



TAX ANGEL

STANDARD TERMS OF SERVICE AGREEMENT

of

TAX ANGEL ACCOUNTING

(the "Service provider")

52 Old Street, Clevedon, BS21 6BU

The purpose of this agreement is to set out the basis on which we are engaged to act for you and our respective areas of responsibility.

Your Responsibility:

- You have undertaken to make available to us, all the records and related financial information necessary for the completion of our work.
- You are responsible for ensuring that, to the best of your knowledge and belief, all financial information supplied to us, is reliable.
- You are responsible for ensuring your activities comply with the laws and regulations applicable to your activities.

Our Responsibility:

- We shall complete all work based on the records, information and explanations given to us by you.
- Our work will not provide any assurance that the records, information and explanations supplied are free from material misstatement, whether caused by fraud, other irregularities or error.
- We have a professional duty to compile accounts which conform to generally accepted accounting principles. Where we identify that the accounts do not conform to accepted accounting principles, or if the accounting policies adopted are not immediately apparent, we will report this to you.
- As part of our normal procedures we may request you to provide written confirmation of any information or explanations given to us orally during the course of our work.

Your Responsibilities for the 'Provision of Information' for Tax Purposes:

- There are a number of key dates by which returns and payments must be made. Failure to meet the deadlines may result in automatic penalties, surcharges and/or interest.

- You are legally responsible for making correct returns and for payment of tax on time.
- To enable us to carry out our work you agree:
 - i. to make a full disclosure to us of all sources of income, charges, allowances and capital transactions and to provide full information necessary for dealing with your affairs; we will rely on the information and documents being true, correct and complete;
 - ii. to respond quickly and fully to our requests for information and to other communications from us;
 - iii. that we can approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs;
 - iv. to provide us with information in sufficient time for deadlines to be met. In order to meet these deadlines, you agree to provide us with all the relevant information as soon as practically available.
- We will provide our professional services outlined in this agreement with reasonable care and skill. However, 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 the tax authorities.
- It is the statutory responsibility of each taxpayer to ensure that all returns made by him are correct. This responsibility cannot be delegated to an agent. Before signing your returns you should ensure that it is complete and correct to your knowledge and belief.
- If HMRC raises enquiries relating to your business or personal tax affairs, we will discuss the position with you and agree with you the basis on which we will deal with such enquiries on your behalf.
- We will prepare your tax returns in future years under the same condition above.

Tax Returns:

- We will not be responsible for earlier years returns. Your previous advisers will deal with outstanding returns, assessments and other matters relating to earlier periods and will agree the position with the tax authorities unless an explicit agreement has been entered into with ourselves.
- We will forward to you the tax return forms and supporting schedules for you to review and sign, either in hard copy or electronically. If you consider the return to be incorrect please consult us immediately. Once the return has been checked, approved and signed and returned to us, we will submit it to HMRC electronically. If no contact is made within 48 hours, the return will be deemed to be correct and authorised.
- We will tell you how much tax and national insurance contributions you should pay, and HMRC will contact you regarding when (generally 31st January and 31st July of each year for self assessment). If appropriate we will initiate repayment claims when tax and/or national insurance contributions have been overpaid.

- We will deal with HMRC regarding any amendments required to your returns and prepare any amended returns that may be required.
- We will advise as to possible claims and elections arising from the tax returns and from information supplied by you. Where instructed by you, we will make such claims and elections in the form and manner required by HMRC.
- We will deal with all communications relating to your returns addressed to us by HMRC or passed to us by you. However, if HMRC choose your returns for enquiry, this work may need to be the subject of a separate assignment in which case we will seek further instructions from you.

General Tax Advice:

- We will be pleased to assist you generally with any matters relating to your taxation affairs. Please advise us in good time of any proposed transactions. Tax legislation changes frequently and we would recommend that you ask us to review any advice already given if a transaction is delayed, repeated, or if an apparently similar transaction is to be undertaken.

Bookkeeping and Accounts Preparation:

- We shall assist in the preparation of your accounts based on the accounting records maintained by yourselves unless otherwise agreed in writing.

Responsibilities for the Preparation of VAT Returns (where client VAT Registered):

- You are legally responsible for making a correct VAT return, and for payment of VAT on time. Our appointment as agents does not absolve you from your statutory obligations.
- Starting with the return following your instruction to act, we shall be responsible for preparing your VAT returns from the records of the business. We shall not audit or otherwise check the underlying records. When the VAT return has been completed from the information and records supplied, we will send you the return form within 15 days of the receipt of records. If you consider the return to be incorrect please consult us immediately. If no contact is made within 48 hours, the return will be deemed to be correct and authorised. The return will be submitted by us electronically to HMRC. You are responsible for ensuring the required payment reaches HMRC by the due date.
- We would draw your attention to the normal time limit of one month from the end of the period covered by the return. Substantial penalties may arise if this time limit is not observed. It is therefore essential that we, as your agent, are supplied with all the relevant information in good time so that we can complete the return on your behalf.
- We accept no responsibility for any default surcharge that may arise if the books and records are not available to us within 10 days after the return period ends or the books and records prove to be incomplete or unclear, and in particular are not written up to the end of the period, thereby delaying the preparation and submission of the VAT return, or you fail to make any required payment to HMRC on time after we have submitted the return.
- In order for us to prepare the VAT Returns, we shall require you to provide us with all information relevant to its completion.

VAT Consultancy:

- We shall provide consultancy advice on VAT matters (such as specific transactions which are contemplated) as and when requested to do so by yourselves. Please advise us in good time of any proposed transactions. Tax legislation changes frequently and we would recommend that you ask us to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken.

Investment services:

- We are not authorised by the Financial Services Authority to conduct Investment Business. If you require investment business services we will refer you to a firm authorised by the Financial Services Authority.

Commissions or Other Benefits

- In some circumstances, commissions or other benefits may become payable to us in respect of transactions which we arrange for you, in which case you will be notified in writing of the amount, and terms of payment and receipt of any such commissions or benefits. The fees that would otherwise be payable by you as described will not take into account the benefit to us of such amounts. You consent to such commission or other benefits being retained by us without our being liable to account to you for any such amounts.

Client Money:

- We do not hold money on behalf of our clients.

Retention of Records:

- 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 preparation of your return. You should retain them for period of time instructed by HMRC.
- Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we think may be of continuing significance. You must tell us if you require retention of a particular document.

Regulatory Requirements:

- We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

Quality of Service:

- We aim to provide the best possible service to our clients. If you would like to discuss how our service could be improved please let us know by telephoning Tax Angel Accounting and discussing your situation with a Director.
- We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. We will do everything reasonable to put matters right. Prompt communication enables us to take prompt action on your behalf.

Fees:

- 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. Unless otherwise agreed, our fees will be billed at appropriate intervals during the course of the year and will be due on presentation. If work is required which is outside the scope of this agreement, for example dealing with HMRC enquiries into tax returns, this will be a separate engagement for which additional fees will be chargeable. We will add value added tax, if applicable, at the current rate.
- Our invoices are payable on presentation unless credit terms have been agreed in writing. We reserve the right to charge interest at 3% above the Bank of England base rate in the case of overdue accounts. We may terminate our engagement and cease acting if payment of any fees billed is unduly delayed. However, it is not our intention to use these arrangements in a way that is unfair or unreasonable.

Limitation of Liability:

- The advice that we give to you is for your use and does not constitute advice to any third party to whom you may communicate it.
- We will provide the professional services outlined in this letter with reasonable care and skill. However, 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 from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or the tax authorities.
- You agree to hold harmless and indemnify us against 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 employees on a personal basis.

Electronic Communication:

- E-mail may be used to enable us to communicate with you. As with other means of delivery this carries with it the risk of inadvertent misdirection or non-delivery. It is the responsibility of the recipient to carry out a virus check on any attachments received.
- As Internet 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 an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

Applicable Law:

- This service agreement 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 service agreement 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.

Data Protection Act 1998:

- 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 and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about you. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm when processing data on your behalf we are licensed to do so and will comply with the provisions of the Data Protection Act 1998.

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 effect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

Money laundering:

- We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Criminal Intelligence Service (NCIS) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been 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.
- The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and includes the acquisition, possession or involvement in arrangements for concealing the benefits of any activity that constitutes a criminal offence in the UK. This definition is very wide and would include:
 - a) tax evasion through deliberate understatement of income or overstatement of expenses or stocks; or
 - b) deliberate failure to inform the tax authorities of known underpayments.
- We are obliged by law to report to NCIS without your knowledge and consent and in fact we would commit the criminal offence of tipping off under section 333 of the Proceeds of Crime Act were we to inform you of any suspicions or that a report had been made.
- 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 Agreement of Terms. These standard terms apply to all work undertaken by Tax Angel Accounting.

Signed:

Dated: