

## **TERMS OF TRADE**

Thank you for instructing us to deal with your matters. It is important and proper that we provide you, and that you agree with the terms on which we work which are as follows:-

### **1.0 Preparation of Annual Accounts**

Preparation of Annual Accounts from your books and records. The Accounts are to be prepared in accordance with recognised accounting standards and we therefore would expect that all information is made available to us in order that we can prepare the Accounts. If accounting information is not kept in an orderly form, additional work is incurred in creating bookkeeping records, and this additional time will be charged for at our normal rates. Any time spent by us in obtaining from you information and clarification of your records will be charged.

1.1. The responsibility for safeguarding the assets of your business and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the management of the business.

1.2. As part of our normal procedures, we may request you to provide formal representations concerning certain information and explanations we have received from you during the course of our work.

1.3. Once we have issued the Accounts to you we have no further direct responsibility in relation to the accounts for that financial year. However, you should inform us of any material event occurring between the date of our report and that of the date of the Accounts.

### **2.0 Business and Management Advice and Assistance, and Information**

We will provide such advice and assistance and information as you may from time to time request, and we are able to supply. Any special terms for this work will be advised at the time we agree to do the work.

### **3.0. Investment Advice**

3.1 We are licensed by the Institute of Chartered Accountants in England and Wales (and not by the Financial Conduct Authority), and we may be able to provide certain investment services where these are complementary to or arise out of the professional services we are providing to you.

3.2 If we provide investment services for you, then 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.

## **4.0 Taxation**

4.1 Where we are asked to provide tax assistance, any computations we perform, and any correspondence or negotiations we conduct with the HM Revenue and Customs, are based on the information which you supply to us.

4.2 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 you undertake to authorise such third parties to communicate directly with us.

4.3 VAT – where we are asked to provide assistance with VAT and VAT returns, any computations we perform, and any correspondence or negotiations we conduct with HM Revenue and Customs, are based on the information which you supply to us.

## **5.0 Payroll**

Where we are asked to assist with payroll, the responsibility for payments to employees and the HM Revenue & Customs remains with the employer. You are responsible for advising us of any deductions to be made other than the standard deductions for tax and National Insurance (for instance, stakeholder pension deductions) and any additions to net pay (for instance, tax credits). As stated under ‘Responsibility – General’ we process personal data in connection with payroll only on instructions from you. The data is accessed only by our staff, under our existing security system for accessing computers. All staff are asked to sign a confidentiality agreement before handling data for our clients.

## **6.0 Fees**

6.1 Our fees are based on the time we spend dealing with your matters. It is not possible, at this stage, to give a realistic estimate of the time to be incurred and accordingly the cost but this will include:

- Meeting with you and others
- Any time spent travelling
- Case management
- Considering, preparing and working on papers
- Correspondence
- Making and receiving telephone calls
- Administrative and secretarial support

We charge on an hourly basis and we record our time in four units to the hour of 15 minutes recorded in half units of 7.5 minutes.

6.2 Fees for work done by Garrod Beckett & Company Ltd are computed by reference to the skill and knowledge required for the work, the seniority of the staff members involved and the time occupied. A list of the current hourly charge rates is enclosed. Should our rates be increased, you will be notified if this occurs.

In addition to the time spent, we may take into account a number of factors including the complexity of the issues, the speed at which action must be taken, the expertise or specialist knowledge which the case requires and, if appropriate, the value of the

property or subject-matter involved. On the basis of the information currently available, we expect these factors to be adequately covered by our hourly rates. The rates may be higher if, for example, the matter becomes more complex than expected. We hope this will not happen, if it does, we shall of course notify you prior to charging the higher rates.

6.3 A deposit may be required before we commence work.

6.4 Fee notes may be raised at any time after work has been performed. Fee notes may be raised on an interim basis where work continues over a period of more than one calendar month. An interim invoice does not represent an estimate of the work done up to the date of the interim fee note.

It is this firm's policy to ask our clients to pay money from time to time on account of the charges and expenses. Any such fee notes will be set off against the final fee note which may be greater than any advance payments.

6.5 Fees are payable within 14 days from the date of the invoice and we reserve the right to charge interest at 10 % p.a. above the Bank of England Base Rate on unpaid fees.

6.6 Any dispute or matter arising from a fee note must be notified to us in writing within 10 days of the date of the fee note.

6.7 We also reserve the right, in the event that fee note remain unpaid after 14 days from the date of the fee note, to cease work and to retain all books and records until the outstanding amount is paid.

6.8 Where fee notes are not paid on time, fees may be charged for the work done in connection with the collection of the outstanding sum(s) due. The fees charged will be based on the time occupied in the work, at the standard hourly standard rates of the staff involved, irrespective of whether any discount has previously been given.

6.9 Any fees charged by us will be increased by the applicable rate of VAT

## **7.0 Money Laundering Regulations 2007 and Proceeds of Crime Act 2002**

7.1 Statute requires accountants to get satisfactory evidence of the identity of their clients and sometimes people related to them. This is because accountants who deal with money and property on behalf of their client can be used by criminals attempting to launder money. Money laundering is handling money or dealing with criminal property which is the product of any crime. This might involve the proceeds of benefit fraud (eg working while on benefit) or tax evasion. It is a criminal offence for an accountant to fail to make a report in such circumstances.

To comply with the law, we need to get evidence of your identity as soon as possible. Our practice is to require our clients to provide photographic identification (eg a passport or driving licence) and evidence of their residential address (eg a recent utility bill or other official document addressed to you at home). As a matter of best

practice, we may also conduct anti-money laundering searches against all our clients using Search Flow, an electronic search provider.

7.2 The Proceeds of Crime Act 2002 requires accountants handling regulated work to submit a report to the Serious Organised Crime Agency (SOCA) in any case where the accountant has a reasonable suspicion that money laundering is taking place.

We are professionally and legally obliged to keep your affairs confidential. However, accountants may be required by statute to make disclosure to the Serious Organised Crime Agency where they know or suspect that a transaction may involve money laundering, terrorist financing or tax evasion.

## **8.0 Responsibility – General**

8.1 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 or other liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to act on our advice or respond promptly to communications from us or any authorities including the tax authorities.

8.2 Where we process data provided by you, for example for Accounts or payroll purposes, we will do so only on instructions given by you. The data is accessed only by our staff, under our existing security system for accessing computers. All staff are asked to sign a confidentiality agreement before handling data for our clients.

8.3 You agree to hold harmless and indemnify us, our principals and staff, against any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You agree that you will not bring any claim in connection with services we provide to you against any of our workers personally.

8.4 Our work must not be made available to third parties without our written permission and we accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

### **8.5 Your Responsibilities**

In relation to all our work for you, it is your responsibility to provide us with complete, accurate and timely information and to carry out any obligations ascribed or undertaken by you or others under your control. Our advice may be based upon information provided by you and/or on your behalf. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by you or on your behalf.

8.6 We will treat any information obtained from you that is not in the public domain as confidential. However, we may sometimes have to disclose information to regulatory authorities or under rules of law or professional conduct. If so, we would

(where legally permissible and practicable) inform you of the request or requirement to disclose.

## **9.0 Liability**

9.1 The aggregate liability of Garrod Beckett & Company Ltd to you by reason or arising out of anything done in relation to a matter in respect of any one claim shall be £900,000. An exclusion or limitation will apply to the fullest extent that the law will permit, but liability for fraud by Garrod Beckett and Company Limited is not excluded or limited.

9.2 Our advice and/or services are for your benefit and may not be used or relied upon by anyone else nor can we accept liability for the acts or omissions of any third party we may instruct on your behalf or for the default of any financial institution with whom we deposit money on your behalf.

## **10.0 Copyright**

All documents produced by us in the course of work for you, including but not restricted to Accounts, tax returns, VAT returns, employers' returns, whether in draft or in final form, are copyright. We retain the copyright. Unless agreed otherwise in writing, you do not have a licence to use the documents until all fees due in connection with the preparation of the documents have been paid to us.

After preparing the work, we are entitled to keep all your papers and documents while there is any money owing to us for our charges and expenses. We may keep our file of papers (except for any of your papers, which you ask to be returned to you) for a period of at least seven years at which time it may be destroyed unless you instruct us to store it for longer.

## **11.0 Use of Documents**

If documents produced by us are used without our written consent, we reserve the right to take legal action for breach of copyright, and our fees for the work done in producing the documents become immediately due, whether or not an invoice has been issued. These fees shall be calculated by applying our standard rates to the time recorded for the work done in producing the documents. No discounts shall be given in respect of this work, regardless of whether any discounts have been given in relation to fees for other work.

## **12.0 Applicable law**

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 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.

## 13. Data Protection

13.1 In this clause 13, the following definitions shall apply:

‘Client personal data’ means any personal data provided to us by you, or on your behalf, for the purpose of providing our services to you, pursuant to our engagement letter with you;

‘GDPR’ means the General Data Protection Regulation ((EU) 2016/679); and

‘PECR’ means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003).

‘Data Protection Legislation’ means all applicable privacy and data protection legislation and regulations including PECR, the GDPR and any applicable national laws, regulations and secondary legislation in the UK relating to the processing of personal data and the privacy of electronic communications, as amended, replaced or updated from time to time;

‘Controller’, ‘Data Subject’, ‘Personal Data’, and ‘Process’ shall have the meanings given to them in the data protection legislation;

13.2 Each member of staff shall be considered an independent data controller in relation to the client personal data. Each of us will comply with all requirements and obligations applicable to us under the data protection legislation in respect of the client personal data.

13.3 You shall only disclose client personal data to us where:

(i) You have provided the necessary information to the relevant data subjects regarding its use (and you may use or refer to our privacy notice available at [www.garrodbeckett.co.uk](http://www.garrodbeckett.co.uk), for this purpose);

(ii) You have a lawful basis upon which to do so, which, in the absence of any other lawful basis, shall be with the relevant data subject’s consent; and

(iii) You have complied with the necessary requirements under the data protection legislation to enable you to do so.

13.4 Should you require any further details regarding our treatment of personal data, please contact our Data Protection Point of Contact.

13.5 We shall only process the client personal data:

(i) In order to provide our services to you and perform any other obligations in accordance with our engagement with you;

(ii) In order to comply with our legal or regulatory obligations; and

(iii) Where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects' own privacy rights. Our privacy notice is available at [www.garrodbeckett.co.uk](http://www.garrodbeckett.co.uk), for further details as to how we may process client personal data.

13.6 For the purpose of providing our services to you, pursuant to our engagement letter, we may disclose the client personal data to members of our firm's network, our regulatory bodies or other third parties (for example, our professional advisors or service providers). The third parties to whom we disclose such personal data may be located outside of the European Economic Area (EEA). We will only disclose client personal data to a third party (including a third party outside of the EEA) provided that the transfer is undertaken in compliance with the data protection legislation.

13.7 We shall maintain commercially reasonable and appropriate security measures, including administrative, physical and technical safeguards, to protect against unauthorised or unlawful processing of the client personal data and against accidental loss or destruction of, or damage to, the client personal data.

13.8 In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:

(i) We receive a request, complaint or any adverse correspondence from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or in respect of our processing of their personal data;

(ii) We are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from a supervisory authority as defined in the data protection legislation (for example in the UK, the Information Commissioner's Officer); or

(iii) We reasonably believe that there has been any incident which resulted in the accidental or unauthorised access to, or destruction, loss, unauthorised disclosure or alteration of, the client personal data.

13.9 Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided to you in accordance with our engagement letter with you in relation to those services.

## **14.0 Complaints Procedures**

We are confident of delivering a high quality service in all aspects. However, if for some reason you feel you are unhappy about the way your case is being handled, please refer the matter in writing to Paul Garrod, who may arrange a meeting with you if you wish. The company will respond to your complaint in writing within 35 days of your original written complaint, or of any meeting, whichever is the later. You have the right at any time to refer your complaint to the Institute of Chartered Accountants in England and Wales.

## **15.0 Agreement of Terms**

Once agreed, our Terms of Trade will remain effective until it is replaced with an update version.