

## **STANDARD TERMS AND CONDITIONS OF BUSINESS**

### **1. Applicable Law**

The engagement letter, the schedule of services and our standard terms and conditions of business are governed by, and should be construed in accordance with Scottish Law. Each party agrees that the courts of Scotland will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim that the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

### **2. Client identification**

We are required to identify our clients for the purposes of UK anti-money laundering legislation as are all other professional services firms. Therefore, we may request from you, and retain, such information and documentation as we require for these purposes and make searches of appropriate databases.

### **3. Client money**

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.

### **4. Commissions and other benefits**

In some circumstances we may receive commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens we will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits. The fees you would otherwise pay will not be reduced by the amount of the commissions or benefits.

### **5. Complaints**

We are committed to providing you with a high quality service that is both efficient and effective. However, should there be any cause for complaint in relation to any aspect of our service, please contact our Managing Partner, Pauline Hogg or one of our other partners. We agree to look into any complaint carefully and promptly and do everything reasonable to put it right.

If you are still not satisfied you can refer your complaint to our professional body, The Institute of Chartered Accountants of Scotland (ICAS).

### **6. Confidentiality**

Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. Unless we are authorised by you to disclose information on your behalf this undertaking will apply during and after this engagement.

We may, on rare occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.

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

## **7. Conflicts of interest**

We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.

If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent. We reserve the right to act for other clients whose interests are not the same as or are adverse to yours subject of course to the obligations of confidentiality referred to above.

## **8. Data Protection**

We confirm that we will comply with the provisions of the Data Protection Act 2018 when processing personal data about you and your family. In order to carry out the services of this engagement and for related purposes such as updating and enhancing our client records, analysis for management purposes and statutory returns, legal and regulatory compliance and crime prevention we may obtain, process, use and disclose personal data about you.

## **9. Disengagement**

Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

Should we have no contact with you for a period of twelve months or more we may issue to your last known address a disengagement letter and hence cease to act.

## **10. Electronic and other communication**

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via e-mail or by other electronic means. The recipient is responsible for virus checking e-mails and any attachments.

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through e-mails or electronic storage devices. However electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs. If you do not wish to accept these risks please let us know and we will communicate by post, other than where electronic submission is mandatory.

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

## **11. Fees and payment terms**

Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.

If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.

Where requested we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be reviewed in the light of any subsequent events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HM Revenue & Customs. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

Our standard hourly rates will normally be increased annually in line with inflation on 1 April each year.

We will bill monthly, quarterly, or annually or at other times dependent on the services being provided and our invoices are due for payment upon presentation. Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.

Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.

It is also our normal practice to ask clients to pay by monthly direct debit or standing order and to periodically adjust the monthly payment by reference to actual billings.

We reserve the right to charge interest on late paid invoices at the rate of 3% above bank base rates. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.

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

## **12. Implementation**

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

### **13. Intellectual property rights**

We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

### **14. Interpretation**

If any provision of this engagement letter or enclosed schedules is held to be void, then that provision will be deemed not to form part of this contract.

In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

### **15. Internal disputes within a business client**

If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the registered office or normal place of business for the attention of the directors or proprietors. If conflicting advice, information or instructions are received from different directors or principals in the business we will refer the matter back to the board of directors or the partnership and take no further action until the board or partnership has agreed the action to be taken.

### **16. Investment advice (including insurance mediation services)**

We are authorised to conduct investment business and give investment advice under the Designated Professional Body of The Institute of Chartered Accountants of Scotland.

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

### **17. Lien**

Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

### **18. Limitation of liability**

We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default.

#### Exclusion of liability for loss caused by others

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are due to the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information or if they are due to a failure to act on our advice or a failure to provide us with relevant information.

#### Exclusion of liability in relation to circumstances beyond our control

We will not be liable to you for any delay or failure to perform our obligations under an engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

#### Exclusion of liability relating to the discovery of fraud etc

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and those responsible or their directors, officers, employees, agents or advisers.

This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.

#### Indemnity for unauthorised disclosure

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible, of our advice and opinions, whether in writing or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual charge out rates for the time that we spend in defending it.

#### Limitation of aggregate liability

Where the engagement letter specifies an aggregate limit of liability, then that sum shall be the maximum aggregate liability of this firm, its partners, agents and employees to all persons to whom the engagement letter is addressed. It will also apply to any other person that we have agreed with you may rely on our work. By signing the engagement letter you agree that you have given proper consideration to this limit and accept that it is reasonable in all the circumstances. If you do not wish to accept it you should contact us to discuss it before signing the engagement letter.

### **19. Period of engagement and termination**

Unless otherwise agreed in the engagement covering letter our work will begin when we receive your implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.

Each of us may terminate this engagement by giving not less than 21 days notice in writing to the other party except where you fail to cooperate with us or we have reason to believe that you have provided us or HM Revenue & Customs with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

In the event of termination, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work 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.

## **20. Professional rules and statutory obligations**

We will observe and act in accordance with the bye-laws, regulations and ethical guidelines of The Institute of Chartered Accountants of Scotland and will accept instructions to act for you on this basis. In particular you give us the authority to correct errors made by HM Revenue & Customs 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.

## **21. Reliance on advice**

We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

## **22. Retention of papers**

You have a legal responsibility to retain documents and records relevant to your tax affairs. During the course of our work we may collect information from you and others relevant to your tax affairs. We will return any original documents to you unless you request us to retain them. Documents and records relevant to your tax affairs are required by law to be retained as follows:

Individuals, trustees and partnerships

- with trading or rental income: 6 years after the end of the tax year;
- otherwise: 24 months after the end of the tax year;

Companies

- 6 years from the end of the accounting period;

Whilst certain documents may legally belong to you we may destroy correspondence and other papers that we store electronically or otherwise, which are more than 7 years old. You must tell us if you require the return or retention of any specific documents for a longer period.