

## **Davisons – Standard Terms of Business**

The following standard terms and conditions of business apply to all engagements accepted by Davisons Limited and Davisons Audit Limited, except paragraphs 1.5 and 2, which apply as specified. All work is carried out subject to these terms except where changes are expressly agreed in writing.

### **1. Provision of Services Regulations and Professional obligations**

1.1 We are a member of the Institute of Chartered Accountants in England and Wales and in our conduct are subject to its Code of Ethics, which can be found at Section 3 of [www.icaew.com/membershandbook](http://www.icaew.com/membershandbook).

### **1.2 General Practice Registration**

We are licenced to carry on general accountancy and tax practice by the Institute of Chartered Accountants in England and Wales. Details about our registration as practising members of the Institute of Chartered Accountants in England and Wales can be viewed at [www.icaewfirms.co.uk](http://www.icaewfirms.co.uk) using our firm name and location.

1.3 When dealing with HM Revenue & Customs on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HM Revenue & Customs, see [www.hmrc.gov.uk/charter/index.htm](http://www.hmrc.gov.uk/charter/index.htm). To the best of our abilities, we will ensure that HM Revenue & Customs meet their side of the Charter in their dealings with you.

1.4 We will observe and act in accordance with the bye-laws, regulations and ethical guidelines 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 HM Revenue and 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.

### **1.5 Audit Registration (Davisons Audit Limited only)**

Davisons Audit Limited is a firm of statutory auditors registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference **C004130340**. The professional rules applicable to our audit work in the UK are the Audit Regulations which can be found at [www.icaew.com/auditnews](http://www.icaew.com/auditnews). In addition there are the International Standards on Auditing (UK and Ireland) at [www.frc.org.uk/apb/publications/isa.cfm](http://www.frc.org.uk/apb/publications/isa.cfm).

In carrying out our audit work we are subject to the Code of Ethics of the Institute of Chartered Accountants in England and Wales. With respect to audit work we are also subject to the APB Ethical Standards found at [www.frc.org.uk/apb/publications/ethical.cfm](http://www.frc.org.uk/apb/publications/ethical.cfm). These are available in English.

### **1.6 Professional Indemnity Insurance**

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Royal and Sun Alliance Insurance plc of Colmore Gate, 2-6 Colmore Row, Birmingham, B3 2QD. The 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 of America or Canada.

## **2. Investment services (Davisons Limited only)**

2.1 Although Davisons Limited is not authorised by the Financial Conduct Authority to conduct investment business, it is 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.

2.2 In particular, we may:

- advise you on investments generally, but not recommend a particular investment or type of investment;
- refer you to a permitted third party (an independent firm authorised by the FCA), assist you and the permitted third party during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The permitted third party 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;
- advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised stock exchange;
- assist you in making arrangements for transactions in investments in certain circumstances; 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.

2.3 Where you are a shareholder in a close private company, we may also:

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

2.4 If you are dissatisfied in any way about our services described in this section, you should follow the procedures set out in the 'Help us to give you the right service' section of these Standard Terms of Business, and 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.

2.5 We are not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if anything goes wrong, is regulated by the Institute of Chartered Accountants in England and Wales. The register can be accessed via the Financial Conduct Authority website at <http://www.fca.org.uk/register>

## **2.6 Financial Promotion**

To enable us to provide you with a proper service, there may be occasions when we will need to contact you without your express permission concerning investment business matters. For example, it may be in your interest to sell a particular investment and we would

wish to inform you of this. We may therefore contact you in such circumstances or to advise on other matters, but would only do so in our normal office hours. We shall of course comply with any restrictions you may wish to impose which you notify to us in writing.

## **2A. Investment services (Davisons Audit Limited only)**

Davisons Audit Limited are not authorised by the Financial Conduct Authority to conduct Investment Business.

If you require investment business services they would refer you to a firm authorised by the Financial Conduct Authority or to Davisons Limited who are able to provide investment services as detailed above.

## **3. Commissions and other benefits**

3.1 In some circumstances, commissions or other benefits may become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. Unless otherwise agreed we shall deduct these amounts from the fees that would otherwise be payable by you in respect of services we have provided to you. This deduction will be shown on the face of our bill and we will apply the HMRC concession which allows VAT to be calculated on the net fee after the deduction. You consent to such deductions being made unless you notify us otherwise.

3.2 In some circumstances commission may be payable by ourselves to an introducer in respect of work done that we invoice to you. You consent to such commission or other benefits being paid by ourselves without our being liable to account to you for such amounts.

3.3 When referring you to a permitted third party we will normally refer you to Davisons Financial Management Limited (which is a trading style of AFH Wealth Management Limited) which is an independent permitted third party. In some circumstances, or if you specifically request us to, we may also refer you to an alternative independent permitted third party. The independent permitted third party will issue you with their own terms and conditions letter, will be remunerated separately for their services, and will take full responsibility for compliance with the requirements of the Financial Services and Markets Acts 2000.

3.4 Where we have referred you to an independent permitted third party for advice, we will provide them with all appropriate information held on our files regarding your financial circumstances, in order that they may provide best advice to you. We may also allow Davisons Financial Management Limited access to our files prior to referring you to them, unless you specifically request otherwise.

## **4. Client Monies**

4.1 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 Institute of Chartered Accountants in England and Wales.

4.2 All client monies 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 earned in any calendar year exceeds £25. Subject to any tax legislation interest will be paid gross.

4.3 If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then the money will be placed in a separate interest bearing

client bank account designated for you. All interest on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.

- 4.4 If clients' money is used to settle outstanding fees, an account will be rendered to you at least 30 days before the amount is transferred from the client account to our office account, unless you give us your approval to transfer the amount before that length of time.
- 4.5 At no time may we hold money for Investment Business purposes, other than any commission that may be received from an exempt regulated activity, which we would be required to pay into the client account.
- 4.6 In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least 5 years and we have taken reasonable steps to trace you and return the monies.

## **5. Fees**

- 5.1 Our fees which are based upon guidance given by the Institute and are computed on the basis of time spent on your affairs. They will take account of the degree of skill and responsibility involved and the time necessary to complete the work.
- 5.2 If it is necessary to carry out work outside the responsibilities outlined in our engagement letter it will involve additional fees. Accordingly we would like to point out that it is in your interest to ensure that your records etc are completed to the agreed stage.
- 5.3 Our normal practice is to render our bills as and when work is undertaken or quarterly wherever possible.
- 5.4 Upon request clients can make arrangements to pay fees on a monthly standing order.
- 5.5 Our terms relating to payment of amounts invoiced are strictly 28 days net. Our invoices may contain prompt payment discounts which may only be taken if the payment is received by us within 14 days of the date of issue of the invoice. Interest will be charged on all overdue debts at the rate stated on the invoice, which is currently 2.5% per month. Interest will be calculated from the date of the invoice until payment date.
- 5.6 Insofar as we are permitted to do so by law and 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. Where fees are being paid by instalments (e.g. under Premium Credit) they shall not be regarded as having been paid in full until the final instalment has been paid.
- 5.7 We reserve the right to terminate our engagement and cease acting if payment of any fees is unduly delayed.

## **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 of your financial statements and tax return, or the completion of other work for which we were engaged. You should retain these records for at least seven years from the end of the accounting year to which they relate.
- 6.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store after six years from 31 January following the end of the tax

year to which they relate, 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. Conflicts of Interest and Independence**

7.1 You agree that we may reserve the right to act during this engagement for other clients whose interests are or may be adverse to yours, subject to the Confidentiality Clause below. We confirm that we will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you.

7.2 Should a conflict of interest 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 with the conflict we would be guided by the Code of Ethics of the Institute of Chartered Accountants in England and Wales which can be viewed at [www.icaew.com/regulations](http://www.icaew.com/regulations)

## **8. Confidentiality**

8.1 We confirm that where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to our engagement.

8.2 You agree that it will be sufficient compliance with our duty of confidence for us to take such steps as we in good faith think fit to preserve confidential information both during and after termination of this engagement.

## **9. Quality Control**

9.1 As part of our ongoing commitment to providing a quality service, our files may be periodically subject to an independent quality review. Our reviewers are highly experienced and professional people and, of course, are bound by the same requirements for confidentiality as our partners and staff.

## **10. Help us to give you the Right Service**

10.1 We wish to provide a high quality of service at all times. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by addressing correspondence to Mr M Gard, Managing Director of Davisons Limited, or if that is not appropriate address it to Mr J Ward.

10.2 We undertake to look into any complaint carefully and promptly, and to do all we can to explain the position to you. If we have given you a less than satisfactory service, we undertake to do everything reasonable to put it right. If you are not satisfied with our response, you may of course take up matters with the Institute of Chartered Accountants in England and Wales, and we will provide contact details if required.

10.3 In order for us to provide you with a high quality of service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- your insolvency, bankruptcy or other arrangement being reached with creditors, or

- failure to pay our fees by the due dates, or
- either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

In addition this agreement may be terminated for any reason if 90 days notice is given.

10.4 Davisons Limited is licensed by ICAEW to carry out Probate work, and in connection with this work, if you would like to talk to us about how we could improve our service to you, or if you are unhappy with the service you are receiving, please let us know by contacting Mrs E Smith, the Head of Legal Practice. We will consider carefully any complaint you may make about our probate or estate administration work as soon as we receive it and do all we can to resolve it. We will acknowledge your letter within five business days of its receipt and endeavour to deal with it within eight weeks. If we do not deal with your complaint in this time, or if you are unhappy with our response, you may of course take up the matter with the Legal Ombudsman.

The contact details for the Legal Ombudsman are: Legal Ombudsman, PO Box 6806, Wolverhampton, WV1 9WJ. Telephone 0300 555 0333, and email [enquiries@legalombudsman.org.uk](mailto:enquiries@legalombudsman.org.uk)

There are time limits for making a complaint to the Legal Ombudsman, and this is no later than six years from the date of the act or omission, or three years from when you should reasonably have known there was cause for complaint. In addition, you must refer the complaint to the Legal Ombudsman within six months of the date of our written response.

10.5 In the unlikely event that we cannot meet our liabilities to you in connection with Probate work, you may be able to seek a grant from ICAEW's Compensation Scheme. Generally, applications for a grant must be made to ICAEW within 12 months of the time you become aware, or reasonably ought to have been aware of the loss. Further information about the scheme, and the circumstances in which grants may be made, is available on ICAEW's website: [www.icaew.com/probate](http://www.icaew.com/probate).

## **11. Applicable Law**

11.1 Our letter(s) of engagement, and these terms and conditions, shall be governed by, and constructed 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.

11.2 If any provision of our engagement letter or terms of business is held to be void for whatever reason, then that provision will be deemed not to form part of this contract, and no other provisions will be affected or impaired in any way. 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.

11.3 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.

11.4 We will accept no liability for losses arising from changes in the law or the interpretation thereof that occur after the date on which the advice is given.

## **12. Internet communication**

- 12.1 We may communicate with you by email. As with other means of delivery this carries with it the risk of inadvertent misdirection or non-delivery. The recipient is responsible for carrying out a virus check on attachments.
- 12.2 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 though the use of the internet for 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. It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **13. Data Protection**

- 13.1 To enable us to discharge the services agreed under this engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes, marketing and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you. In particular we may share data with Davisons Financial Management Limited (DFM). We confirm when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998.
- 13.2 The 1998 Data Protection Act requires us as data controllers to obtain contractual guarantees from all third parties who process data on our behalf ("data processors") that they have appropriate technical and organisational security measures in place to prevent unauthorised or unlawful processing of personal data and to prevent accidental loss, destruction or damage to any personal data they are processing on our behalf. We confirm that DFM has appropriate technical and organisational security measures in place.
- 13.3 Sections 11 and 12 of the Data Protection Act 1998 place express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. We therefore confirm that we will at all times comply with the requirements of the Data Protection Act 1998 when processing data on your behalf.

## **14. Contracts (Rights of Third Parties) Act 1999**

- 14.1 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.
- 14.2 The advice, which we give you, is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

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

- 15.1 In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:
- maintain identification procedures for all new clients and beneficial owners of clients;
  - maintain records of identification evidence and work undertaken for the clients;

- report, in accordance with the relevant legislation and regulations.
- 15.2 We have a duty under Section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.
- 15.3 The offence of money laundering is defined by Section 340(11) of the Proceeds of Crime Act and includes concealing, converting, using or possessing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit. This definition is very wide and would include such crimes as:
- deliberate tax evasion;
  - deliberate failure to inform the tax authorities of known underpayments or excessive repayments;
  - fraudulent claiming of benefits or grants;
  - obtaining a contract through bribery; etc.

Clearly, this list is by no means exhaustive.

- 15.4 We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firm's principals, directors or staff may enter into any correspondence or discussions with you regarding such matters.
- 15.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

## **16. Limitation of liability**

- 16.1 We will provide our professional services outlined in this letter with reasonable care and skill. However, to the fullest extent permitted by law, we will not be responsible for any losses penalties, surcharges, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.
- 16.2 You agree not to hold us responsible to the fullest extent permitted by law, and to indemnify us, our directors and staff, against any loss suffered by you arising from any misrepresentation (intentional or unintentional) supplied to us orally or in writing in connection with this agreement. You have agreed that you will not bring any claim in connection with services provided to you by the firm against any of our directors or employees on a personal basis.
- 16.3 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.
- 16.4 You are not permitted to use our name in statement or document that you may issue unless our prior written consent has been obtained. The only exception to this restriction would be statements or documents that in accordance with applicable law are to be made public.
- 16.5 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form, or orally. However, final written work products will

always prevail over any draft, interim or oral statements. Where you request it, we will provide you with written confirmation of matters stated orally.

**17. Foreign Account Tax Compliance Act (FATCA)**

17.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the International Tax Compliance (United States of America) Regulations 2013, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HM Revenue & Customs.

17.2 However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or Common Reporting Standards.

**Davisons Limited. Company Number: 05345239**  
**Davisons Audit Limited. Company Number: 09473151**  
**Lime Court, Pathfields Business Park, South Molton, Devon, EX36 3LH**  
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