

## General Terms and Conditions

### 1 Applicable law

- 1.1 This engagement letter shall be governed by, and construed in accordance with, English law. The Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter (including the firm's terms of business) and any matter arising from it. Each party irrevocably waives any right it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

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.

The advice, which we give 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.

### 2 Quality of service

- 2.1 We aim to provide you with a fully satisfactory service and [Partner Name tba] as engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through him and his team please contact [partner.name@feltons.com tba]. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales (ICAEW) by whom we are regulated for audit purposes.

### 3 Client monies

- 3.1 We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations of the Institute of Chartered Accountants in England and Wales.

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 Allied Irish Bank for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or such sum is likely to be held for more than 30 days, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross. We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. If any funds remain in our client account that are unclaimed and the client to which they relate has remained untraced for five years or we as a firm cease to practice then we may pay those monies to a registered charity.

#### **4 Insurance mediation activities**

- 4.1 Although we are not authorised by the Financial Conduct Authority, we are included on the register maintained by the Financial Conduct Authority so that we might carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by the ICAEW . The register can be accessed via the Financial Conduct Authority website at [www.fca.org.uk/register](http://www.fca.org.uk/register).

If you are dissatisfied in any way with our services described in this section, you should follow the procedures set out in the “Quality of Service” section above. In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants’ Compensation scheme.

#### **5 Fees**

- 5.1 Unless agreement is reached to the contrary, our fees are based on the number and seniority of staff required, the degree of skill and responsibility involved and the resources required to complete the engagement. Our charges will be reviewed from time to time. We will also charge for any disbursements incurred during the engagement and we will add VAT to charges and disbursements if applicable. Any fee estimate we may provide is not an agreement to perform the services within a fixed time or for a fixed fee. Any agreed fee is necessarily based on the assumption that the information required for our work is made available during the course of our work. If delays or other unanticipated problems which are beyond our control occur this may result in additional fees for which invoices will be raised on the above basis; we will advise the directors or their representatives of delays as they occur and will estimate their effect.

We will submit invoices for the services provided and disbursements incurred on a regular basis, as the work progresses. Invoices are payable within 7 days of issue. We shall be entitled to charge interest at a rate of 10% per annum on all invoices which remain unpaid 28 days after issue.

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

- 6.1 If we are provided with custody of any documents belonging to you those documents will be retained during the course of our appointment (unless their return is requested), at the end of which they will be returned to you unless separate arrangements have been made.

We reserve the right, where fees have been invoiced and payment is outstanding to the firm, to exercise a lien over any documents belonging to you which may be in our possession, in respect of any and all outstanding fees.

It is our normal practice to retain documents relating to client engagements for six year after the end of the relevant engagement. Thereafter, unless separate arrangements have been made, the documents or papers may be destroyed by us without reference to you.

## **7 Electronic communication**

- 7.1 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.

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

## **8 Data Protection Act 1998**

- 8.1 To enable us to discharge the services agreed in this engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about (where relevant): you, your business, partnership, company, its shareholders, members, officers and employees as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation.
- 8.2 You are also an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within this engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

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

## **9 Confidentiality**

9.1 Where you give us confidential information, we confirm that we shall at all times keep it confidential, other than as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

## **10 External review**

10.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as us.

## **11 Professional rules and practice guidelines**

11.1 We will observe and act in accordance with the [bye-laws, regulations and Code of Ethics of the ICAEW]<sup>12</sup> and accept instructions to act for you on this basis. In particular you give us the authority to correct errors made by HMRC where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. You can see copies of these requirements in our offices. The requirements are also available on the internet at [[www.icaew.com/regulations](http://www.icaew.com/regulations)]<sup>1</sup>. We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006.

## **12 Conflicts of interest**

12.1 We reserve the right during our engagement with you to deliver services to other clients whose interests might compete with yours or are or may be adverse to yours, [subject to our confidentiality clause]. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting the company.

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 ICAEW Code of Ethics<sup>1</sup> which can be viewed on the internet at the address above, [in part B, sub-section 220]

## **13 The Provision of Service Regulations 2009**

We are registered to carry on audit work in the UK and Ireland by the ICAEW. Details

of our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C001023883.

- 13.2 Our professional indemnity insurers are Allied World Assurance Company Limited, Howden UK Group Limited, 71 Fenchurch Street, London EC3M 4BS. The territorial coverage is worldwide with certain restrictions on a claim brought in respect of professional business in the United States or Canada.

## **14 Our Responsibilities**

- 14.1 We will provide the services described in our engagement letter (or such variations as may subsequently be agreed between us) with reasonable skill and care in accordance with the professional standard expected of us, and in a timely manner.

The nature of any advice we provide will necessarily depend on the amount and accuracy of information provided to us and the timescale within which the advice is required. If general advice is provided, the applicability of this will depend on the particular circumstances in which it is to be used by you (of which we might not be aware) and should be viewed accordingly. In relation to any particular transaction, specific advice should always be sought and all material information provided to us. If, at your request, we provide our advice in an abbreviated format (i.e. other than a full written report), you acknowledge that you will not receive all the information you would otherwise have done.

Where we correspond by means of the Internet or other electronic media at your request, whilst we will take reasonable steps to safeguard the security and confidentiality of the information transmitted, you acknowledge that we cannot guarantee its security and confidentiality.

Whilst our reports and advice may be a factor to be taken into account when deciding whether or not to proceed with a particular course of action, you remain responsible for any commercial decisions that you make, and regard must be had to the restrictions on the scope of work and to the large number of other factors, commercial and otherwise, of which you and your other advisors are, or should be, aware by means other than our work.

## **15 Your responsibilities**

- 15.1 In relation to all our work for you it is your responsibility to provide us with complete, accurate and timely information where we have requested this. We will not be responsible for any consequences which may arise from any delay or failure by you to do so and these may also result in additional fees for which invoices will be raised.

## **16 Other Advisors**

16.1 During the course of our dealings with clients we often become aware of areas where it would be of direct benefit to them for us to involve other professional advisors such as Solicitors, Stockbrokers or Independent Financial Advisors. In these cases, and where we have authority to do so, we would normally arrange to discuss these matters with a client's existing advisors or, alternatively with others with whom we have developed strong professional connections.

This could include referrals to HFS Feltons (Financial Services) Limited which is a separate trading identity owned equally by Feltons Limited and HFS Milbourne Financial Services Limited to make high quality Independent Financial Services advice available to our clients.

We believe that this ability to discuss relevant aspects of your financial affairs with other professionals, on the understanding that they will also treat personal information as being highly confidential, is an important element in the service that we can offer. As a result, please note that the final page of this Engagement letter incorporates your authority for us to make such referrals. You should strike through that authority if you do not wish to take advantage of this facility.

## **17 Information and confidentiality**

17.1 With the exception of reports which we expressly agree may be provided to third parties, any reports, letters, information and advice we provide to you during this engagement are given in confidence and are provided on the condition that you undertake not to disclose these, or any other confidential information made available to them by us during the course of our work, to any third party (being a party other than those to whom the report, letter, information or advice is addressed) without prior written consent (other than to the sponsoring employer(s), if applicable).

Where it is envisaged that reports, letter, information or advice given by us to you will be provided to or used by the third party, we reserve the right to stipulate terms regarding such provision or to require the third party to enter into a direct relationship with us before any report, letter, information or advice is provided to that third party. Unless otherwise agreed in writing, we recognise no responsibility whatsoever other than that owed to you as at the date on which our report or other advice is given to them.

The obligations and restrictions contained in this paragraph do not apply to information:

- (a) which is or becomes public knowledge other than by a breach of this paragraph;
- (b) which is or becomes known from other sources without restriction on disclosure; or
- (c) which is required to be disclosed by any legal or professional obligation or by regulatory authority.

17.2 You recognise that, for the purposes of carrying out our responsibilities in this engagement, we shall not be treated as having notice of information which may have been provided to individuals within this firm who are not involved in this engagement.

## **18 Intellectual property rights**

18.1 We retain all copyright and other intellectual property rights in everything developed either before or during the course of an engagement including systems, methodologies, software and know-how. We also retain all copyright and other intellectual property rights in all reports, written advice or other materials provided by us to the directors although they will have the full right to reproduce our audit opinion in the scheme's annual report. If the directors otherwise wish to make use of these materials this will require our permission.

## **19 Health and safety**

19.1 We acknowledge our statutory responsibility to co-operate with your health and safety requirements, provided we are given notice of these. You will ensure that our partners and staff shall be afforded the same protection for health and safety purposes as is due to other personnel involved with your activities. If we are required by you to enter the premises of a third party they will procure that the third party also affords such protection to our partners and staff as is due to its employees.

## **20 Our staff**

20.1 You undertake that during the course of this engagement and for a period of six months following its conclusion you will not:

- a) solicit or entice away (or assist anyone else in soliciting or enticing away) any member of our professional staff with whom you have had dealings in connection with this engagement during the 12 months immediately or prior to your approach; or
- b) employ any such person or engage them in any way to provide services to you.

20.2 This undertaking shall not apply in respect of any member of staff who responds to an advertisement placed by you or on your behalf without having previously been approached directly or indirectly by you. In the event of a breach of the terms of this undertaking, you will pay to Feltons on demand, a sum equivalent to 30% of the total annual remuneration package paid by Feltons to the individual prior to his or her departure. You acknowledge that this provision is a fair and reasonable term intended to be a genuine assessment of the likely loss to us.

## **21 Force Majeure**

21.1 Neither we nor you shall be liable in any way for failure or delay in performing our obligations under this engagement if the failure is due to causes outside the reasonable control of the party in default.