

TERMS AND CONDITIONS OF BUSINESS FOR KFS ONLINE LTD

The following standard terms of business apply to all engagements accepted by www.online.accountants, the online trading name of KFS Online Ltd, part of the KFS Group of companies. All work carried out is subject to these terms except where changes are expressly agreed in writing.

1. Introduction

These terms and conditions set out the terms under which we undertake our business.

2. Fees

Fees in respect of our routine services are based on monthly fixed charges which are given via our online calculator and are agreed with you before we commence our work by using the sign up process on our website. If we agree any other terms these will be agreed with you before we commence our work.

Our monthly fixed fees are based on a 12-month contract and must be paid each month before we commence our monthly service work and are treated as standalone services in each month.

Our fixed charges are dependent upon you supplying us with all information requested promptly and on first request. All monthly fees are paid by direct debit via GoCardless on our website.

When non routine work and other charges not included in our fixed fees are requested this work is charged at our hourly rates.

The rates chargeable will be agreed with you in writing before any work is undertaken.

It is our intention to give you where possible an estimate of the fees for work not covered by our fixed fee charges.

If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case. All additional fees must be paid on presentation and receipt of an invoice using a debit or credit card via GoCardless from the pay now option on our invoices. Queries on any invoices must be raised within 48 hours of receipt via the option given on the electronic invoice.

If a Direct Debit for monthly fees is returned and/or re-represented or cancelled, we may make an administration charge of £5.00 per missed payment. In the event of our credit terms being breached we may levy credit charges and interest. 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.

No discount or refund is given for contracted services not used.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HM Revenue & Customs. Assistance may be provided through our Tax & VAT Investigation Insurance; this will be offered to you at the time of signing up to our services. The fee is payable in one instalment via a link in our invoice via GoCardless.

If a client, company, trust or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual giving us instructions on behalf of the client and you agree that we shall be entitled to enforce any sums due against the individual nominated to act for you.

By entering into the sign up process on the www.online.accountants website you are accepting our monthly payment terms and conditions.

4. Client monies

Fees paid by you in advance for professional work to be performed shall not be regarded as clients' monies.

5. Internal disputes

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 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.

6. Investment services

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

If, during the provision of professional services to you, you need advice on investments, including insurances, we may have to refer you to someone who is authorised by the Financial Services Authority or licensed by a Designated Professional Body as we are not.

7. Commissions or other benefits

In some circumstances, commissions or other benefits may become payable to us in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment.

8. Retention of records

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

Individuals, trustees and partnerships with trading or rental income: 5 years and 10 months after the end of the tax year; otherwise: 22 months after the end of the tax year;

Companies 6 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 7 years old. You must tell us if you require the return or retention of any specific documents for a longer period.

9. Notification

We shall not be treated as having notice, for the purposes of our audit/accounts/tax responsibilities, of information provided to members of our firm other than those engaged on the specific assignment.

10. Timetable

The services we undertake to perform for you will be carried out on a timescale to be determined between us on an ongoing basis.

The timing of our work will in any event be dependent on the prompt supply of all information and documentation as and when required by us.

11. Third parties

Any advice we give you will be supplied on the basis that it is for your benefit only and shall not be disclosed to any third party in whole or part without our prior written consent. It may not be used or relied upon for any other purpose or by any other person other than you without our prior written consent. If our advice is disclosed to any third party (with or without our consent), then we accept no responsibility or liability to that third party for any consequences that may arise to them, should they rely on the advice. If it is proposed that any documents or statement which refer to our name, are to be circulated to third parties, please consult us before they are issued.

12. Contracts (Rights of Third Parties) Act 1999

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 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 under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

13. 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 occasions, 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 purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

14. Quality of service

We aim to provide a high quality of service at all times. If you would like to discuss with us how our service could be improved or if you are dissatisfied with the service that you are receiving, please let us know. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you.

15. Communication

We are an internet based business and as such will communicate with you and with third parties predominately 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 which 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 bear in return for greater efficiency and lower costs.

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

16. Applicable law

Your 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.

17. Data Protection Act 1998

We confirm that we will comply with the provisions of the Data Protection Act 1998 when processing personal data about you and your family. 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.

18. Money Laundering Regulations 2007

In accordance with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007 you agree to waive your right to confidentiality to the extent of any report made, document provided or information disclosed to the National Crime Agency (NCA) (which replaces the Serious Organised Crime Agency - SOCA)

You also acknowledge that we are required to report directly to the NCA without prior reference to you or your representatives if during the course of undertaking any assignment the person undertaking the role of Money Laundering Reporting Officer becomes suspicious of money laundering.

As a specific requirement of the Money Laundering Regulations we may require you to produce evidence of identity. Copies of such records will be maintained by us for a period of at least five years after we cease to act for the business.

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. KFS Online Ltd is a wholly owned subsidiary of KFS Accountants Limited whose Registration Number for Money Laundering Regulations (MLR) is 12736320 and whose certificate includes the business of an Accountancy Service Provider (ASP), Company Formation and Mailbox Services.

19. Implementation

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

20. 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.

21. Interpretation

If any provision of the engagement letter or schedules 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.

22. Lien

Insofar as 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.

23. 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 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 due to 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 due to 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 wrongly misrepresented to us or from 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.

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 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.

Limitation of aggregate liability

The maximum aggregate liability of this company, its directors, agents and employees to all persons to whom the engagement letter is addressed and also any other person that we have agreed with you may rely on our work is £100,000. By signing the engagement letter, you agree that you have given proper consideration to these limits, where relevant and accept that they are reasonable in all the circumstances. If you do not wish to accept them, you should contact us to discuss it before signing the engagement letter.

24. Professional Indemnity Insurance

In accordance with our professional body rules we are required to hold professional indemnity insurance. Details about the insurer and coverage are available on request.

25. 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.

26. 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. 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. 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 of course to the obligations of confidentiality referred to above.

27. 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 and by signing up to our services via our website. Except as stated in that letter we will not be responsible for periods before that date.

Each of us may terminate this agreement immediately by giving notice in writing to the other party. Termination will be without prejudice to any rights that may have accrued to either of us 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. 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. No monthly payments made via GoCardless shall be refundable prior to receipt of formal notice to terminate. It is solely your responsibility to cancel the GoCardless direct debit on termination of our services. We accept no responsibility for payments being taken by GoCardless after the termination date. We will however refund payments taken after the termination date less an administration charge of £25.00 per transaction.

28. Adhoc fee structure

Fees for work requested and completed outside of your agreed business services applied for via our website are as follows:

Managing Director/Partner: £150/hour

Senior Accountants: £90/hour

Junior Accountants: £65/hour

Part-Qualified Accountant: £35/hour

Book-Keeper: £23.50/hour

Data-entry Clerk: £19.75/hour

We reserve the right to increase our fees with 14 days' notice.

This Terms of Business document is available to be downloaded from our website on the footer at all times. The date of the document will show in the footer and any revisions noted in blue.