

KFS Accountants Limited

STANDARD TERMS AND CONDITIONS OF BUSINESS

1. Applicable Law

Our engagement letter, the schedule of services and our standard terms and conditions of business are governed by and should be construed in accordance with English law. Each party agrees that 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 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.

2. Client identification

As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases.

3. Client Money

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.

4. Commissions and Other Benefits

In some circumstances, we may receive commissions or other benefits for introductions to other professionals or in respect of transactions that we arrange for you. Where this happens, we will notify you in writing of the amount and terms of payment, and receipt of any such commissions or benefits.

5. Confidentiality

Communication between us is confidential and we shall take all reasonable steps to keep confidential your information, except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Unless we are authorised by you to disclose information on your behalf, this undertaking will apply during and after this engagement.

We may, on occasion, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

We reserve the right, for the purposes of promotional activity, training or for similar business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

6. Conflicts of Interest

We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified that cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services. If this arises, we will inform you promptly.

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Gloucester Office: Cirencester Office Park, Tetbury Road, Cirencester, GL7 6JJ

Marlborough: 01672 624 999 Cirencester: 01285 705 999 E: accounts@kfs.accountants www.kfs.accountants & www.online.accountants

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If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests, then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent. We reserve the right to act for other clients whose interests are not the same as or are averse to yours subject, to the obligations of confidentiality referred to above.

7. Scope of Advice

The scope of our advice is set out in the Engagement Letter and supporting schedules. Any additional work will be agreed with you in writing before commencing. Unless expressly instructed by you to do so, our advice will not extend to undertaking or recommending highly specialist or complex tax planning. If we believe you require advice not offered by us, we will support you in locating an appropriate provider if you wish and work closely with them to assist you in achieving your objectives.

8. General Data Protection Regulation (GDPR)

We confirm that we will comply with the provisions of the General Data Protection Regulations, coming into force 25th May 2018 when processing personal data about you, your directors and employees. In order to carry out the services of this engagement and for related purposes such as updating and enhancing our client records, analysis for management purposes and statutory returns, legal and regulatory compliance and crime prevention we may obtain, process, use and disclose personal data about you.

Processing means:

- obtaining, recording or holding personal data; or
- carrying out any operation or set of operations on personal data, including collecting and storage, organising, adapting, altering, using, disclosure (by any means) or removing (by any means) from the records manual and digital.

The information we obtain, process, use and disclose will be necessary for:

- the performance of the contract
- to comply with our legal and regulatory compliance and crime prevention
- contacting you with details of other services where you have consented to us doing so
- other legitimate interests relating to protection against potential claims and disciplinary action against us.

Our GDPR policy is available upon request.

9. Outsourcing of work

To conform with GDPR rulings we may ask other approved partner companies, or people to do work on our files. This does not imply that your tax file will be worked on by the outsourced company.

If we were to use an approved partner on your tax file we would write to you in advance and explain why we had made the decision to use them.

The names of any outsourced company or person(s) that KFS Accountants Limited may use from time to time are listed below:

Sestini & Co based in Bristol, UK & International Personal Tax Advisors. Telephone: 01761 231673

KFS Accountants Limited have a reciprocal approved partner relationship and provide Corporate Tax services for Sestini & Co.

Unless otherwise agreed, our approved partner will not invoice you for services directly but will act on behalf KFS Accountants Limited.

10. Disengagement

Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

Should we have no contact with you for a period of 18 months or more we may issue to your last known address a disengagement letter and thereafter cease to act.

11. Electronic and other communication

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments.

With electronic communication, there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure, and we cannot be held responsible for damage or loss caused by viruses nor for communications that are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must agree to bear in return for greater efficiency and lower costs. If you do not wish to accept these risks please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.

Any communication sent through the post system by us is deemed to arrive at your postal address two working days after the day that the document was sent.

12. Fees and payment terms

Our fees do not solely depend on the amount of time spent on your affairs. Levels of skill, responsibility, importance and value are also factors, as well as the level of risk.

If we provide you with an estimate of our fees for any specific work, then that estimate will not be contractually binding unless we explicitly state that will be the case.

Where requested we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

If any financial information we require, to complete the relevant services, is received late*; you may be subject to a penalty fee. The amount will vary depending on the service and how late the information is given.

*Personal Tax return paperwork is required by 30th September, after this date penalties will apply.

Personal Tax Return late flat fee of £150 + VAT

*Limited Company accounts data must be with us by the fourth month after your company year end. After this date the late penalties apply as a percentage of your annual accounting fee.

Limited Company Accounts preparation:

10% of accounts fee if 1 month late (month five after your year-end)

25% of accounts fee if 2-3 months late (month six and seven after your year-end)

50% of accounts fee if over 3 months late (after month seven of your year-end)

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

We will bill monthly for the majority of our services. You will have been informed of any services that we invoice on a yearly or ad-hoc basis. Our invoices will be due for payment after 10 days. Our fees are exclusive of VAT, which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.

Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.

It is our normal practice to request clients settle their invoices by direct debit which allows us to take the exact sum per invoice raised to ensure your account is always up to date. *A mandate will be sent to you and must be completed within 7 days after signing our engagement letter.*

If you cancel our Direct Debit mandate and do not reinstate within 7 days we reserve the right to charge interest on late paid invoices at the rate of 8% above bank base rates under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 7 days of receipt, failing which you will be deemed to have accepted that payment is due.

13. Fair Usage Policy

We offer our clients access to advice by telephone and email within their contract fees. However, to ensure the prevention of any one client monopolising the time of their dedicated client manager that could have a detrimental effect on managing their other clients, we operate a fair usage policy. Within the support time given we will include answering emails/calls, offer further information and advice and assist with accounting services included in this agreement and two 45 minute meetings per year. Request for assistance on areas of work that relates to services not included in this engagement letter may at the discretion of the client manager incur additional fees. The offer of support within our agreement does not hold a monetary value if unused and cannot be rolled forward to another year. Adhoc fees for work requested and completed outside of your agreement are billed in increments of rounded down 15 minutes and at the time of writing the hourly rates (excluding VAT) for our staff are as follows:

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Managing Director: £150 per hour
Senior Accountants: £95 per hour
Junior Accountants: £65 per hour
Part-Qualified Accountant: £45 per hour
Payroll Manager: £35 per hour
Book-Keeper: £25.00 per hour
Data-entry Clerk: £20.50 per hour

14. Implementation

We will only assist with implementation of our advice if specifically instructed and agreed in writing.

15. Intellectual property rights

We will retain all copyright in any document prepared by us during the course of carrying out the engagement, save where the law specifically provides otherwise.

16. Interpretation

If any provision of these terms and conditions, the engagement letter or enclosed schedules is held to be void, then that provision will be deemed not to form part of this contract and the remainder of this agreement shall be interpreted as if such provision had never been inserted.

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.

17. Internal disputes within a client

If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors. If conflicting advice, information or instructions are received from different directors in the business, we will refer the matter back to the board of directors and take no further action until the board has agreed the action to be taken.

18. Investment advice (including insurance mediation services)

Investment business is regulated under the Financial Services and Markets Act 2000.

Should you require advice on investment business which we are unable to give as we are not authorised by the Financial Conduct Authority, we can introduce you to a recommended professional who are a Permitted Third Party (PTP) authorised by the Financial Conduct Authority. Our recommended referrals are available on request.

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.

We may occasionally receive an introductory fee/commission by the PTP, full disclosure of the amount will be confirmed in writing with you.

19. Lien

Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you, until all outstanding fees and disbursements are paid in full.

20. Limitation of liability

We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses directly caused by our negligence or wilful default.

Exclusion of liability for loss caused by others

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or if they are caused by a failure to act on our advice or a failure to provide us with relevant information.

Exclusion of liability in relation to circumstances beyond our control

We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

Exclusion of liability relating to the discovery of fraud etc.

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers.

This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry, beyond that which it would have been reasonable for us to have carried out in the circumstances.

Indemnity for unauthorised disclosure

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

21. Limitation of Third Party rights

The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

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22. Period of engagement and termination

Unless otherwise agreed in the engagement covering letter, our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date. Each of us may terminate this agreement by giving not less than 30 days' notice in writing to the other party, except where you fail to cooperate with us or we have reason to believe that you have provided us or HMRC with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either party prior to termination.

In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

In the event that you decide to transfer your matter to another accountant, we reserve the right to charge a fee between £45 and £165 plus VAT in respect of the administrative cost involved.

On disengagement or termination we will conform to our internal General Data Protection Policy regarding retention and disposal of personal data. A copy of which is available on request.

23. Reliance on advice

We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

24. Retention of papers

You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you if requested. Documents and records relevant to your tax affairs are required by law to be retained as follows:

Individuals, trustees and partnerships:

- with trading or rental income: five years and ten months after the end of the tax year
- otherwise: 22 months after the end of the tax year

Companies, LLPs and other corporate entities:

- six years from the end of the accounting period

Whilst certain documents may legally belong to you, we may destroy correspondence and other papers that we store, electronically or otherwise, which are more than seven years old. You must tell us if you require the return or retention of any specific documents for a longer period.

We will fully conform with General Data Protection Regulations concerning Personal Data we may hold. Our policy is available on request.

25. The Provision of Services Regulations 2009 ('Services Directive')

In accordance with our professional body rules, we are required to hold professional indemnity insurance. Details about the insurer and coverage can be found at our offices.

26. Company and VAT Information

KFS Accountants Limited is a company limited by shares, incorporated under the law of England & Wales. Our company number is: 07327562. Our VAT registration number is: 153 7138 14. Our registered office is Elcot Park, Elcot Lane, Marlborough, SN8 2BG.

27. Loyalty Reward Scheme (LRS)

If you recommend our services and this person/company engages with us as a client, we offer a credit against your accounting or personal tax fees. The referred client is required to have settled all fees for 6 months before a referral fee becomes due, and will be automatically allocated to an open invoice at the following rates:

An engaged referral of a Limited Company with KFS providing an annual accounts service: £50 including VAT

An engaged referral of a Sole Trader or Individual with KFS providing a personal tax return: £25 including VAT