

STEPHEN PARNHAM TAXATION LIMITED

TERMS OF BUSINESS

These are the Terms of Business for STEPHEN PARNHAM TAXATION LIMITED

STEPHEN PARNHAM TAXATION is the trading name of STEPHEN PARNHAM TAXATION LIMITED.

1. INTRODUCTION

The following definitions are used in these Terms of Business:

“Engagement” means the services which we offer to provide by the Letter of Engagement.

“HMRC” means Her Majesty’s Revenue & Customs.

“Letter of Engagement” means the letter attached to these Terms of Business which sets out details of our instructions. The Letter of Engagement together with the Terms of Business constitutes the entire agreement between us in connection with our Engagement.

“Money Laundering Legislation” means legislation to combat money laundering and terrorism including, but not limited to the Terrorism Act 2000, the Proceeds of Crime Act 2002 and associated regulations to prevent money laundering.

“staff member” means an employee, director, officer, representative, sub-contractor or agent of ours.

“Submission Date” means for individuals, partnerships, LLPs or Trusts October 31 (for paper returns) or January 31 (for electronic returns) after the end of the tax year to which the Tax Return relates and for companies the statutory deadline for submission of your Tax Return.

“Tax Return” means a statement of income and capital gains submitted on a form sent annually by HMRC to a taxpayer.

“We” or “our” means STEPHEN PARNHAM TAXATION LIMITED.

“You” or “your” means the individual or company, which enters into the agreement with us for the Engagement, and on whose behalf we perform services.

Any headings in these terms and conditions are for convenience only and shall not affect the construction of the terms and conditions.

2. SCOPE OF ADVICE

If the Engagement includes tax planning in respect of a specific transaction, any tax planning advice that we give assumes that the transaction will take place on the date referred to in our advice. Because tax legislation is constantly changing we give no warranty that the advice given will still be correct if the transaction takes place on some other date.

The Engagement may require us to instruct other professionals on your behalf (for example where we need advice in another jurisdiction). In those circumstances we will act as intermediary and instruct that professional directly on your behalf.

You will be charged for time spent by us in acting in our capacity as intermediary and you will also be liable for all fees charged to us by the other professional instructed by us on your behalf.

If we believe that you require other professional services directly on your own behalf we will notify you of that fact and will use our reasonable endeavours to provide you with details of an appropriate professional.

3. TAX RETURNS, TAX PAYMENTS AND RELATED ADMINISTRATION

If the Engagement involves the preparation of Tax Returns on your behalf then:

3.1 INDIVIDUALS, PARTNERSHIPS AND TRUSTS

If you are an individual, partnership, LLP or trust we shall prepare your Tax Returns from the information which you or your agents supply to us. Once the Tax Return has been approved and signed by you, we will submit it to HMRC on your behalf. We undertake to complete your Tax Return in time for submission by the Submission Date provided that you supply all of the information necessary in order to enable us to complete your Tax Return no later than eight weeks before the Submission Date.

Where the information necessary to complete your Tax Return is provided after the date eight weeks before the Submission Date we will use our reasonable endeavours to complete your Tax Return by the Submission Date but we cannot guarantee completion by then and in such an event we will not be responsible for any interest or penalties arising as a result of late submission.

Tax Returns will be submitted to HMRC electronically wherever practicable as the Submission Date often only applies if Tax Returns are submitted this way. We shall advise you of filing deadlines, especially if electronic submission is not possible and due dates for payments of tax. The relevant legislation imposes automatic penalties where Tax Returns are not submitted on time. You are responsible for paying all penalties and fines imposed by HMRC.

3.2 COMPANIES

If you are a company we shall prepare Tax Returns from the information which you or your agents supply to us and we will submit them to HMRC on your behalf. Tax Returns relating to the payment of Corporation Tax have to be submitted within a strict timetable otherwise you will be liable to penalties. We undertake to complete your Tax Return in time for submission by the Submission Date so long as all the relevant information has been provided to us no later than four weeks before the Submission Date.

We shall advise you of the amount of Corporation Tax due and the date by which it should be paid. Late payments are subject to interest and penalties. We undertake to advise you of an appropriate payment on account of the Corporation Tax liability before the due date provided all the relevant information has been provided to us no later than two weeks before the Submission Date.

Large companies are required to pay their Corporation Tax liabilities by quarterly payments on account. We will advise you as soon as we become aware that your taxable profits are of a level which may bring it within this regime. However, you should be aware that the date when some payments on account may be due may be before you have had an opportunity to produce relevant accounts. Interest is payable on late payments.

If you are required to pay Corporation Tax quarterly on account, we shall assist you in the preparation of Corporation Tax forecasts for the purpose of enabling you to meet your obligations under the quarterly payments on account regime or for internal cash flow forecasting purposes.

3.3 INHERITANCE TAX

If the Engagement involves advice on Inheritance Tax, we will deal with the preparation and submission to HMRC of any return or account which may be required for Inheritance Tax purposes, and advise you in relation to any claims or elections which we believe you should make in order to mitigate the amount of Inheritance Tax payable. It is your responsibility to advise us of any gifts you have made or are contemplating. You should also advise us of any substantial gifts you have received.

3.4 CLAIMS AND ELECTIONS

We shall also advise you of beneficial claims and elections which could be made to mitigate your tax liability. We will not be responsible for advising on claims and elections relating to periods for which we have not prepared your Tax Return, unless you instruct us to make a claim or election on your behalf in respect of such a period. Where we recommend that you make certain claims or elections we will not be responsible for drafting or submitting them

unless explicitly instructed to do so, in writing.

4. HMRC CORRESPONDENCE

If you notify HMRC on the appropriate form that you have appointed us as your tax agent then we will arrange to receive copies of any correspondence and statements of account relating to your tax affairs from HMRC. Even where we are appointed as your tax agent it is still your responsibility to send us copies of anything that you receive from HMRC.

We will check all correspondence received from HMRC and deal with it accordingly, subject to discussion with you where we feel that this is necessary. In respect of statements of account we will check all such statements, and if necessary lodge postponement applications on your behalf, subject to discussions with you, as appropriate.

We will advise you of the dates on which tax charged by such statements should be paid.

Where any repayments of tax are due and payable, or are received by us on your behalf, we will check the amount of any repayment, together with any associated tax repayment supplement. We will forward any repayments of tax received on your behalf to you.

5. PROFESSIONAL RULES AND PRACTICE GUIDELINES

We will use our reasonable endeavours to observe the bye-laws, regulations and ethical guidelines of The Chartered Institute of Taxation in carrying out the Engagement. Your attention is drawn to the fact that the Chartered Institute of Taxation's ethical guidelines require us to notify HMRC of any errors they have made in the calculation of your tax liability even where the error reduces your liability to tax. A copy of these guidelines is available for your inspection on request.

6. CLIENT MONEY & TITLE DOCUMENTS

This firm operates a policy not to accept cash from clients. This is due to our money laundering obligations and risk management policy.

Where the firm has to pay money to you it will be paid by cheque or bank transfer and will not be paid in cash to you or a third party under any circumstances.

Where we receive any share certificates, rights issue documents or other documents evidencing title to investments owned by you, we will forward them to you or your nominated agent on receipt of your written instructions.

7. RETENTION OF RECORDS

During the course of our work we may collect information from you and others acting on your behalf and will return any original documents, if requested. For corporate engagements, these records should be retained for six years from the end of the accounting period to which they relate. For private client engagements, records should be retained for six years after January 31 following the end of the tax year to which they relate. This period may be extended if HMRC enquire into a Tax Return.

We will destroy correspondence and other papers that we store in connection with the Engagement, which are more than seven years old, other than documents, which we consider to be of continuing significance, or documents which you have specifically asked us to retain.

8. DISCLOSURES

Whilst we regard all our files as containing strictly confidential information and deal with them accordingly, we reserve the right to disclose our files or any of their contents to regulatory bodies in the exercise of their powers or to any third party including but not limited to any disclosure required in accordance with the Money Laundering Legislation, or in accordance with any statutory requirement.

9. QUALITY OF SERVICE

We aim to provide a high quality of service at all times and undertake to carry out the Engagement with reasonable skill and care. If you would like to discuss with us how our service could be improved or if you are dissatisfied with the service you are receiving please let us know .

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 take up the matter with the Chartered Institute of Taxation.

10. CLIENT RESPONSIBILITIES

It is your responsibility to provide us with complete, accurate and timely information necessary to the performance of our Engagement. We will not be liable for any consequences that may arise from your failure to do so and such failures may result in additional fees for the performance of the Engagement.

No reliance may be placed by you on oral comments made in discussions with you about reports, letters, information and advice that we have provided.

Unless otherwise agreed in writing, we recognise no responsibility whatsoever in connection with our reports, other than that owed to you as at the date on which our report or other advice is given.

11 GROUPS

Where the Letter of Engagement states that the Engagement requires us to provide services to a number of companies or other entities you are entering into the contract with us in connection with the Engagement on your behalf and as agent for the said companies or other entities and you warrant, represent and undertake that you are duly authorised in that behalf.

In these circumstances requests for payments of fees may be addressed to you or any other of the entities on whose behalf you contract. All parties remain jointly and severally liable for any fees payable in connection with the Engagement.

12. INTELLECTUAL PROPERTY RIGHTS

We retain all copyright and other intellectual property rights in everything developed by us on your behalf either before or during the course of the Engagement, including rights in all reports, written advice or other materials provided by us.

13. LIMITATION OF LIABILITY

13.1 The following provisions set out our entire liability (including any liability for the acts and omissions of staff members) to you in respect of:

13.1.1 Any breach of our contractual obligations arising under the Engagement; and

13.1.2 Any representation statement or act or omission including negligence arising under or in connection with the Engagement.

13.2 Any act or omission on our part or on the part of any of our staff members falling with Clause 13.1 above shall for the purposes of this Clause be known as an "Event of Default".

13.3 All warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded.

13.4 All advice in reports provided pursuant to the Engagement by us are solely for the benefit of the parties to whom the report is addressed and you shall not communicate or copy any such advice or reports to any third party unless we have given prior written consent and the third party has agreed in writing to any conditions or limitations imposed by us concerning reliance on that advice.

13.5 Nothing in these terms and conditions excludes or limits our liability or the liability our staff members for:

13.5.1 death or injury resulting from our negligence or that of our staff members;

13.5.2 fraudulent misrepresentation.

13.6 Subject to the provision of Clause 13.5 above our entire liability to you in respect of any Event of Default shall be limited to an amount equal to £250,000.

13.7 Subject to Clause 13.5 above we shall not be liable to you in respect of any Event of Default for any loss or damage which may be suffered by you, whether the same is suffered directly or indirectly or is immediate or

consequential, which falls within any of the following categories:

13.7.1 special damage even though we were aware of the circumstances in which such special damage could arise; or

13.7.2 loss of

13.7.2.1 profits; or

13.7.2.2 anticipated savings save where such loss results from our negligence.

13.8 We shall not be held to be liable to you in respect of any:

13.8.1 delay, loss, damage, costs, expenses, fines, penalties or other claims for compensation arising from any information or instructions supplied by you to us which are incomplete, incorrect, inaccurate, illegible, out of sequence or in the wrong form, or arising from their late arrival or non-arrival or any other fault of yours.

13.8.2 loss, damage, costs, expenses or claims for compensation arising from you allowing a third party to make use of any reports or other written advice addressed to you unless such use has previously been authorized in accordance with the provisions of Clause 13.4.

13.8.3 loss, damage, costs, expenses or claims for compensation arising as a result of your relying on advice given by us in respect of a specific transaction occurring on a specific date where the transaction concerned does not take place on the specified date.

13.9 If a number of Events of Default give rise substantially to the same loss then they shall be regarded as giving rise to one claim against us.

13.10 Except in the case of an Event of Default arising under Clause 13.6 above we shall have no liability to you in respect of any Event of Default unless you shall have served notice of the same upon us within 3 months of the date you became aware of the circumstances giving rise to the Event of Default or the date when you ought reasonably to have become so aware.

13.11 Nothing in this Clause 13 shall confer any right or remedy upon you to which it would not otherwise be legally entitled.

14. ELECTRONIC COMMUNICATION

E-mail or other methods of electronic communication may be used to enable us to communicate with you. As with other means of delivery, electronic communication carries with it the risk of inadvertent misdirection or non-delivery.

It is your responsibility to carry out a virus check on any attachments to email received from us.

As electronic communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their despatch. For this reason it may be inappropriate to rely on advice contained in electronic communication without obtaining written confirmation of it. All risks connected with sending commercially-sensitive information relating to your business electronically are to be borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that electronic communication is not acceptable.

15. DATA PROTECTION ACT 1998

To enable us to carry out the Engagement, and for other related purposes including updating client records, statutory returns, crime prevention and legal regulatory compliance, we may obtain, use, process and disclose personal data about you or your employees, agents or subcontractors. You have a right to see a copy of the personal data that we hold about you on payment of the applicable statutory fee. For the purposes of the Data Protection Act 1998 our Data Controller is Stephen Parnham.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not party to this agreement shall have no right 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.

17. MONEY LAUNDERING & TERRORIST FINANCING

We are subject to the Money Laundering Legislation. The effect of the Money Laundering Legislation is wide and applies to the proceeds of any crime; it is no longer limited to the proceeds of drug trafficking, terrorism or serious crime.

We reserve the right to request the production of such documents and other evidence of your identity and address, and the source, application and ultimate ownership of any funds or property, as may be required in order for us to satisfy our obligations under the Money Laundering Legislation.

We reserve the right to comply with the Money Laundering Legislation in all respects as we determine in good faith. In particular the Money Laundering Legislation imposes reporting obligations on us which override our duty of confidentiality to you. We shall not be liable for any loss or damage arising from or connected with our compliance with any statutory obligation which we may have, or honestly believe we may have, to report matters to the relevant authorities under the Money Laundering Legislation. Where we have notified the relevant authorities you agree that we may provide such further information as they may require.

The requirements of the Money Laundering Legislation may either prevent us from taking steps on your behalf or from acting further at all and we may be prohibited by law from informing you of these matters.

In these circumstances we reserve the right to cease acting and to charge you for our work done to that date. We shall not be liable for any loss or damage caused by our failure to take steps or ceasing to act where this is, or we reasonably believe it to be, in compliance with our obligations under the Money Laundering Legislation.

You accept that our compliance with the Money Laundering Legislation or guidance issued by the courts or the Chartered Institute of Taxation may prevent us from informing you of all relevant matters either promptly or at all.

18. FEES

Unless otherwise stated in the Letter of Engagement our fees will be based upon the work performed and will take into account the skill, complexity, nature and urgency of the work. Time is charged at hourly rates notified to you from time to time and is based on the time required to complete the Engagement, including travelling time. The hourly rates are modified from time to time in accordance with prevailing market conditions. Any fee estimates given by us are exclusive of VAT.

Whenever requested and, if possible, we will agree a fee with you in advance of commencing work. We will advise you of delays or unexpected problems as they arise as well as the reasoning behind them and we will estimate their effect on any fee estimate previously provided if appropriate.

Our fees are due for payment within fifteen (15) days of the date of issue by us of a fee note without any deduction, set off or counterclaim. All our fees will be subject to VAT, at the applicable rate. We reserve the right to request prepayment of fees and of all expenses and disbursements related to the Engagement. We also reserve the right to charge interest on unpaid fees and to suspend any further work until our fees are paid. Interest will be charged at 2% above the daily base rate of our bankers from the 30th day after the date on our fee note until the date of settlement.

We will request prepayment of one half (1/2) of the fees where a fee is agreed in advance of commencing work.

If you wish to query one of our fee notes you are required to notify us in writing within seven days from the date of issue of the fee note. If no notification has been received after twenty-one days from the date of issue of the fee note then you are deemed to have agreed the amount.

Except in so far as we are not 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 the Engagement and all others engagements carried out for you until all outstanding fees and disbursements are paid in full.

If an Engagement which relates to a specific transaction is terminated as a result of a decision not to proceed with the transaction at any stage then we are entitled to charge for the work carried out prior to such termination on a 'time spent' basis, subject to any limit previously agreed with you.

Fees may be settled by bank transfer or by cheque.

19. EXPENSES

By appointing us to act on your behalf you also authorise us to incur such expenses and disbursements as we consider necessary. These will be provided to you at cost. VAT will be added to those expenses and disbursements which are liable to VAT. We will consult with you before incurring any significant expenses and disbursements.

We reserve the right to charge expenses of travel, accommodation and meals while travelling away from our premises on your behalf and also for photocopying costs incurred on your behalf.

20. ENTIRE AGREEMENT

The Letter of Engagement together with these Terms of Business constitutes the entire agreement between you and us in connection with the Engagement.

No change in the agreement between us in connection with the Engagement will be effective unless approved by us in writing.

We shall not be responsible for any failure to advise or comment on any matter which does not form part of the Engagement.

In the event of any conflict between the provisions of these Terms and Conditions and the provisions of the Letter of Engagement, the Letter of Engagement shall prevail.

21. TERMINATION

The Engagement shall terminate automatically where termination is prescribed by legislation, or, if you are an individual, on your death. In addition the Engagement may be terminated by either of us upon immediate written notice to the other. Unless otherwise stated in the Letter of Engagement, upon termination of the Engagement we will be entitled to payment for the work carried out by us up to the date of termination and for all work involved in passing information relating to the Engagement or your affairs to your new professional advisers.

22. INVALIDITY

In the event that any provision of these Terms of Business shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of these Terms of Business which shall remain in full force and effect.

23. APPLICABLE LAW

The contract for the Engagement shall be governed by, and construed in accordance with, English law. You agree with us irrevocably that the courts of England will have non-exclusive jurisdiction in relation to any claim or matter arising in connection with the Engagement.