

## TERMS OF BUSINESS (2017)

The following terms of business apply to all engagements accepted by Taxgo Limited. All work is carried out under these terms except where changes are expressly agreed in writing.

### 1. Applicable law

- 1.1. Our engagement letter, the schedules of services and our standard terms and conditions of business are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it on any basis. 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

- 2.1. As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

### 3. Commissions or other benefits

- 3.1. 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 same will apply where the payment is made to or the transactions are arranged by a person or business connected with ours. The fees you would otherwise pay may be reduced by the amount of the commissions or benefits. If we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission.

### 4. Confidentiality

- 4.1. Communication between us is confidential and we shall take all reasonable steps to keep confidential your information 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.
- 4.2. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. Those subcontractors will be bound by our client confidentiality terms.
- 4.3. Where your business has been introduced as part of a franchise network agreement, we will provide the franchisor with financial data and information as agreed between you and them in the franchise agreement.
- 4.4. We reserve the right, for the purpose of promotional activity, training or for other business purpose, to mention that you are a client. As stated above we will not disclose any confidential information.

### 5. Conflicts of interest

- 5.1. 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 unless we are unable to do so because of our confidentiality obligations. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. 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.
- 5.2. 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. We reserve the right to provide services for other clients whose interests are not the same as yours or are adverse to yours subject of course to the obligations of confidentiality referred to above.

### 6. Data protection

- 6.1. We confirm that we will comply with the provisions of the Data Protection Act 1998 when processing personal data about you and your family. In order to carry out the services under our engagement letter 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.

### 7. Disengagement

- 7.1. 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 sustained period we may issue to your last known address a disengagement letter and hence cease to act.

### 8. Electronic and other communication

- 8.1. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments.
- 8.2. 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 emails 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. If you do not wish to accept these risks please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.
- 8.3. Due to the potential for data corruption or alteration to an electronic communication it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it.
- 8.4. Any communication by us with you sent through the post system is deemed to arrive at your postal address

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two working days after the day that the document was sent.

### 9. Fees and payment terms

- 9.1. Our fees may depend not only upon the time spent on your affairs by the directors, our staff and sub-contractors 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.
- 9.2. 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.
- 9.3. 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 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.
- 9.4. If it is necessary to carry out work outside the responsibilities outlined in your engagement 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.
- 9.5. In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such services were 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.
- 9.6. 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.
- 9.7. Unless otherwise agreed to the contrary our fees do not include the costs of any third party, counsel or other professional fees.
- 9.8. We reserve the right to charge interest, compensation and reasonable costs under the Late Payment of Commercial Debts (Interest) Act 1998 and it is agreed that the term implied by that Act shall apply after any judgment as well as before. Any reference to Late Payment of Commercial Debts (Interest) Act 1998 is also a reference to any amendment, modification or re-enactment of it. If for any reason the Late Payment of Commercial Debts (Interest) Act 1998 does not apply interest shall be payable on overdue amounts at 8% over the Bank of England Base Rate from time to time.
- 9.9. 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.
- 9.10. 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 we shall be

entitled to enforce any sums due against the Group Company or individual nominated to act for you. It is normal practice for us to ask that a Guarantor be designated to guarantee to pay our invoices in the event of default by you as the principal debtor.

- 9.11. If, for any reason, our engagement is terminated before we carry out the services specified within the engagement letter(s) for the first time, we reserve the right to invoice an administrative charge of £75+VAT.
- 9.12. Without prejudice to our right to claim costs under the Late Payment of Commercial Debts (Interest) Act 1998, if for any reason any payment is not made when due we reserve the right to be paid on an indemnity basis any costs we incur in recovering any money due under this contract (and the costs of recovering such costs) including our administrative costs and any costs incurred with lawyers or debt collection agencies. Our administrative costs may include the cost of employing the staff concerned and the overheads attributable to them for the time spent. In calculating our administrative costs credit will be given for any compensation due under the Late Payment of Commercial Debts (Interest) Act 1998. If proceedings are issued a minimum contribution of £200 (in addition to the fixed costs of issue) will be claimed towards any costs incurred with lawyers.
- 9.13. In addition to the above, we could suggest additional terms you might consider beneficial once any sums are overdue. These would cover, insofar as appropriate to your business and not already covered:
  - the right to stop work if any payment is late;
  - the right to charge for all work done even if not completed or invoiced;
  - cancelling credit periods so you could sue on all invoices whether or not the credit period had expired;
  - all payments to be due without any deductions except agreed credits or overpayments; and
  - arbitration at your option (which you could use if in any case it looked a quicker less expensive option).

Our standard charge for carrying out this further review would be £425 plus VAT.

### 10. Help us to give you the right service

- 10.1. 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 [hello@taxgo.org](mailto:hello@taxgo.org).
- 10.2. We agree to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied you can refer your complaint to our professional body, the Institute of Chartered Accountants in England and Wales – C005251242

### 11. Implementation

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

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### 12. Intellectual property rights

- 12.1. 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.

### 13. Interpretation

- 13.1. If any provision of our engagement letter or terms of business 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.

### 14. Internal disputes within a client

- 14.1. 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. Unless otherwise agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken.

### 15. Investment advice (including insurance mediation services)

- 15.1. Investment business is regulated by the Financial Services and Markets Act 2000. 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 Conduct Authority.
- 15.2. However, as we are licensed by the Institute of Chartered Accountants in England and Wales, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you. In particular we may:
- advise you on investments generally, but not recommend a particular investment or type of investment;
  - introduce you to an Permitted Third Party (PTP) (an independent firm authorised by the Financial Conduct Authority), assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but 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.
  - assist you in making arrangements for transactions in investments in certain circumstances;
  - advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange; and

- 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

- 15.3. We may also, on the understanding that the shares or other securities of the company are not publicly traded:

- advise the company, existing or prospective shareholders in relation to exercising rights, taking benefits or share options valuation and methods;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of the new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

- 15.4. 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 in respect of exempt regulated activities undertaken.

### 16. Lien

- 16.1. Our engagement letter, the schedules of services and our standard terms and conditions of business are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it on any basis. 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.
- 16.2. Insofar as we are permitted to so by law or professional guidelines, we reserve the right to exercise a particular lien over all relevant documents and records in our possession relating to all engagements where fees and disbursements are outstanding.

### 17. Limitation of liability

- 17.1. Our engagement letter, the schedules of services and our standard terms and conditions of business are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter and any matter arising from it on any basis. 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.
- 17.2. We will provide services as outlined in the engagement letter with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. However, to the fullest extent permitted by law, we will not be responsible for any losses, penalties, surcharges, interest or additional tax liabilities where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.
- 17.3. You will not hold us, our directors and staff, responsible, to the fullest extent permitted by law, for any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in

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writing in connection with the engagement. You have agreed that you will not bring any claim in connection with services we provide to you against any of our partners or employees personally.

- 17.4. Our work is not, unless there is a legal or regulatory requirement, to be made available to third parties without our written permission and we will accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

### 18. Limitation of third party rights

- 18.1. The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the engagement letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, for any advice, information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

### 19. Period of engagement and termination

- 19.1. Unless otherwise agreed in our engagement letter, our work will begin when we receive implicit or explicit acceptance of that letter. Except as stated in that letter we will not be responsible for periods before that date.
- 19.2. Each of us may terminate our agreement 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 and 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.
- 19.3. In the event of termination of our contract, 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. Proceeds of Crime Acts 2002

- 20.1. In common with all accountancy and legal practices the firm, its principals and staff are required to comply with the regulations of the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. This includes provisions that may require us to make a money laundering disclosure in relation to information we obtain as part of our normal work. It is not our practice to inform you when such a disclosure is made or the reasons for it because of the restrictions imposed by the "tipping off" provisions of the legislation.

### 21. Professional rules and statutory obligations

- 21.1. We will observe and act in accordance with the by-laws, regulations and code of ethics of the Institute of Chartered Accountants in England and Wales and will 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/en/members/regulations-standards-and-guidance](http://www.icaew.com/en/members/regulations-standards-and-guidance).

### 22. Quality control

- 22.1. 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 our principals and staff.

### 23. Reliance on advice

- 23.1. 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.

### 24. Retention of papers

- 24.1. You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we may collect information from you and others relevant to your tax and financial affairs. We will return any original documents to you if requested. 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: 5 years and 10 months after the end of the tax year
- otherwise: 22 months after the end of the tax year

Companies, Limited liability Partnerships, and other corporate entities:

- 6 years from the end of the accounting period

- 24.2. Whilst certain documents may legally belong to you, we may destroy correspondence and other papers that we store electronically or otherwise that are more than seven years old, except documents we think may be of continuing significance. You must tell us if you wish us to keep any document for any longer period.

### 25. The Provision of Services Regulations 2009

- 25.1. Our professional indemnity insurer is Brunel Professional Risks Limited of St Thomas Court, Thomas Lane, Bristol, BS1 6JG. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States or Canada.