payment terms

7.1 Our fees may depend not only on the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved, but also the level of risk identified and any advice provided. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due within 14 days of presentation.

7.2 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.

## 8 Retention of and access to records

8.1 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 accounts and returns.

8.2 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.

## **9 Electronic communication**

9.1 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.

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

## **10 Data protection**

10.1 To enable us to discharge the services agreed in your engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you / your business / company / partnership / its shareholders / members / officers and employees as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation.

10.2 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

10.3 Our privacy notice, which can be found on our website at [www.knilljames.co.uk](http://www.knilljames.co.uk) explains how we process personal data in respect of the various services that we provide.

10.4 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.

10.5 Data protection legislation and regulation places obligations on you as a data controller where we act as a data processor to undertake the processing of personal data on your behalf, for instance where we operate a payroll service for you. We therefore confirm that we will at all times take appropriate measures to comply with relevant requirements when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.

## **11 Professional rules and practice guidelines**

11.1 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. 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](http://www.icaew.com/regulations).

11.2 We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006. When conducting audit work we are required to comply with the Revised Ethical Standard 2016 and the International Standards on Auditing (UK) which can be accessed on the internet at <https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance.aspx>.

## **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. 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 3, sub-section 310.

## **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](http://www.auditregister.org.uk) for the UK under reference number C005304635.

13.2 Our professional indemnity insurers are; QBE UK Limited of 30 Fenchurch Street, London EC3M 3BD, Arch Insurance of 5<sup>th</sup> Floor, Plantation Place, 60 Great Tower Street, London, EC3R 5AZ and Tokio Marine HCC of Fitzwilliam House, 10 St Mary Avenue, London EC3A 8BF. 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.

#### **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.

#### **15 Use of our name in statements or documents issued by you**

15.1 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.

15.2 The copyright in any document prepared by us belongs to us in entirety unless the law specifically provides otherwise.

#### **16 Interpretation**

16.1 If there is a conflict between your engagement letter schedule and these terms of business then the engagement letter takes precedence.

16.2 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 directly caused by our negligence, fraud or 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 on our advice or respond promptly to communications from us or the tax authorities.

16.3 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.

16.4 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.

16.5 If any provision of this engagement letter or terms of business or its application is held to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of any other provision and its application shall not in any way be affected or impaired.

16.6 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.

16.7 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances. We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.

16.8 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

#### **17 Provision of cloud-based services**

17.1 Where the firm provides accounting software in the Cloud, this will be provided by a third party (the 'Cloud Supplier'). The third party has signed a confidentiality agreement with the firm to ensure compliance with the relevant clauses in the firm's standard terms of business above, in particular, Fees and payment terms (7), Electronic communication (9), and Data protection (10).

17.2 The service provided by the Cloud Supplier will be a discrete web based hosted facility, and you agree that access will also be provided to the firm and the third party.

17.3 The firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them regarding the resumption of a normal service as soon as possible.

#### **18 Anti Poaching**

18.1 Neither party, shall, during the term of this agreement and for a period of twelve months thereafter ("the Relevant Period"), solicit for employment, or offer employment to, or enter into any contract for services with, any person employed by the other Party during the Relevant Period who was involved in the implementation or operation of this agreement without the prior written consent of the other Party.

18.2 Where such consent is given, an entitlement to financial compensation may arise from the soliciting party to the non-soliciting party. The value of compensation will be determined as six months gross salary (plus on-costs) plus the replacement cost of the individual, as well as disruption and loss of business should the solicitation result in lost revenues directly as a result of that decision.

18.3 During the course of, and any period of time following the termination of this agreement, you indemnify us against any possible legal action, in respect of legal costs and any awards, which may arise from a claim made by your employees with respect to constructive dismissal, TUPE regulations, or any claim arising as a result of your decision to engage Knill James LLP to undertake professional work as set out in this agreement or any other request made by you or your staff.

#### **19 Tax investigation fee protection insurance**

19.1 Our terms of engagement with you may include the provision of tax investigation fee protection insurance arranged by Vantage Tax Fee Protection Ltd and underwritten by ARAG plc. By entering into an engagement with Knill James LLP on these terms you are confirming your consent to purchase tax investigation fee protection insurance and you will be automatically subscribed to the policy on an annual ongoing basis. You will be charged an annual fee for this cover in addition to the fee for our services. If you wish to opt out please notify us by sending an email to [feeprotection@knilljames.co.uk](mailto:feeprotection@knilljames.co.uk). If you opt out and subsequently receive an HMRC tax investigation enquiry and engage us to respond on your behalf you will be charged the full amount of any such engagement fees, they will not be covered by the insurance. A Summary of Service can be viewed here <http://www.vantagefeeprotect.com/summary-of-service/>. Vantage Tax Fee Protection Ltd has signed a confidentiality agreement with the firm to ensure compliance with the relevant clauses in these standard terms of business, in particular, Data protection (10). ARAG plc is authorised and regulated by the Financial Conduct Authority (FRN 452369).