

PLEASE RETAIN THIS COPY OF OUR TERMS FOR YOUR FILES

20 Havelock Road
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TERMS AND CONDITIONS OF ENGAGEMENT

DATED 2 APRIL 2009

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In accordance with the recommendations of the Institute of Chartered Accountants in England and Wales, we set out below our standard terms and conditions under which our services are provided.

We are bound by the ethical guidelines of our professional Institute and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines.

AGREEMENT OF TERMS

The terms set out in this document shall take effect immediately upon your receipt of it and returning the confirmation of receipt to us or upon the commencement of the work you have requested us to carry out, whichever is the earlier.

These terms will remain effective until replaced.

AGREEMENT OF PERSONAL GUARANTEE

The personal guarantee set out in part W of this document shall take effect immediately upon your receipt of these terms and returning the confirmation of receipt to us or upon commencement of the work you have requested us to carry out, whichever is the earlier.

A NON AUDIT LIMITED COMPANY AND NON AUDIT LIMITED LIABILITY PARTNERSHIP RESPECTIVE RESPONSIBILITIES OF DIRECTORS/MEMBERS AND ACCOUNTANTS

1. As directors of the company or members of the LLP, you are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the entity and for preparing financial statements which give a true and fair view and which have been prepared in accordance with the Companies Act 2006 and, if applicable, the Limited Liability Partnership Regulations 2001 (SI2001/1090) and the Statement of Recommended Practice: Accounting by Limited Liability Partnerships. In preparing those accounts, you are also required to:
 - a) select suitable accounting policies and then apply them consistently;
 - b) make judgements and estimates that are reasonable and prudent; and
 - c) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company or LLP will continue in business.
2. You are also responsible for safeguarding the assets of the company or LLP and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.
3. You are also responsible for determining whether, in respect of each year/period, the company or LLP meets the conditions for exemption from an audit of the financial statements set out in sections 477 and 479 of the Companies Act 2006, and for determining whether, in respect of each year/period, the exemption is not available for any of the reasons set out in section 478.

LLP Members: P A Bradbury FCA P W Lee FCA J R Moore FCCA T C Weston Ashdown Hurrey (Holdings) Limited
Associates: K L Baker FCCA A M Grant FCCA C W Read ACCA B Sallows ACA S R Sampson FCA

Registered Office: 20 Havelock Road, Hastings, East Sussex, TN34 1BP

Ashdown Hurrey LLP trading as Ashdown Hurrey
Limited Liability Partnership Number: OC318358 VAT Registration Number: 350 9746 38

Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales

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4. You have undertaken to make available to us, as and when required, all the entity's accounting records and related financial information, including minutes of management and shareholders' or members' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information.
5. Where the company or LLP does not require an audit, then we have no statutory responsibilities to the company at all. Our only responsibilities arise from those specifically agreed upon between us in respect of other professional services.
6. We do not have any responsibility to report whether any shareholder of the company or member of the LLP has notified the entity that he or she requires an audit; consequently we have no responsibility to carry out any work in respect of this matter.
7. Should our work indicate that the company or LLP is not entitled to exemption from an audit of the accounts then we will inform you of this. In these circumstances, if appropriate, we will discuss with you the need to appoint us as auditors.

B NON AUDIT LIMITED COMPANY AND NON AUDIT LIMITED LIABILITY PARTNERSHIP

SCOPE OF THE ASSIGNMENT

1. Our work will not be an audit of the accounts in accordance with Auditing Standards. Accordingly, we will not obtain any evidence relating to entries in the accounting records, or to the accounts or to the disclosures in the accounts. Nor will we make any assessment of the estimates and judgements made by you in the preparation of the accounts. Consequently our work will not provide any assurance that the accounting records or the accounts 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 the Companies Act, and we will not address this point unless you specifically request us, in writing, to do so.
2. 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 or LLP, we are unable to provide any assurance as to whether the accounts that we prepare from those records present a true and fair view.
3. As part of our normal procedures when preparing the accounts, we will attach an accountant's report to them. This report will state that they have been prepared from the books and records of the company or LLP and from information supplied by the directors/members. This report should not be filed with the accounts at Companies House.
4. We have a professional duty to prepare accounts which conform with generally accepted accounting principles. Furthermore, the accounts of a limited company are required to comply with the Companies Act 2006 and applicable accounting standards; and for LLPs, the Statement of Recommended Practice: Accounting by Limited Liability Partnerships. Where we identify that the accounts 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 accounts.
5. 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.

C NON AUDIT LIMITED COMPANY AND NON AUDIT LIMITED LIABILITY PARTNERSHIP

ACCOUNTING AND COMPANY SECRETARIAL

1. We shall prepare the financial statements based on accounting records maintained by you, in accordance with the requirements of the Companies Act 2006 and incorporating such Accounting Standards for the purposes of giving a true and fair view.
2. Responsibility for ensuring that the financial statements give a true and fair view rests with you. You will therefore provide us with all the information and explanations necessary to allow us to prepare true and fair financial statements.
3. As a result of our work, we may be able to suggest improvements which could be made to your accounting records. However, our work should not be relied upon to disclose defalcations or other irregularities. If an investigation is required specifically to discover defalcations or irregularities, this can be separately undertaken on request.
4. A private company or LLP is required to file its accounts at Companies House within nine months of the year end, or the entity will be liable to a fine if it fails to do so. In order to avoid this we will produce statutory accounts, suitable for filing, within the required period, provided all your records are complete and presented to us within five months of the year end and all subsequent queries are promptly and satisfactorily answered.

5. If required, we will:
 - a) prepare abbreviated accounts in accordance with disclosure exemptions available to the company;
 - b) submit the accounts to the Registrar of Companies;
 - c) complete and submit the company's annual return;
 - d) 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;
 - e) maintain the statutory books; and
 - f) provide a Registered Office facility.

D PARTNERSHIP AND SOLE TRADER ACCOUNTING

1. We shall prepare financial statements in the form of an income and expenditure account or a profit and loss account and balance sheet, as appropriate, for your consideration and approval. While we shall examine the records and make such enquiries as we consider necessary to enable us to prepare these accounts, we shall not carry out an audit in the sense required by statute for limited companies. Accordingly, we will not verify the assets and liabilities of the business nor the items of expenditure and income. To carry out an audit would require additional work to comply with Auditing Standards so that we could report on the truth and fairness of the accounts.
2. The accounts will contain a declaration for your signature that you approve the accounts and have made available all relevant records and information for their preparation. We shall report with such variations as we consider necessary that we have prepared, without carrying out an audit, the accounts from the accounting records presented to us and from the information and explanations supplied to us. This report must remain attached to any accounts shown to any other parties.
3. As a result of our work, we may be able to suggest improvements which could be made to your accounting records. However, our work should not be relied on to disclose defalcations or other irregularities. If an investigation is required specifically to discover defalcations or irregularities, this can be separately undertaken on request.
4. Where there is any change in a partnership during the year, either as regards the persons making up the partnership or involving variations in profit-sharing ratios, we shall, unless instructed to the contrary, prepare your accounts to the agreed accounting date, dividing the profits for the year on the basis of time apportionment, thus assuming that all profits have been earned equally throughout the year.
5. So that we might prepare accounts to reflect more accurately the profits generated through the year, we shall be grateful if you will arrange for the stock to be valued at each accounting date. We may invite the proprietor/partners to sign a certificate setting out this valuation.
6. Where no valid partnership deed is available, where a previous deed has become invalid or an existing deed requires an element of variation, we shall sometimes submit for approval to the partners a letter of representation, which we shall invite them to sign and return to us before the work on the accounts is completed.
7. Accounts need to be completed prior to submission of the proprietor's/partners' self-assessment tax return(s). Failure to submit a return on time will result in penalties and is likely to result in interest and surcharges. In order to avoid this, we must have your accounting records by 31st October following the end of the tax year in question and queries raised on those accounting records must be answered promptly, otherwise we cannot guarantee the completion of the accounts to ensure the timely submission of the tax returns.

E CORPORATE TAXATION

1. We have agreed to prepare on your behalf form CT600, your corporation tax return, from accounts information and explanations provided to us. The form CT600 will be sent to you for approval and signature before submission to H M Revenue & Customs. Once the return has been approved, signed and returned to us, you authorise us to file the return electronically under the H M Revenue & Customs on-line lodgement system. You understand that the filing of the return creates a legal charge without further action by H M Revenue & Customs.
2. We will prepare the corporation tax computation and supporting schedules and advise you of the corporation tax payments that are due and the due date for payment.

3. We will advise as to claims and elections relevant to the company's self-assessment tax return from the information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by H M Revenue & Customs.
4. We will agree with H M Revenue & Customs the company's liability to corporation tax, should the corporation tax self-assessment return be challenged.
5. As a limited company, your business could be subject to several types of investigation by the tax authorities. Even if there are no errors or omissions in your taxation affairs, the costs of defending a detailed investigation can be substantial. Therefore, we are able to arrange insurance against fees incurred as a result of such an investigation and we shall contact you regarding this scheme in due course.
6. There are strict time limits for the submission of the form CT600 and penalties apply when these are not adhered to. In order to avoid these penalties, we will produce statutory accounts within the required period provided that all your records are complete and presented to us within five months of the year end and all subsequent queries are promptly and satisfactorily answered by you.
7. At your request, we will be responsible for the preparation, using the information provided by you, of form CT61 regarding payments made by the company with deduction of tax. The form CT61 will be sent to you for approval and signature before submission to H M Revenue & Customs. We will advise you of the amounts of income tax that are due and the due dates of payment. You must inform us immediately if the company pays or receives any interest, makes any other payment or transfers any asset to any shareholder.
8. Where the company has made a loan to a participator such as a shareholder, tax is payable. We can only be responsible for advising you of the tax payable provided that all your records are complete and presented to us within five months of the year end and all subsequent queries are promptly and satisfactorily answered.
9. It is your responsibility to notify us of any engagements that you consider may fall within the scope of the regulations known as 'IR35'.
10. The application of the rules that determine whether an engagement is relevant to IR35 is very subjective and is therefore open to different interpretations. For this reason this firm cannot accept any responsibility for the final decision made in respect of whether a particular engagement does or does not fall within the scope of IR35. In borderline cases we can only advise that an application is made to H M Revenue & Customs to give a ruling based on the facts of each engagement.
11. In order to allow us to complete the necessary work each year to determine if any additional tax liability arises from the application of IR35 to your situation, it is essential that you provide us with sufficient, accurate and complete accounting records that allow us to identify all the IR35 relevant sales receipts and expenditure for the year ending 5th April each year. Unless we receive these records by 8th April, we shall be unable to complete the necessary work in order to advise you on how much additional tax, if any, you may be required to pay by 19th April.
12. You have asked us to undertake all correspondence with H M Revenue & Customs on behalf of the company. Would you please send to us any forms or correspondence received from H M Revenue & Customs as soon as you receive them, and in particular please ensure that no payments are made to H M Revenue & Customs without our knowledge and approval.
13. You are legally responsible for making correct returns and for payment of tax on time.
14. To enable us to carry out our work, you agree:
 - a) to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and 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;
 - b) to respond quickly and fully to our requests for information and to other communications from us;
 - c) to provide us with information in sufficient time for the company's self-assessment tax return to be completed and submitted by the due date, being nine months and one day following the end of the accounting period; and
 - d) to forward to us on receipt copies of all statements of account, letters and other communications received from H M Revenue & Customs to enable us to deal with them as may be necessary within the statutory time limits.
15. You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.

F PAYROLL

1. End of Year PAYE Returns

There are penalties for both late and inaccurate submission of these forms. Should you wish us to prepare these on your behalf, you must ensure that we receive complete and accurate details of all salaries, wages, benefits and expenses for the tax year (NB, not accounts year) within 14 days of the end of the tax year.

2. If you have asked us to maintain your payroll records and to produce your year end returns, in order to do this we will require from you the following information:
 - a) personal details of all employees (ie, name, NI number, home address, etc);
 - b) all P45s received by you;
 - c) if any casual labour is taken on, you are required to operate P46 procedures. Completed P46 forms should be passed to us for processing;
 - d) notification within two weeks of any employee who is sick for four or more calendar days, including weekends, bank holidays etc. This will enable us to operate statutory sick pay for you;
 - e) notification of any employee who becomes pregnant. This will enable us to operate statutory maternity pay;
 - f) details of any money or benefits made available to employees by you or by a third party through you;
 - g) hours worked, rates of pay, bonuses etc;
 - h) notification of employees engaged by you or leaving your employment; and
 - i) any notice of coding received by you.
3. The end of year payroll returns must be with H M Revenue & Customs by 19th May following the end of the tax year or penalties will be levied. There may also be interest payable if the final tax and national insurance payment, due by 19th April following the end of the tax year, is late. We cannot guarantee to have the returns etc completed in time to meet this deadline unless we have all the relevant information within five working days of the end of the tax year.

G P11D Benefits for Directors/Officers/Higher Paid Employees

4. If you have asked us to prepare forms P11D for your approval. To ensure these forms are correctly prepared we will require details of all benefits, perks or reimbursed expenses received by the directors/officers/higher paid employees. (Note: A higher paid employee is someone who receives (at the current level) at least £8,500 per annum including the taxable value of benefits, perks and reimbursed expenses.)
5. There are penalties for the late submission of forms P11D. In order to avoid these, you must ensure that we receive complete and accurate details of all benefits and expenses for the tax year (NB: not accounts year) within 14 days of the end of the tax year.

H Subcontractors

6. If you have asked us to be responsible for operating the Construction Industry Scheme for the subcontractors you engage. In order for us to do this, we require the following information from you:
 - a) written confirmation that you have contacted H M Revenue & Customs to confirm the status of the subcontractors for gross payment or CIS tax deduction; and
 - b) details of any own materials used.
7. If we have agreed to operate your payroll/ subcontractors system. We can also offer you advice in the following related areas:
 - a) year end returns P14/P60 and P35;
 - b) casual labour P46;
 - c) subcontractors; and
 - d) benefits for employees and directors.
8. We will be pleased to advise on any other taxation matters referred to us.

I VALUE ADDED TAX

1. Where appropriate, you/your staff will be responsible for completing and submitting VAT returns unless we have been specifically requested to do so. We will not be responsible for checking the VAT treatment of supplies made, ie between positive and zero rates, and exempt supplies unless specifically requested in writing to make a detailed review. Similarly, we will not specifically check the deductibility of input VAT and the validity of supporting invoices unless specifically requested in writing to carry out a detailed review.
2. If you have asked us to undertake the completion of your VAT returns. We cannot be held responsible for any penalties or default surcharges arising from the late submission of VAT returns. However, we will endeavour to meet the relevant deadlines if we receive all the company's VAT records within 14 days of the end of the VAT return period. You have undertaken that you/your staff will ensure that:
 - a) we receive all VAT records within 14 days of the end of the VAT return period;
 - b) valid VAT invoices are received for all payments where VAT is being reclaimed;
 - c) the VAT rating of supplies is correctly dealt with, ie. between positive and zero rates, and exempt supplies;
 - d) we are notified in writing of any positive-rated own consumption;
 - e) any input VAT on non-business expenditure is clearly marked on supporting invoices;
 - f) we are notified each quarter of any payments to or for the benefit of directors or staff for fuel used for private mileage, together with the business mileage for each such person, for each quarter; and
 - g) all supplies made by the business are shown in the records made available to us.
3. Whilst registered for VAT purposes you may have a number of options available that you can elect for (eg annual accounting scheme, cash accounting scheme, flat rate scheme for small businesses, deregistration). We will not provide advice to the potential benefit of such options unless we are requested to in writing.
4. If at the time of this letter you are not VAT registered; if registration becomes necessary, we will endeavour to ensure that you register in time, provided that:
 - a) you notify us in writing within 14 days of the end of each month of the total value of supplies you have made in that month; and
 - b) you notify us immediately in writing if the value of taxable supplies that you will make in the next 30 days will exceed the annual registration limit then in force.

J MANAGEMENT ACCOUNTS

1. If you require us to prepare management accounts of your business this involves us in completing the writing up of your books and records insofar as they are incomplete when presented to us, and preparing draft accounts for your approval.
2. You and where applicable your staff will be responsible for:
 - a) maintaining records of all receipts and payments of cash;
 - b) reconciling balances monthly/quarterly with the bank statements;
 - c) maintaining records of amounts owing by customers; and
 - d) maintaining records of amounts owing to creditors.
3. You will also provide estimates of any stocks at the end of each period.
4. We confirm that we will not be carrying out an audit and accordingly will not verify the assets and liabilities of the business, nor the items of expenditure and income. To carry out an audit would require additional work to comply with generally accepted auditing standards so that we could report on the truth and fairness of the financial statements.
5. We would like to emphasise that we cannot undertake to discover any shortcomings in your systems or any irregularities on the part of your employees, although we will advise you of any such circumstances that we encounter in preparing your management accounts.
6. The management accounts are prepared for your internal use within your business. They should not be shown to any other party without our prior permission. To ensure that anyone reading the accounts is aware that we have not carried out an audit, we will annex to the accounts a short report. This report must remain attached to any accounts shown to any other parties.

7. The management accounts are not suitable for submission with the business's tax return, or for summary thereon.

K BOOKKEEPING

1. If you have instructed us to provide bookkeeping services, we will require you to provide us with all the information and explanations necessary. You, and where applicable, your staff will be responsible for providing:
 - a) sales invoices;
 - b) purchase invoices and receipts;
 - c) bank statements, paying in books and cheque stubs;
 - d) details of any stocks and work in progress at the end of each period;
 - e) information and explanations of all relevant transactions.
2. From the source documents you supply, we will:
 - a) maintain the records of receipts and payments;
 - b) reconcile the balances with the bank statements;
 - c) where applicable, maintain and balance the purchase and sales ledgers.
3. We emphasise that we cannot undertake to discover any missing information or irregularities although we will advise you of any such circumstances that we encounter.

L PERSONAL TAXATION

1. You have instructed us to act on your behalf in the preparation of your Tax Return form(s) and in the preparation of such accompanying schedules as may be required. The Returns and any schedules will be sent to you for approval prior to being submitted by us to H M Revenue & Customs. You authorise us to file the return electronically under the H M Revenue & Customs on line lodgement system.
2. Where applicable we will advise all the partners who were partners of the firm during the period of their respective shares of the firm's total income, gains, losses, tax credits and charges in order that they are able to file their personal self-assessment tax returns within the relevant time period.
3. Under the new self-assessment regime there are automatic penalties for late filing of Tax Returns. We can accept no responsibility for these if we do not receive all relevant information by 31st October following the end of the tax year in question.
4. We will calculate and advise you as to amounts of tax and National Insurance contributions to be paid and the dates by which you should make the payments, including payments on account and the balancing payment, and if appropriate we will initiate repayment claims when tax and national insurance contributions appear to have been overpaid.
5. We will deal with H M Revenue & Customs regarding any amendments required should a self-assessment tax return be challenged.
6. Other than as regards tax credits (see point 17) we will advise as to claims and elections arising from the tax returns and from information supplied by you and, where instructed by you, we will make such claims and elections in the form and manner required by H M Revenue & Customs.
7. Interest is charged on tax not paid by the due date. You are responsible for making payments by the due dates and we can only undertake to advise you of the correct amounts if all relevant information is provided to us as in (3) above.
8. When submitting your Tax Returns, we shall exercise our judgement as to the supporting information to be provided to H M Inspector of Taxes along with the Returns. This information will be chosen with a view to providing an explanation of large/unusual items appearing on your returns in order to reduce the likelihood of an investigation into your affairs. You are reminded however that under the self-assessment regime H M Revenue & Customs may launch an enquiry into your affairs without any reason or justification and regardless of whether there is any suspicion of irregularities. Assistance in respect of such an enquiry beyond the answering of straightforward queries regarding entries on the tax returns is additional work and will result in separate charges. We will keep you fully informed before undertaking any extra work in respect of such an enquiry.
9. Your business could be subject to several types of investigation by the tax authorities. Even if there are no errors or omissions in your taxation affairs, the costs of defending a detailed investigation can be substantial. Therefore, we are able to arrange insurance against fees incurred as a result of such an investigation, and we shall contact you regarding this scheme in due course.

10. You have asked us to undertake all correspondence with H M Revenue & Customs on your behalf. Please send to us any forms or correspondence received from H M Revenue & Customs as soon as you receive them, and in particular please ensure that no payments are made to H M Revenue & Customs without our knowledge and approval.
11. Prior to the end of each fiscal year, if required, we will review your affairs, as they are known to us, in order to consider whether there are matters we should draw to your attention, in relation to your tax or business affairs, which we believe you should consider.
12. We shall, if required, discuss and agree with you schemes for reserving income tax, so as to provide funds to be set aside in order to meet your tax liabilities as these fall due.
13. We shall deal separately with those partners who instruct us to deal with their personal affairs. Where we do not receive instructions to act for individual partners we shall, if necessary, correspond with their own accountants and it may be necessary for an additional fee to be charged in respect of any work thus involved.
14. We will provide our professional services outlined in this letter with reasonable care and skill. However, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities 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 the tax authorities.
15. You agree that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs and undertake to authorise such third parties to communicate directly with us.
16. We will submit form 64-8 to H M Revenue & Customs which authorises them to send us copies of formal notices. In practice, H M Revenue & Customs will treat this as authority to correspond with us, in which case they will not correspond with you except to the extent that they are formally required to do so. However, this authority does not apply to all H M Revenue & Customs correspondence, and even where it does, H M Revenue & Customs sometimes overlook it. You should therefore always send us the originals or copies of all communications you receive from H M Revenue & Customs.
17. We will not provide advice in respect of child tax credit or working tax credit claims unless you make a specific request in writing. If we agree to advise you on tax credits, this is additional work and will result in separate charges. Tax credits are, in effect, a Social Security benefit. Your entitlement or otherwise will depend not only on your own circumstances but also those of your household and we will require all relevant information to advise in this regard.
18. We will be pleased to advise on any other taxation matters referred to us.

M AD HOC AND CONTINUING ADVICE SERVICES

1. You authorise us to provide continuing advice and advice on an ad-hoc basis through instructions given in any manner, including written, verbal or electronic, in circumstances where we could reasonably be expected to believe that the instructions originate from you or from any person we could reasonably be expected to believe is authorised by you to issue instructions on your behalf.
2. Where we believe certain action needs to be taken by us on your behalf in order to protect your interests and to properly perform services for you, you authorise us to carry out the work notwithstanding the fact that separate or timely instructions may not have been received from you. If you specifically do not require us to carry out a service for you, you should indicate your requirements to us as soon as practically possible. A failure to make your intentions clear may result in charges being made to you.
3. Where specialist advice is required, on occasions we may need to seek this from or refer you to appropriate specialists.

N CHANGES IN LAW

1. We will not accept responsibility if you act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid in the light of any change in the law or your circumstances.
2. We will accept no liability for losses arising from changes in the law or the interpretation thereof that are first published after the date on which the advice is given.

O OTHER SERVICES

1. There are many other areas where we can be of assistance to you, such as:

- a) management services including advice in respect of record-keeping and controls, together with general assistance and advice concerning the operation of the business;
- b) advice in connection with the acquisition, expansion or disposal of businesses including the taxation implications thereof;
- c) business plans and cash flow and profit forecasts;
- d) advice concerning your personal financial affairs;
- e) advice in relation to inheritance tax planning, wills and trusts.

We shall be pleased to discuss the provision of other services at any time and to receive your separate instructions thereon.

P INVESTMENT SERVICES

1. Although we are not authorised by the Financial Services Authority to conduct Investment Business, we are licensed by the ICAEW to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you.
2. In particular, we may:
 - a) advise you on investments generally, but not recommend a particular investment or type of investment;
 - b) refer you to an Authorised Third Party (ATP) (an independent firm authorised by the FSA), assist you and the authorised third party during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The ATP 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;
 - c) assist you in making arrangements for transactions in investments in certain circumstances;
 - d) advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange; and
 - e) manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.
3. It is our normal practice to introduce clients to our associate company, Spectrum Financial Services Limited. The company, which is controlled by the partners in this firm, is authorised by the Financial Services Authority.

Following an introduction, we will make available to Spectrum such details as they request to enable them to advise you properly. The satisfactory performance of the services provided is their responsibility.

No commission will be received by Ashdown Hurrey. Any commissions paid to Spectrum Financial Services Limited will be notified to you by them.
4. We may also, on the understanding that the shares or other securities of the company are not publicly traded:
 - a) advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options valuation and methods;
 - b) arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
 - c) arrange for the issue of the new shares; and
 - d) act as the addressee to receive confirmation of acceptance of offer documents etc.
5. If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'quality of service' section of this letter and, if 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.

Q FEE PROTECTION SCHEME

At Ashdown Hurrey, we feel strongly about providing the right level of professional service and protection. We therefore recommend all our clients join our 'Fee Protection Scheme' which is provided by market leader, CCH.

There is a small additional charge for the scheme, but we are sure you will agree that the cost is small compared with the benefit.

To join the scheme, please request a purchase order. On receipt of the purchase order we will issue an invoice and a key facts summary, together with your client adviser card which details the business support helpline telephone number and instructions for use, if this service has been selected.

You will receive an annual reminder prior to the scheme renewal date in May, either to renew cover or take up cover if you have not applied previously.

R QUALITY CONTROL

As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent quality review. Our reviewers are bound by the same requirements for confidentiality as our partners and staff. By appointing us to act on your behalf you have authorised us to submit files relating to your affairs for inspection as part of this process.

S QUALITY OF SERVICE

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 telephoning the partner responsible for your affairs. Alternatively, you may contact our Managing Partner, Patrick Lee.

We undertake to look at any complaint carefully and promptly and to do all we can to explain the position to you. If we have given you a less than satisfactory service we undertake to do everything reasonable to put it right. If you are still not satisfied, you may take up matters with the Institute of Chartered Accountants in England and Wales.

T CLIENT MONIES

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 Client Money Regulations of the Institute of Chartered Accountants in England and Wales.
2. Client monies may be held in an interest-bearing account. In order to avoid an excessive amount of administration, interest will only be paid to you where the amount that would be earned on the balances held on your behalf in any calendar year exceeds £35. Subject to any tax legislation, interest will be paid gross.
3. If money held on your behalf exceeding £10,000 is expected to be held by us for more than 30 days, we shall pay it into a designated deposit client bank account and account to you for all interest earned. Subject to any tax legislation, interest will be paid gross.
4. Any unqueried fees of this firm remaining unpaid more than 30 days after the invoice date will be collected from any client monies held on your behalf.
5. If you have entered into a standing order arrangement to make payments on account of current and/or future fees, any amounts which may be paid in excess of fees actually outstanding will not be treated as client money and the foregoing provisions will not apply.

U MONEY LAUNDERING REGULATIONS

1. In common with all accountancy and legal practices, the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
 - a) maintain identification procedures for clients and beneficial owners of clients;
 - b) maintain records of identification evidence and the work undertaken for the client; and
 - c) report in accordance with the relevant legislation and regulations.

We have a statutory obligation under the above legislation to report to the Serious Organised Crime Agency (SOCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in the strictest confidence.

In fulfilment of our legal obligations, neither the firm's principals nor staff may enter into any correspondence or discussions with you regarding such matters.

2. We have elected to discharge our responsibilities by utilising the Electronic Monitoring Service provided by CallCredit Limited. Unless advised to the contrary, we will treat your agreement to these terms as including authority for us to carry out the identification checks. We confirm that the checks are not registered against your credit history. We also confirm that no information received will be shared or disclosed to any third party without your express permission.

V FEES

1. Our charges are based on two criteria:
 - a) the time necessarily occupied on the work; and
 - b) the degree of responsibility and skill required by the person carrying out the work.
2. Fee invoices will be rendered at appropriate intervals during the course of the year and will be due on presentation. We reserve the right to charge interest, at the rate specified on the fee invoice, compounded monthly, if not settled within thirty days from the date of issue. Any query in relation to a fee that has been rendered to you must be raised in writing within twenty-one days from the date shown thereon.
3. Certified copies of your business accounts will be supplied to you and third parties upon settlement of all outstanding fees, including fees rendered to you with your draft accounts for approval.
4. If it is necessary to carry out work outside the responsibilities outlined in this letter 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.
5. We normally request that clients make payments on account, often by way of monthly standing order, in respect of work currently in progress or to provide towards work to be carried out. These payments will be applied to fees arising from work agreed in this letter for the current and ensuing years. Unless stated to the contrary, standing orders will be allocated against charges in chronological order and any amounts paid in advance of invoice will be held on account against future fees. If the standing order arrangement is cancelled or payment is not made, the normal payment terms will apply.
6. Where a fee balance remains unpaid ninety days after issue and no settlement agreement is in place, we shall, without notice, suspend work on your behalf. We will accept no liability for any loss arising due to our lack of action and you will need to make arrangements to deal with requirements personally.

W PERSONAL GUARANTEE

In consideration of our providing a credit facility to a limited company or a limited liability partnership in respect of our fees, the signatories to the document confirming receipt of our terms and conditions of engagement accept joint and several personal liability for any of our fees not settled by the limited company or limited liability partnership within sixty days from the invoice date.

X RETENTION OF RECORDS

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 accounts.

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 indicate that fact to us.

Y ELECTRONIC COMMUNICATION

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.

Z APPLICABLE LAW

These terms are 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 these terms of engagement and any matter arising from them. 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.

AA DATA PROTECTION ACT 1998

We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under these terms of engagement, 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. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Patrick Lee.

Sections 11 and 12 of the Data Protection Act 1998 place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. We therefore confirm that we will at all times comply with the requirements of the Data Protection Act 1998 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.

AB CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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 effect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

AC LIMITATION OF LIABILITY

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 yours 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.

You agree to hold harmless and indemnify us against any misrepresentations, 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.

In respect of the professional services set out in these terms, this firm's aggregate liability whether to you or any other party, of whatever nature, whether in contract, tort or otherwise, for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement shall not exceed five times the fee. We acknowledge that the limit in respect of our total aggregate liability will not apply to any acts, omissions or representations that are in any way criminal, dishonest or fraudulent on the part of the firm, its principals or employees.