

Colin Tunstall Limited

Terms of Engagement

The purpose of the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisers to the company and to clarify our respective responsibilities.

We are bound by the code of ethics of the Institute of Chartered Accountants in England & Wales and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

1 Your responsibilities as directors

- 1.1 Our work will be conducted on the basis that you acknowledge and understand that you have responsibility:
 - (a) To prepare financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. As directors you must not approve the financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company.
 - (b) In preparing the financial statements, to:
 - (a) select suitable accounting policies and then apply them consistently;
 - (b) make judgements and accounting estimates that are reasonable and prudent; and
 - (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
 - (c) For keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 2006 (the Act) and applicable accounting standards. You are also responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.
 - (d) For safeguarding the assets of the company and hence for taking reasonable steps to ensure the company's activities are conducted honestly for the prevention and detection of fraud and other irregularities.
- 1.2 You are responsible for ensuring that the company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- 1.3 You are responsible for determining whether, in respect of the year, the company meets the conditions for exemption from an audit set out in section 477 of the Act, namely that it qualifies as a small company in relation to that year for the purposes of section 381.

- 1.4 You are responsible for determining whether, in respect of the year, the exemption is not available for any of the reasons set out in section 478 and 479 of the Act; namely that at no time during the year was the company:
- (a) a public company;
 - (b) an authorised insurance company, a banking company, an e-money issuer, a MiFID investment firm or a UCITS management company;
 - (c) carrying on an insurance market activity;
 - (d) a special register body as defined in section 117(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 or an employers' association as defined in section 122 of that Act;
 - (e) a member of a group that failed to qualify as a small group; or
 - (f) a member of an ineligible group.
- 1.5 The exemption is available only if you, as directors, sign a declaration as required by section 475(3) of the Act on the balance sheet to state that:
- (a) for the year in question, the company is eligible to take advantage of the audit exemptions;
 - (b) the members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476 of the Companies Act 2006; and
 - (c) you acknowledge your obligations for complying with the requirements of the Act with respect to accounting records and preparation of accounts.
- 1.6 You will carry out all the day-to-day accounting work, including:
- (a) keeping the record of receipts and payments;
 - (b) reconciling your records with the bank statement;
 - (c) maintaining records of debtors and creditors;
 - (d) carrying out or arranging for a valuation of the year-end stock levels; and
 - (e) preparing details of any year-end work-in-progress.
- 1.7 You have agreed to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management and directors' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information.
- 1.8 You will approve and sign the accounts thereby acknowledging responsibility for them.
- 1.9 If financial information is published, which includes a report by us or is otherwise connected to us, on the company's website or by other electronic means, you must inform us of the electronic publication and get our consent before it occurs and ensure that it presents the financial information and chartered accountants report properly. We have the right to withhold consent to the electronic publication of our report or the financial statements if they are to be published in an inappropriate manner.
- 1.10 You must set up controls to prevent or detect quickly any changes to electronically published information. We are not responsible for reviewing these controls nor for keeping the information under review after it is first published. You are responsible for the maintenance and integrity of electronically published information, and we accept no responsibility for changes made to any information after it is first posted.

2 Our responsibilities as accountants

- 2.1 You have told us that the company is exempt from an audit of the financial statements and have asked us to assist you in the preparation of financial statements in accordance with the requirements of the Companies Act 2006. We will compile the annual financial statements for your approval based on the accounting records maintained by you and the information and explanations that you give us.

- 2.2 We will insert the inline Extensible Business Reporting Language (iXBRL) "tags" in accordance with the minimum tagging requirements specified by HM Revenue & Customs. This allows the data to be read by a computer. In most cases, we will use professional software to undertake the "tagging" and it is therefore agreed that you authorise us to process all normal/standard data tags without reference to you. However, as it is your legal responsibility to provide the information in iXBRL format, we will refer to you on any non-standard or judgemental areas.
- 2.3 We will write to you on or around your year-end date to request the information and records we will need to prepare the accounts.
- 2.4 We do not have any responsibility to report whether any shareholder of the company has notified the company that he or she requires an audit. Consequently we have no responsibility to carry out any work in respect of this matter.
- 2.5 We will not check whether the company is exempt from audit. However, should our work indicate that the company is not entitled to exemption from an audit of the financial statements, then we will inform you of this. In these circumstances, if appropriate, we will discuss with you the need to appoint us as auditors.
- 2.6 We have a professional duty to prepare financial statements that conform with generally accepted accounting principles. Furthermore, as directors, you have a duty to prepare financial statements that comply with the Act and applicable accounting standards. Where we identify that the financial statements do not conform to accepted accounting principles or if the accounting policies adopted are not immediately apparent, this will be made clear in our report, if it is not clear in the financial statements.
- 2.7 We will not specifically check the adequacy of your records; however, where any issues arise during the course of our work, we will advise you on whether your records are adequate for preparation of the financial statements and recommend improvements.
- 2.8 We shall plan our work on the basis that no report is required by statute or regulation for the year, unless you inform us in writing to the contrary. In carrying out our engagement we will make enquiries of management and undertake any procedures that we judge appropriate but are under no obligation to perform procedures that may be required for assurance engagements, such as audits or reviews.
- 2.9 Our work will not be an audit of the financial statements in accordance with International Standards of Auditing (UK and Ireland). Accordingly, we will not obtain any evidence relating to entries in the accounting records, or to the financial statements or to the disclosures in the financial statements. Nor will we make any assessment of the estimates and judgements made by you in the preparation of the financial statements. Consequently our work will not provide any assurance that the accounting records or the financial statements are free from material misstatement, whether caused by fraud, or other irregularities or error. In addition, we have no responsibility to determine whether you have maintained adequate accounting records in accordance with section 386 of the Act and we will not address this point unless you specifically request us in writing to do so.
- 2.10 Since we have not carried out an audit, nor confirmed in any way the accuracy or reasonableness of the accounting records maintained by the company, we are unable to provide any assurance as to whether the financial statements that we prepare from those records present a true and fair view.
- 2.11 We have a professional responsibility not to allow our name to be associated with financial statements we believe may be misleading. Therefore, although we are not required to search for such matters, should we become aware, for any reason, that the financial statements may be misleading, we will discuss the matter with you with a view to agreeing appropriate adjustments and/or disclosures in the financial statements. In circumstances where adjustments and/or disclosures that we consider appropriate are not made or where we are not provided with appropriate information, and as a result we consider that the financial statements are misleading, we will withdraw from the engagement. In these circumstances you agree that we have a right to invoice you for our time

spent preparing and discussing the accounts with you and for time spent on any other work that is not completed as a result of our resignation.

- 2.12 As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.
- 2.13 We will report to the Board of Directors, as appropriate, that in accordance with this engagement letter and to assist you to fulfil your responsibilities, we have not carried out an audit but have compiled the financial statements from the accounting records and from the information and explanations supplied to us.
- 2.14 To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body for our work or this report. If you wish, or are asked, to provide a copy of the financial statements to a third party you must seek our consent before you do this. You are not entitled to disclose our work to a third party without our express permission. We may grant consent subject to certain conditions; however, in every situation where we grant consent, then the report must remain attached to the financial statements shown to the third party.

3 Accounting

- 3.1 You have instructed us to prepare your financial statements. It was agreed that we should carry out the following accounting and other services:
 - (a) write up the accounting records of the company insofar as they are incomplete when presented to us;
 - (b) insert the inline Extensible Business Reporting Language (iXBRL) 'tags' in accordance with the minimum tagging requirements specified by HM Revenue & Customs. This allows the data to be read by a computer. In most cases, we will use professional software to undertake the 'tagging' and it is therefore agreed that you authorise us to process all normal/standard data tags without reference to you. However, as it is your legal responsibility to provide the information in iXBRL format, we will refer to you on any non-standard or judgemental areas; and
 - (c) prepare the accounts for approval by yourselves.
- 3.2 You have agreed that your staff will:
 - (a) keep the records of receipts and payments;
 - (b) reconcile the balances monthly with the bank statements;
 - (c) post and balance the purchase and sales ledgers;
 - (d) produce a detailed list of ledger balances; and
 - (e) prepare details of the annual stocktaking, suitably priced and extended in a form which will enable us to verify the prices readily by reference to suppliers' invoices.

4 Corporation tax

- 4.1 Profit from accounts prepared under generally accepted accounting principles may require adjustment to arrive at the profit figure assessed for tax. We will prepare the company's tax return, the computation with these adjustments and supporting schedules required from the accounts and information and explanations you provide to us.
- 4.2 After obtaining the written approval and signature of the proper officer or other person authorised to act for the company in this regard, we will submit the return, computation and accounts online to HM Revenue & Customs in the required Extensible Business Reporting Language (XBRL) format, a type of computer language.

- 4.3 It is mandatory for the Company Tax Return to be delivered electronically using the iXBRL format, which includes the statutory accounts. It is the company's responsibility to ensure that the accounts have been accurately tagged.
- 4.4 We will tell you how much tax the company should pay and when. If appropriate, we will initiate repayment claims when tax has been overpaid. We will advise on the interest and penalty implications if corporation tax is paid late.
- 4.5 We will inform you if instalment payments of corporation tax are due for an accounting period and the dates they are payable. We will calculate the quarterly instalments which should be made on the basis of information supplied by you by the date agreed.
- 4.6 We will advise you when additional corporation tax is due on loans by the company to directors or shareholders or their associates, and calculate the payments due or the amount repayable when the loans are repaid.
- 4.7 We will advise you as to possible claims and elections arising from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HM Revenue & Customs.
- 4.8 We will also provide other such taxation advisory and ad hoc services as may be agreed from time to time. These may be the subject of a separate engagement letter. Where appropriate we will discuss and agree an additional fee for such work when it is commissioned by you. Examples of such work include:
- dealing with any enquiry opened into the company's tax return by HM Revenue & Customs;
 - preparing any amended returns which may be required and corresponding with HM Revenue & Customs as necessary.
- 4.9 Since 17 July 2013 a General Anti-Abuse Rule has been in operation in the UK. This rule enables HM Revenue & Customs to further tackle abusive tax planning schemes. Due to the low probability of eventual success of such schemes and the high ethical standards of this firm, it is our policy not to advise on tax schemes that we consider to be artificial or aggressive in nature. Please let us know if you would like to discuss this matter further or if you feel that you are disadvantaged in any way by the firm's policy on tax avoidance.
- 4.10 Where specialist advice is required on occasions we may need to seek this from or refer you to appropriate specialists.
- 4.11 It is our policy to confirm in writing advice upon which the company may wish to rely.

Excluded Services

- 4.12 You will continue to deal with other matters required by law, such as:
- forms P11D;
 - obligations under IR35 and managed service company legislation;
- 4.13 We will be pleased to assist the company generally in tax matters if you advise us in good time of any proposed transactions and request advice. We would, however, warn you that because tax rules change frequently you must ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken.

Your Responsibilities: Provision of Information by You

- 4.14 The Directors, on behalf of the company, are legally responsible for:
- (a) ensuring that the company tax return is correct and complete;

- (b) ensuring that the information in the return is provided in Extensible Mark-Up (XML) format;
- (c) filing any returns by the due date; and
- (d) making payment of tax on time. Failure to do this may lead to automatic penalties, surcharges and/or interest.

The signatory to the return cannot delegate this legal responsibility to others. The signatory agrees to check that returns we have prepared for the company are complete before he/she approves and signs them.

- 4.15 As noted earlier in this letter, it is mandatory for the company tax return to be delivered electronically using the Extensible Business Reporting Language (XBRL) format, a type of computer language. Unless you have requested otherwise above, it is your responsibility to ensure that the accounts have been accurately tagged in the iXBRL format.
- 4.16 To enable us to carry out our work the Directors agree:
- (a) that all returns are to be made on the basis of full disclosure of all sources of income, charges, allowances and capital transactions;
 - (b) to provide full information necessary for dealing with the company's affairs; we will rely on the information and documents being true, correct and complete and will not audit the information or those documents;
 - (c) to authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with the company's affairs;
 - (d) to provide us with information in sufficient time for the company's CTSA return to be completed and submitted by the due date of *[insert date]* following the end of the tax year. In order that we can do this we need to receive all relevant information by *[insert date]*. Where feasible we may agree to complete your return within a shorter period but may charge an additional fee for so doing;
 - (e) to provide information on matters affecting the company's tax liability for the accounting period in respect of which instalments are due at least four weeks before the due date of each instalment. This information should include details of trading profits and other taxable activities up to the date the information is provided, together with estimates to the end of the accounting period; and
 - (f) to provide us with information on advances or loans made to directors, shareholders or their associates during an accounting period and any actual or planned repayments or write offs after the accounting period.
- 4.17 The Directors will keep us informed of material changes in circumstances that could affect the tax liabilities of the company. If the Directors are unsure whether the change is material or not please let us know so that we can assess the significance or otherwise.
- 4.18 You will forward to us HM Revenue & Customs statements of account, copies of notices of assessment, letters and other communications received from HM Revenue & Customs in time to enable us to deal with them as may be necessary within the statutory time limits. Although HM Revenue & Customs have the authority to communicate with us through the form 64-8 it is essential that you let us have copies of any correspondence received from HM Revenue & Customs to avoid any breakdown in communication.

7 Company secretarial

- 7.1 A private company is required to file its accounts at Companies House within 9 months of the year end. The company will be liable to a fine if it fails to do so. We

accept no responsibility for fines or regulatory action taken against the directors where the statutory financial statements are not available for filing.

- 7.2 We have agreed to act as your agent and to:
- (a) submit the financial statements to the Registrar of Companies;
 - (b) complete and submit the company's annual return;
 - (c) complete and submit any other forms required by law to be filed at Companies House, provided that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House, within one week of the change or event; and
 - (d) maintain the statutory books.

8 Changes in the law

- 8.1 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 light of any change in law or your circumstances.
- 8.2 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.

9 Other services

- 9.1 There are many other areas where we can be of assistance and we shall be pleased to discuss any matters with you. These other services include:
- (a) reports in support of returns or claims, e.g. insurance company certificates, government claims, etc;
 - (b) advice on financial matters;
 - (c) management accounting, including such matters as cash flow statements, costing systems, etc, and advice on management;
 - (d) advice on the selection and implementation of computer systems;
 - (e) investigations for special purposes, e.g. acquisitions of other businesses, or examination of specific aspects of your business; and
 - (f) advice on the selection and recruitment of staff.

Standard Terms of Business

The following standard terms of business apply to all engagements accepted by Colin Tunstall Limited:

1 Professional obligations

1.1 We will observe the Bye-laws, regulations and ethical guidelines of the ICAEW and accept instructions to act for you on the basis that we will act in accordance with those guidelines.

1.2 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.

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 1.2 above. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are unable to do so because of our confidentiality obligations. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

1.4 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 code of ethics of ICAEW which can be viewed as part of the Regulations and Guidance at www.icaew.com/regulations.

2 Investment services

2.1 We are not authorised by the Financial Services Authority and as such cannot give advice on investments.

3.1 Colin Tunstall Limited 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 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 The Royal Bank of Scotland 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 is likely to give rise to a significant amount of interest, 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 Fees

4.1 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. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.

4.2 If it is necessary to carry out work outside the responsibilities outlined in the specific letter of engagement 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.

4.3 A request for payment of fees will normally be sent each month, the only exceptions to this being where substantial additional work is done, in which case requests may be sent at more frequent intervals, and where total costs at the end of the month are less than £200, in which case they may be carried over to the succeeding month. Please note that as the services which we provide are normally of a continuous nature a VAT invoice will not be issued until payment is received by us.

4.4 We may request that you make arrangements to pay a proportion of your fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in this letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.

4.5 Our terms relating to payment of amounts invoiced (fees and disbursements) and not covered by standing orders, where appropriate, are strictly 30 days net. We reserve the right to charge interest on all overdue debts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. Should a fee note remain unpaid after 90 days we reserve the right to cease all work on your behalf until the outstanding fee note is paid. This would include work of a continuing nature such as payroll processing.

4.6 In the case of limited company clients: 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.

4.7 In the event that this firm ceases to act in relation your affairs you agree to meet all reasonable costs of providing information to your new advisors. In particular you agree to meet these costs even where we are required by law to provide information to a successor firm.

5 Retention of and access to records

5.1 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 at least seven years from the end of the accounting year to which they relate.

5.2 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.

5.3 Documents and records prepared by you or your staff will remain your property unless there is an express or implied agreement to the contrary. Letters or other communications from you to ourselves will remain our property. Documents and records produced by us in the course of our work in dealing with your affairs will remain our property unless there is an agreement to the contrary.

6 Quality control

6.1 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.

6.2 When dealing with HM Revenue & Customs on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HM Revenue & Customs, see www.hmrc.gov.uk/charter/index.htm. To the best of our abilities, we will ensure that HM Revenue & Customs meet their side of the Charter in their dealings with you.

7 Help us to give you the right service

7.1 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 writing to Michael Nelson, 296 Clipsley Lane, Haydock, St. Helens WA11 0JQ.

7.2 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 ICAEW.

7.3 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.

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

8 Applicable law

8.1 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.

8.2 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.

8.3 In appropriate cases the Law of Scotland will apply and Section 8.1 will be amended accordingly. In any case of doubt or dispute we shall have the right to decide which jurisdiction is appropriate.

9 Changes in the law

9.1 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 light of any change in the law or your circumstances.

9.2 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.

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 is 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.

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

11 Data Protection Act

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. For the purposes of the Data Protection Act, the Data Controller in relation to personal data supplied about you is Colin Tunstall Limited.

11.2 Sections 11 and 12 of the Data Protection Act place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An example would be where we operate a payroll service for you. We therefore confirm that we will at all times comply with the requirements of the Data Protection Act 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.

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 we are 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.

13.2 As part of our regulatory duties, we are obliged to verify as a minimum the identity, place of residence, source of funds and of wealth of our clients. As part of this process we will make searches about you using an electronic reference agency that will supply us with information including that from the Electoral Register. This process may also require sight of certain documentation. We are unable to act on your behalf

until our verification requirements have been met. The agencies will record details of these searches, but this does NOT affect your credit rating or credit score.

13.3 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.

13.4 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 an exhaustive.

13.5 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.

13.6 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 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 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.

16 Draft/interim work or oral advice

16.1 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

17 Interpretation

17.1 If any provision of our engagement letter or terms of business is held to be void, then that provision will be deemed not to form part of this contract. In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.