

*Andy Purves Limited,
T/A Purves Chartered Accountants*

Standard Terms of Business

1. Professional Obligations

- 1.1 We will observe the byelaws, regulations and ethical guidelines of the Institute of Chartered Accountants of Scotland and accept instructions to act for you on the basis that we will act in accordance with those guidelines. Copies of these requirements are available for inspection in our offices.
- 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 to act during engagements for other clients whose interests may be adverse to yours. We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

2. Investment Services

- 2.1 We are not authorised by the Financial Services Authority to conduct Investment Business. If you require investment business services we will refer you to a minimum of 2 firms authorised by the Financial Services Authority.

3. Commissions or Other Benefits

- 3.1 Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. You consent to such commissions or other benefits being retained by us without our being liable to account to you for any such amounts.

4. Fees

- 4.1 Purves Chartered Accountants operate a variable fee policy for all clients. We hope that this allows our clients flexibility in determining the most appropriate fee structure for their business and can offer peace of mind and clarity over the price you will be charged for the work we have outlined.
- 4.2 Our fees are determined by (amongst a number of factors), the standard of books and records that you keep and levels of skill and responsibility involved. This price will have been estimated, or fixed, and will be specified in the letter of engagement. Where a fixed fee is proposed, this fee is valid for a 12 month period and subject to review after this time.
- 4.3 If it is necessary to carry out work outside the responsibilities outlined in the letter of engagement it will involve additional fees. Accordingly we would like to point out that it is in your interest to ensure that your records are completed to the agreed stage.
- 4.4 In addition to our agreed fees, we may charge for expenses incurred in fulfilling the obligations of the engagement. Such expenses may include mileage charges, parking costs and other professional fees necessarily incurred during the course of our work. Where charged, mileage rates will be charged at the rate approved by HMRC, below which no benefit in kind arises.
- 4.5 We reserve the right to increase our fees, subject to giving at least 1 months notice, by at least inflation on an annual basis.
- 4.6 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in the 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.
- 4.7 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 14 days net. We reserve the right to add an interest charge on all overdue debts at 4% over the Bank of England base rate, or at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998, whichever is the higher together with any solicitors and/or collection agents costs incurred on any bills remaining unpaid 14 days after presentation.
- 4.8 The Directors of the client company jointly and severally guarantee personally that all fees will be paid within the payment terms.

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 We reserve the right to use subcontractors to prepare aspects of our work and you acknowledge that your books and records may not necessarily be stored or located at this office for the duration of the assignment.

6. Quality Control

- 6.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to a quality review process. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principals and staff.

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. Your engagement manager will be specified in the letter of engagement, but please should this prove unsatisfactory, then please contact Andy Purves, Purves Chartered Accountants, St Dunstons House, Melrose, TD6 9RU.
- 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.

8. Applicable Law

- 8.1 If you are based in Scotland then these terms and the letter of engagement is governed by, and construed in accordance with Scottish law. The Courts of Scotland will have exclusive jurisdiction in relation to any claim, dispute or difference concerning the letter of engagement 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. If you are based in England or Wales then these terms and the letter of engagement is governed by, and construed in accordance with English and Welsh law. The Courts of England and Wales will have exclusive jurisdiction in relation to any claim, dispute or difference concerning the letter of engagement and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

9. Internet 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 Act 1998

10.1 The Data Protection Act gives you rights in respect of information held about you ("Personal Data"). We will obtain, use, and process Personal Data about you in order that we may discharge the services agreed under the letter of engagement. Your Personal Data will typically include your name, address, details of your financial affairs and other information about you relevant to providing you with the services. We may also use your Personal Data for related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance. We may also use your Personal Data for marketing purposes so that we can keep you up-to-date about issues relevant to our services and to provide you with information about our services.

10.2 We may disclose your personal data to third parties so that we can provide the services to the high standards we consider appropriate. Such Third Parties may include banks, insurance companies and independent financial advisors. We may disclose your personal data to those that need the information such as Government Agencies, subcontractors and outsourcers and those we choose to such as independent financial advisors. Such parties may contact you with a list of the third parties on request. In signing the letter of engagement, you agree that we may transfer your Personal Data outside the European Economic Area. You should be aware that the countries to which we may pass your Personal Data may not have such stringent Protection for Personal Data nor have laws to protect your Personal Data. Details of the companies and countries involved will be provided on request.

10.3 You may have a right of access, under the Data Protection Act 1998, to copies of the Personal Data that we hold about you. A copy of our data protection policy is available on request and is held on our website. You should contact us if you have any queries about data protection or about the Personal Data we hold about you.

11. Contracts (Rights of Third Parties) Act 1999

11.1 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.

11.2 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.

12. Money Laundering

12.1 We have a duty under s. 330 of the Proceeds of Crime Act 2002 to report to the National Criminal Intelligence Service (NCIS) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been 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.

12.2 The offence of money laundering is defined by s. 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit. 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

12.3 We are obliged by law to report any instances of money laundering to NCIS without your knowledge or consent. In fact, we may commit the criminal offence of tipping off under s. 333 of the Proceeds of Crime Act if we were to inform you that a report had been made. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters.

12.4 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfill our obligations under the Proceeds of Crime Act 2002 in accordance with the current guidelines.

13. Limitation of Liability

13.1 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.

13.2 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.

14. Provision of Services Regulation 2009

14.1 We comply with the above regulation by displaying the required details of our Professional Indemnity Insurance in each of offices.