

APPENDIX 2 - TERMS OF BUSINESS – YOUR COPY

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.
- 1.2 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.
- 1.3 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We will 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

We aim to provide you with a fully satisfactory service and Andrew Groucott as engagement partner will seek to ensure that this is so. 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.

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 ICAEW.
- 3.2 All client money will 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 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 Lloyds Bank Plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 3.3 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.
- 3.4 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 practise then we may pay those monies to a registered charity.

4 Investment advice – exempt regulated activities

4.1 Although we are not authorised by the Financial Conduct Authority (FCA) 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.

4.2 Such assistance may include the following:

- advising you on investments generally, but not recommending a particular investment or type of investment;
- referring you to a Permitted Third Party (PTP) (a firm authorised by the FCA) and assisting you and the authorised third party during the course of any advice given by that party. This may include comment on, or explanation of, the advice received (but we will not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000. The firm may receive commission from such an introduction, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction.
- advising on the sale of a contractually based investment other than disposing of any rights or interests which you may have as a member of a personal pension scheme;
- advising and assisting you in transactions concerning shares or other securities not quoted on a recognised exchange;
- managing investments or acting as trustee (or done of a power of attorney) where decisions to invest are taken on the advice of an authorised person;

4 Investment advice

4.1 We are not authorised by the Financial Conduct Authority to conduct Investment Business. If you require investment business services we will refer you to a firm authorised by the Financial Conduct Authority.

5 Fees and payment terms

5.1 Our fees may depend not only on the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved, but also the level of risk identified and any advice provided. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation.

5.2 We may indicate a fixed/indicative fee for the provision of specific services. We will not usually identify fixed fees for more than a year in advance as these may need to be revised in light of subsequent events. Where we estimate our fees for any specific work, this will not be binding unless this is clearly stated to you.

5.3 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.

Our fees will exclude out of pocket expenses. Out of pocket expenses (plus VAT (if applicable)) will be billed as incurred for reimbursement by you.

5.4 Invoices are payable in full before the reports are filed on your behalf.

5.5 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. We do not charge any interest or charges except for default charges. These standing orders will be applied to fees arising from work agreed in this letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if

you would agree to pay an amount to us on a regular basis. As these terms have been agreed after 18 March 2015 this instalment agreement is not a regulated credit agreement.

- 5.6 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 30 days net. Interest will be charged on all overdue debts at the rate for the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998.

6 Retention of and access to records

- 6.1 During the course of our work we will collect information from you and others acting on your behalf and will either return any original documents to you, or ask that you collect your documents, following the preparation of your accounts [and returns].
- 6.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

7 Proceeds of Crime Act 2002 and Money Laundering Regulations 2007

- 7.1 In common with all accountancy and legal practices, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- have due diligence procedures for the identification of all clients;
 - maintain appropriate records of evidence to support customer due diligence; and
 - report in accordance with the relevant legislation and regulations.

8 Electronic communication

- 8.1 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.
- 8.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

9 Data Protection Act 1998

- 9.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, 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. We confirm when processing data on your behalf that we will comply with the relevant provisions of the Data Protection Act 1998. You also confirm that any personal data you provide to us complies with the Data Protection Act 1998.

10 Confidentiality

- 10.1 Where you give us confidential information, we confirm that we shall at all times keep it confidential, other than as required by law, by our insurers, or as provided for in regulatory (including external peer reviews), ethical or other professional statements relevant to our engagement. This will apply during and after this engagement.

10.2 We may subcontract our work to other professionals within the sector. Any subcontractors are also bound by our client confidentiality terms.

11 External review

11.1 As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as us.

12 Professional rules and practice guidelines

We will observe and act in accordance with the bye-laws, regulations and Code of Ethics of the ICAEW 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.

13 Conflicts of interest

13.1 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 your business.

13.2 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 our Code of Ethics which can be viewed on the internet at the address above, in part B, sub-section 220.

14 Timing of our services

14.1 If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time in order to meet any regulatory deadlines. However, failure to complete our services prior to any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.

15 Termination of our agreement

15.1 Either party to these terms of engagement may terminate the agreement by giving not less than 21 days' notice in writing to the other party. We may, however, terminate our agreement immediately where you fail to cooperate with us, or we have reason to believe that you have provided us or HMRC with misleading information. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

15.2 Should our contract be terminated, we will endeavour to agree with you the arrangements for the completion of work in progress at that time. We may, however, be 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.

16 Complaints procedure

We take complaints about our work, staff, and levels of service very seriously. If you are not satisfied with any aspect of our service, please follow the process for raising a formal complaint.

Policy

Groucott Moor Limited is committed to providing high quality, proactive and responsive professional business advisory services. Feedback, both good and bad, is welcomed as an opportunity to improve.

All complaints are forwarded to the Director who ensures that they are investigated thoroughly, within specified deadlines, and that swift and effective action is taken wherever appropriate to address issues raised. Our aim is to resolve all complaints within four weeks of receipt.

Procedure

1. All complaints should be addressed to Andrew Groucott who can be contacted by post at Groucott Moor Limited, Lombard House, Cross Keys, Lichfield, WS13 6DN, by telephone on 01543 255 333, or by email at info@groucottmoor.co.uk.
2. Complaints will be acknowledged by the Director within three working days of their receipt.
3. The Director will investigate the issues raised and review any action which needs to be taken.
4. The Director will advise the complainant of the outcome of his/her complaint within four weeks of its receipt.
5. If the complainant does not believe his/her complaint has been dealt with satisfactorily, then he/she can take up the matter with the Institute of Chartered Accountants in England and Wales.

What complaints we can and can't deal with;

We can only handle complaints about the work, staff and levels of service provided by Groucott Moor Limited. We can't deal with: Complaints about generic treatment from HMRC, your bank, companies not under a service agreement with ourselves or where we did not provide the advice.

How do I make a complaint?

Please call or e-mail the office in the first instance. We will aim to resolve any problems immediately. If we are unable to resolve the issue to your satisfaction, we will escalate your complaint to a Senior member of the firm.

Please contact us via email:

info@groucottmoor.co.uk

Or by post:

Complaints Manager
Groucott Moor Limited
Lombard House
Cross Keys
Lichfield
WS13 6DN

You can also make a complaint directly to the ICAEW using the following link;
<https://www.icaew.com/regulation/complaints-process>