



Webb & Company

ACCOUNTANTS AND BUSINESS ADVISERS

APPENDIX 2 - TERMS OF BUSINESS

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 Barry Davidson FCA FCCA as engagement partner will seek to ensure that this is so. If, however, you are unable to deal with any difficulty through him and his team please contact Giles Webb. 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 for audit purposes.

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

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Webb & Co Ltd trading as Webb & Company Accountants and Business Advisers

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applied by HSBC 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 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) an independent 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 donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

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- 4.3 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.

5 Fees and payment terms

- 5.1 Our fees are computed on the basis of the time spent on your affairs by the Directors 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 report is signed and the accounts are made available for filing.
- 5.5 Our terms relating to payment of amounts invoiced and not covered by standing orders, where appropriate, are strictly 14 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.

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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 return any original documents to you following the [preparation and] audit 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 Electronic communication

- 7.1 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.
- 7.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

8 Data Protection

- 8.1 In this clause 8, 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;

'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;

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

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

- 8.2 We shall each 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.
- 8.3 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.webbco.co.uk/disclaimer 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.
- 8.4 Should you require any further details regarding our treatment of personal data, please contact Giles Webb our Data Protection Manager.
- 8.5 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 (available at www.webbco.co.uk/disclaimer) contains further details as to how we may process client personal data.
- 8.6 For the purpose of providing our services to you, pursuant to our engagement letter, we may disclose the client personal data to our regulatory bodies or other third parties (for example, our professional advisors or service providers). We may disclose the client personal data to other third parties in the context of a possible sale, merger, restructuring or financing of or investment in our business. In this event we will take appropriate measures to ensure that the security of the client personal data continues to be ensured in accordance with Data Protection Legislation. If a change happens to our business, then the new owners may use our client personal data in the same way as set out in these terms.

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- 8.7 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.
- 8.8 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;
- (a) 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;
 - (b) 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
 - (c) 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.

9 Confidentiality

- 9.1 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.
- 9.2 We may subcontract our work to other professionals within the sector. Any subcontractors are also bound by our client confidentiality terms.

10 External review

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.

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11 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. We confirm that we are Statutory Auditors eligible to conduct audits under the Companies Act 2006. When conducting audit work we are required to comply with the Revised Ethical Standard 2016 and the International Standards on Auditing (UK) which can be accessed on the internet at <https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance.aspx>

12 Conflicts of interest

- 12.1 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 the company.
- 12.2 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.

13 The Provision of Services Regulations 2009

- 13.1 We are registered to carry on audit work in the UK and Ireland by the ICAEW. Details of our audit registration can be viewed at www.auditregister.org.uk for the UK and for Ireland at www.cro.ie/auditors under reference number C001442879.
- 13.2 Our professional indemnity insurer is Royal & Sun Alliance Plc, of 20 Fenchurch Street, London, EC3M 3AU. 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.

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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.

August 2019

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