

### Griffin Chapman Standard Terms of Business

### Client Copy

The following standard terms of business apply to all engagements accepted by Griffin Chapman. All work carried out is subject to these terms except where changes are expressly agreed in writing and updates which will be published on our website from time to time and will supersede the earlier version on publication.

#### **1 Professional rules and practice guidelines**

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

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 Ethical Standards for Auditors, which can be accessed on the internet at [www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Ethical-standards-for-auditors.aspx](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)

#### **Confidentiality**

- 1.2 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.

#### **Conflicts of Interest**

- 1.3 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 you.

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 as the address above in part B, subsection 220.

#### **2 Investment advice - exempt regulated activities**

- 2.1 Although we are not authorised by the Financial Conduct Authority (FCA) 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.
- 2.2 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 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. 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 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 a trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person;
- 2.3 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 agreement in connection with the issue, sale or transfer of the company's shares or other securities;
  - arrange for the issue of the new shares;
  - act as the addressee to receive confirmation of acceptance of offer documents, etc.

## **Insurance mediation activities**

- 2.4 Although we are not authorised by the Financial Conduct Authority, we are included on the register maintained by the Financial Conduct Authority so that we might 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 the ICAEW. The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/register](http://www.fca.org.uk/register)
- 2.5 If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Quality of Service' section of this letter 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.

## **3 Commissions or other benefits**

- 3.1 In some circumstances, commissions or other benefits may become payable to us in respect of transactions we arrange for you, in which case you will be notified in writing of the amount and terms of payment. (The fees that would otherwise be payable by you as described herein will not be abated by such amount).
- 3.2 Where commissions or other benefits are payable from an unregulated activity, you consent to such commission or other benefits being retained by us without our being liable to account to you for any such amounts.
- 3.3 Where commissions or other benefits are payable from an exempt regulated activity, we will account to you for the amount of such commission and 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.

## **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 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 NatWest for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislations, interest will be paid gross.
- 4.3 If the total sum of money held on your behalf exceeds £10,000 for a period of time 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 Fees**

- 5.1 Our fees are based on the degree of responsibility and skill involved and the time necessarily spent on work. Any expenses and disbursements will be added to the billing. Payment of our fees will be due upon presentation of our invoice. We reserve the right to charge interest at 2% per month on any invoices remaining unsettled after 30 days. Where an invoice remains unsettled after 30 days you will be expected to enter into our fee plan unless other payment terms are agreed with the partner dealing with your affairs. We will endeavour to bill you each quarter when net costs exceed £100.
- 5.2 Our staff are provided with extensive training and supervision to provide a

high quality service to our clients. However, the need to provide a cost-effective service and the nature of many assignments does not always justify the exclusive use of fully qualified chartered accountants or an equivalent. Consequently, certain aspects of this engagement will not necessarily be carried out by, or under the direct supervision of, fully qualified chartered accountant or an equivalent.

## **6 Other professional advisers**

- 6.1 In circumstances where other professional advisers are instructed, in areas where we do not have the relevant expertise, you will be responsible for their fees and expenses. Where we introduce or recommend other professional advisers to you we will have no liability for their service provided to you.
- 6.2 Where we place reliance on the opinion of other professional advisers we will refer to this in our report, where appropriate.

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

- 7.1 During the course of our work we will collect information from you and others acting on your behalf and may retain certain original documents following the completion of our work. You should retain all original records held by you for at least seven years from the end of the accounting year to which they relate.
- 7.2 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.

## **8 External Review**

- 8.1 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.
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## **9 Quality of service**

- 9.1 We aim to provide you with a fully satisfactory service and if at any time you would like to discuss with us how our services to you could be improved or if you are dissatisfied with the service you are receiving please let us know by telephone or by writing to the partner dealing with your affairs.
- 9.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we have given you a less than satisfactory service, we undertake to do everything reasonable to put it right.
- 9.3 If you feel that a complaint is not properly addressed or if you consider that the partner responsible for your affairs is not appropriate for the initial contact please contact our senior partner. You retain the right to take matters up with our Institute if you are dissatisfied by our response to your complaint.
- 9.4 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.

## **10 Applicable law**

- 10.1 This engagement letter shall be 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 (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 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.
- 10.2 If any provision in these 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.

- 10.3 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.
- 10.4 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.

## **11 Electronic Communication**

- 11.1 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 email 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 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 means of communication.
- 11.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **12 Data Protection**

- 12.1 To enable us to discharge the services agreed in this 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.

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.

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.

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

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

13.1 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.

13.2 We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) 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 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.

*[This definition is very wide and would include such crimes as:*

- *deliberate tax evasion;*
- *deliberate failure to inform the tax authorities of known underpayments or excessive repayments;*
- *fraudulent claiming of benefits or grants; or obtaining a contract through bribery.*

*Clearly this list is by no means exhaustive].*

13.4 We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firm's 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 Limitation of liability**

14.1 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.

- 14.2 You agree to hold harmless and indemnify us against any misrepresentation, whether intentional, 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 The Provision of Services Regulations 2009**

- 15.1 We are registered to carry on audit work in the UK by the ICAEW. Details of our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk). Under reference number C00 9000604
- 15.2 Our professional indemnity insurer is Royal and Sun Alliance of 17 York Street, Manchester. M2 3RS. 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.
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