

SECRETARIAL SERVICES – COMPANIES / LIMITED LIABILITY PARTNERSHIPS

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your secretarial affairs and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 A private company or limited liability partnership is required to file financial statements at Companies House within nine months of the period end. The company/LLP will be liable to a fine if it fails to do so. Though we have agreed to file the financial statements on your behalf (see 2.1 below), we accept no responsibility for fines or regulatory action taken against the directors/members where the statutory financial statements are not available for filing.
- 1.2 Where the entity applies the small company/LLP regime, based on the financial statements prepared for members, you agree we will file the minimum accounting information at Companies House unless you inform us otherwise in writing.
- 1.3 In addition, you are required to complete the annual confirmation statement confirming various information held by Companies House about the company/LLP. For us to complete this confirmation on your behalf, you need to supply us with the relevant details, including:
 - (a) the names, dates of birth and contact details for each director/member, and secretary if applicable, or changes thereto;
 - (b) the address of the registered office, or changes thereto; and
 - (c) if relevant, details of the shareholders/members.
- 1.4 From 6 April 2016, under *Schedule 1A* to the *Companies Act 2006*, the company/LLP is required to maintain a register of People with Significant Control (the PSC register). In essence, these are individuals (or companies) that directly or indirectly hold more than 25% of the shares/voting rights, or can appoint or remove a majority of directors. For us to maintain the PSC register, you need to supply us with written confirmation from the individual/company concerned that they are a PSC, what conditions for being a PSC are met, from which date if after 6 April 2016, together with other relevant information depending on whether they are an individual or a company.

2 Our responsibilities

- 2.1 We have agreed to act as your agent and to:
 - (a) submit online the financial statements to the Registrar of Companies and, if requested, HMRC;
 - (b) complete online the company/LLP's annual confirmation statement;
 - (c) complete online any other changes required by law to be filed at Companies House, provided that such changes can be filed online and that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House within one week of the change or event;
 - (d) maintain the statutory books, including the new Register of People with Significant Control required from 6 April 2016; and
 - (e) act as your registered office.
- 2.2 We will, of course, be pleased to advise you on these and any other secretarial matters if requested.

SECRETARIAL SERVICES - CHARITY

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your secretarial affairs and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 A charity, other than an exempt or excepted charity, is required to file financial statements with the Charity Commission within 10 months of the year end. In addition, you need to submit online the annual return, for which you need to supply us with the following details:
- (a) the charity's bank or building society details, if not already known;
 - (b) if required and not prepared by us, the charity's financial statements and trustees' annual report in PDF format;
 - (c) contact details, or any changes thereto;
 - (d) the names, dates of birth and contact details for each trustee, or changes thereto; and
 - (e) any other changes that need to be submitted to the Charity Commission, such as change of charity name or the merger with another charity.

2 Our responsibilities

- 2.1 We have agreed to submit online to the Charity Commission:
- (a) the financial statements;
 - (b) the annual return; and
 - (c) update any other information which can be submitted online, provided that you keep us fully informed of any relevant changes or events which are required to be so notified within one week of the change or event.
- 2.2 We will, of course, be pleased to advise you on these and any other secretarial matters if requested.

SECRETARIAL SERVICES – FRIENDLY SOCIETY / CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETY

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to your secretarial affairs and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 Registered societies, including co-operative and community benefit societies, are required to file financial statements at the Financial Conduct Authority (FCA) within seven months of the year end. Societies registered under the Friendly Societies Act 1974 must submit financial statements by 31 July.
- 1.2 In addition you need to submit the relevant annual return form specified by the FCA for the type of society, together with any supplementary forms required. You undertake to notify us within one week of any relevant changes or events that are required to be notified to the FCA.

2 Our responsibilities

- 2.1 You have instructed us to:
 - (a) submit the financial statements to the FCA;
 - (b) complete and submit the club's/association's/society's annual return; and
 - (c) complete and submit any other forms required by law to be filed with the FCA.
- 2.2 We will, of course, be pleased to advise you on these and any other secretarial matters if requested.

APPOINTMENT AS TRUSTEE

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the appointment of a principal as a trustee in a personal capacity but where most of the services will be provided by the firm, or where the firm is the corporate trustee, and to clarify our respective responsibilities in respect of those matters that apply to the principal.

Key Facts specifies whether or not the firm is licensed or authorised for non-contentious probate services by the ICAEW and consequently there is access to the Legal Ombudsman and the ICAEW Probate Compensation Scheme. If the firm is not licensed or authorised for probate then there is no such access to the Scheme or Ombudsman.

1 Your responsibilities

- 1.1 The trust named in **Key Facts** will always act in accordance with the trust deed, the requirements of the *Trustee Act 2000* and any other relevant legislation.
- 1.2 Where the assets of the trust include investments, as defined in the *Financial Services and Markets Act 2000 Regulated Activities Order 2001* (as amended) (SI 2001/544 & 2001/3544), these will be managed by the trustees in accordance with advice obtained from the appointed permitted third party (PTP) named in **Key Facts**.
- 1.3 Where a principal in the firm has been appointed as a trustee in a personal capacity (see **Key Facts**), you undertake to provide us with all requested information to enable us to determine the category of the trust (i.e. a Financial Institution or an active/passive Non-Financial Foreign Entity). If the trust is classified as an FI, the trust must confirm that it has adequate systems in place to identify any foreign citizens (whether US citizens or those of other countries who have signed up for the Common Reporting Standards), who are or who may become beneficiaries to whom payments may be made. You also confirm that you will provide all the requested information to enable the annual returns to HM Revenue & Customs to be accurately completed.
- 1.4 Where the firm is the corporate trustee (see **Key Facts**), you confirm that you will provide all the requested information to enable the registration of the trust with the IRS and the annual returns to HM Revenue & Customs to be accurately completed. You also confirm that you will notify us within 14 days of any changes in the structure of the entity, in its control or of any new or potential new beneficiaries.

2 Our responsibilities as trustee

- 2.1 Subject to the requirements of the trust deed the principal named in **Key Facts** will, through the firm, manage the assets of the trust in accordance with decisions made by the trustees and under the terms of the trust deed.
- 2.2 As trustee, the principal will comply with the requirements of the *Trustee Act 2000*.
- 2.3 Where a principal in the firm has been appointed as a trustee in a personal capacity (see **Key Facts**), the firm will be jointly responsible for ensuring compliance with the FATCA requirements specified in the International Tax Compliance (United States of America) Regulations 2013. This may involve:
 - (a) ensuring that another Financial Institution (FI) is responsible for registering the trust with the US Internal Revenue Service (IRS),
 - (b) helping you to register the trust yourself, or
 - (c) completing the necessary documentation to confirm that the trust does not need to register.
- 2.4 Where the firm is the corporate trustee (see **Key Facts**), the firm will be responsible for ensuring compliance with the FATCA requirements specified in the International Tax Compliance (United States of America) Regulations 2013, and for compliance with the Common Reporting Standards.

- 2.5 Where the principal perceives that there is a conflict of interest between their roles as trustee of the trust and as principal in the firm, they will disclose this fact to their fellow trustees and either not take any part in the decision concerned or, if necessary, resign as trustee.

ASSISTING WITH MANAGEMENT BUYOUT (MBO)

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to assisting with the proposed management buyout and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 For the company/group named in **Key Facts** ('the company'), you have agreed to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management, directors' and members' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information. You recognise that a failure to do so could have an impact on the price or the speed of our work.

2 Our responsibilities

- 2.1 You have asked us to undertake the following activities in connection with the proposed management buyout of the company:
- (a) provide a brief commentary on the nature of the business and its historical development, including a description of its management and organisational structure;
 - (b) ascertain and evaluate management's strategic plans for the future development of the business;
 - (c) assess the adequacy of the accounting systems (including internal controls) and review the quality and reliability of the financial information produced;
 - (d) consider whether the company's accounting policies:
 - (i) comply with generally accepted accounting principles and company law requirements;
 - (ii) have been consistently applied during the period under review and from one period to another; and
 - (iii) are appropriate to the company's business;
 - (e) review the company's results for the last three years, commenting on factors underlying the results which appear to be significant and identifying any points considered to be critical to the performance of the business;
 - (f) review the cash flow projections and profit forecasts of the period stated in **Key Facts** and comment on any significant factors arising and to review the accuracy of past forecasts by reference to subsequent events;
 - (g) conduct sensitivity analyses of the cash flow projections and profit forecasts to assess the effects of possible changes in the various underlying parameters and assumptions;
 - (h) assess any evident potential liabilities found during our investigations;
 - (i) assess the need for future investment or other potential costs to comply with current and pending regulatory requirements at regional, national or EC level;
 - (j) comment on the tax position and implications of the transaction, including advice on future company and group structure and relevant corporation tax rates and payment dates;
 - (k) review past levels of insurance cover and assess likely future requirements;
 - (l) review the adequacy of the pension arrangements and likely future funding levels;
 - (m) analyse the employee profile; and
 - (n) any other areas, if any, stated in **Key Facts**.

- 2.2 You understand that our work will not constitute an audit of the figures and we will not express any opinion thereon. Our report will not extend to any financial statements of the company taken as a whole.
- 2.3 Our report is prepared solely for the confidential use of yourselves and, if relevant, the third party named in **Key Facts**, and solely for the purpose as stated in **Key Facts**. It may not be relied upon by yourselves or, if relevant, the third party for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. We, your accountants, neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

SHARE VALUATIONS AND DUE DILIGENCE

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to share valuations and due diligence work and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 For the company named in **Key Facts** ('the company'), you have agreed to make available to us, as and when required, all the company's accounting records and related financial information necessary to carry out our work. You will make full disclosure to us of all relevant information. You recognise that a failure to do so could have an impact on the price or the speed of our work.

2 Our responsibilities

- 2.1 You have instructed us to value a holding of shares as stated in **Key Facts**, and understand that the valuation is to be used for the purpose as stated therein. The shares are to be valued at open market value, i.e., the amount at which the interest in the company is considered likely to be exchanged between a willing buyer and a willing seller, both parties being informed of the relevant facts, unless an alternative basis is to be used as stated in **Key Facts**.

- 2.2 We will use one or more of the following methods which are most relevant to the nature of your holding to value your shares:

(a) **Price : earnings ratio**

This is the most frequently used method of valuing a controlling interest in an entity and the use of this method has generally been well supported by the courts. We will use the price : earnings ratio to assess a value which represents the number of years' earnings (assuming a constant level of profitability) it would take the shares to earn an amount equal in money terms to their current price. We will therefore assess:

- future maintainable earnings; and
- an appropriate rate of capitalisation, or price : earnings ratio. This will be determined by reviewing in detail the results of comparable companies in a relevant sector of the quoted securities market.

(b) **Discounted future earnings**

There is a generally accepted theory that the value of a business is represented by the likely future maintainable earnings of the business discounted to present day values having regard to the risks surrounding those future earnings and their timing. Valuing the business in this manner aims to take account of the risk-averse preference for money now rather than possibly more money later and of the risks inherent in the business. Again, this is suitable for the valuation of a controlling shareholding.

This approach will mean assessing:

- the likely maintainable earnings of the company in the light of management's strategic plans and objectives;
- likely developments in the sector, including competition and level of demand;
- future economic conditions; and
- the ability of management to adapt and exploit new opportunities.

(c) **Dividend yield**

As the holding concerned does not constitute a controlling interest, we will use a method which recognises that the main value of a minority shareholding is generally restricted to the right to receive dividends. We will use a reasonable dividend yield based on the yield from a comparable listed investment, with a discount for the fact that there are restrictions on the transferability of such shares and the absence of a ready market for the shares. This dividend yield will then be used to compute a capital value for the shares, which will represent the present value of the expected future dividend stream further discounted to reflect the illiquid nature of the investment.

(d) ***Other special purpose valuations***

If relevant, as stated in **Key Facts**.

2.3 As part of our valuation procedures, we will:

- (a) review the company's results for the last three years and comment on trends and other factors underlying the results which appear to be significant, identifying any points considered to be critical to the performance of the business;
- (b) review the cash flow projections and profit forecasts of the period stated in **Key Facts** and comment on any significant factors arising;
- (c) assess the sensitivity of the cash flow projections and profit forecasts to risks arising from uncertain future events and the underlying assumptions;
- (d) consider whether accounting policies:
 - (i) comply with accepted accounting principles and company law requirements;
 - (ii) have been consistently applied during the period under review;
 - (iii) are appropriate to the business;
 - (iv) affect the valuations presented in our report. This will include adjusting for policies which are unsound, misleading or inapplicable to the company's circumstances;
- (e) ascertain and evaluate the management's strategic plans for future development of the business; and
- (f) assess the adequacy of the accounting systems (including internal controls) and the quality and reliability of the financial information produced.

2.4 We will produce a report summarising our findings together with a brief commentary on the nature of the business, its historical development, and a description of its management and organisational structure. Any such report may not be provided to third parties without our prior written consent. Such consent will only be granted on the basis that such reports are not prepared with the interests of anyone other than the company in mind and that we accept no duty or responsibility to any other party as concerns the reports.

2.5 Our report is prepared solely for the confidential use of yourselves and, if relevant, the third party named in **Key Facts**, and solely for the purpose as stated in **Key Facts**. It may not be relied upon by yourselves or, if relevant, the third party for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. We, your accountants, neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

ASSISTING WITH ACQUISITION OF COMPANY

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as accountants and advisors with regard to the acquisition of a company and to clarify our respective responsibilities in respect of that work.

1 Your responsibilities

- 1.1 For the company/group named in **Key Facts** ('the company'), you have agreed to make available to us, as and when required, all the company's accounting records and related financial information, including minutes of management, directors' and members' meetings, necessary to carry out our work. You will make full disclosure to us of all relevant information. You recognise that a failure to do so could have an impact on the price or the speed of our work.

2 Our responsibilities

- 2.1 You have asked us to undertake the following activities in connection with the proposed acquisition of the company:
- (a) provide a brief commentary on the nature of the business and its historical development, including a description of its management and organisational structure;
 - (b) ascertain and evaluate management's strategic plans for the future development of the business;
 - (c) assess the adequacy of the accounting systems (including internal controls) and review the quality and reliability of the financial information produced;
 - (d) consider whether the company's accounting policies:
 - (i) comply with generally accepted accounting principles and company law requirements;
 - (ii) have been consistently applied during the period under review and from one period to another; and
 - (iii) are appropriate to the company's business;
 - (e) review the company's results for the accounting periods specified in **Key Facts**, commenting on factors underlying the results which appear to be significant and identifying any points considered to be critical to the performance of the business in the context of the proposed acquisition;
 - (f) review the cash flow projections and profit forecasts of the period stated in **Key Facts** and comment on any significant factors arising and to review the accuracy of past forecasts by reference to subsequent events;
 - (g) conduct sensitivity analyses of the cash flow projections and profit forecasts to assess the effects of possible changes in the various underlying parameters and assumptions;
 - (h) assess any evident potential liabilities found during our investigations;
 - (i) advise on the accounting and tax implications of the purchase agreement and liaise with your legal advisors;
 - (j) assess the need for future investment or other potential costs to comply with current and pending regulatory requirements at regional, national or EC level;
 - (k) comment on the tax position and implications of the transaction, including advice on future company and group structure and relevant corporation tax rates and payment dates;
 - (l) review past levels of insurance cover and assess likely future requirements;
 - (m) review the adequacy of the pension arrangements and likely future funding levels;
 - (n) analyse the employee profile; and

(o) Any other areas, if any, stated in **Key Facts**.

The above work will be carried out in accordance with a timetable to be agreed that will allow completion of the acquisition on the date stated in **Key Facts**.

- 2.2 You understand that our work will not constitute an audit of the figures and we will not express any opinion thereon. Our report will not extend to any financial statements of the company taken as a whole.
- 2.3 Our report is prepared solely for the confidential use of yourselves and, if relevant, the third party named in **Key Facts**, and solely for the purpose as stated in **Key Facts**. It may not be relied upon by yourselves or, if relevant, the third party for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party without our express written permission. We, your accountants, neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.
- 2.4 If the vehicle for effecting the acquisition of the target company named in **Key Facts** does not exist as at the date of this letter, the terms contained in this letter are to be treated as applying to that vehicle when created.

PROVISION OF PROBATE SERVICES BY LICENSED/AUTHORISED FIRM

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act for you in your capacity as personal representative (we are not acting on behalf of the beneficiaries of the estate) in obtaining probate or letters of administration and, if required as stated in **Key Facts**, administer the estate, and to clarify our respective responsibilities in respect of that work.

As the firm is licensed or authorised for non-contentious probate services, there is access to the Legal Ombudsman and there may be access to the ICAEW Probate Compensation Scheme, depending on the authorising professional body (see **1.01** Standard Terms of Business, section 24).

The name of the client is as stated in **Key Facts**, the authorised individual is stated in **Key Facts**, and the manager providing this service is stated in **Key Facts**.

1 Your responsibilities

- 1.1 You will provide us with all papers, information and explanations relevant to the purpose and compilation of the probate/administration application and the administration of the estate and you will disclose to us all relevant information in full.
- 1.2 You will provide us with a brief family tree and up to date names and contact details for all beneficiaries.
- 1.3 You are responsible for ensuring that, to the best of your knowledge and belief, the financial information you provide us with, is accurate and complete.
- 1.4 You are responsible for informing us of anything that might indicate that there is any contentious probate action to be taken. If a matter becomes contentious you may need to employ a solicitor to deal with the contentious matter. We will not be able to work on the estate until the contention has been cleared.
- 1.5 You will provide us with a copy of the deceased's last will and any codicils or confirm that as far as you are aware the deceased did not leave a will, as stated in **Key Facts**.
- 1.6 You have agreed that you will:
 - (a) register the death and obtain the number of copies of the death certificate as stated in **Key Facts**;
 - (b) arrange the funeral; and
 - (c) send notifications of death to family members and friends.

2 Our responsibilities

- 2.1 We have agreed to carry out the following services on your behalf, as listed in **Key Facts**:
 - (a) send notifications of death to financial institutions, Government organisations, utilities and household contacts;
 - (b) ascertain whether there is any entitlement to bereavement allowances or benefits;
 - (c) finalise the income tax and capital gains tax position of the deceased at the date of death. This work to commence from the date of commencement of tax year stated in **Key Facts**;
 - (d) review the will, codicils and legacies to ensure that they are valid and prepare affidavits where necessary;
 - (e) ascertain who the beneficiaries are;
 - (f) identify the composition of the estate and ascertain whether a grant is needed;
 - (g) value the estate;
 - (h) prepare the inheritance tax return;
 - (i) prepare the papers for application for a grant of probate/grant of administration;

- (j) place statutory notices of death in the London Gazette and the local paper stated in **Key Facts**;
- (k) ensure the appropriate oaths are prepared and taken;
- (l) obtain the grant;
- (m) take control of and gather in the assets of the estate;
- (n) pay the debts of the estate including tax liabilities;
- (o) finalise the estate tax;
- (p) pay legacies and transfer the balance to the residuary beneficiaries; and
- (q) prepare estate accounts.

2.2 Due to the nature of the work, and dependent on the complexity of the estate and the requirements of the will, it may take up to two years to complete and in more complicated circumstances longer. In all cases you will be informed of what is going on and we will ensure you are updated on progress.

PROVISION OF WILL WRITING SERVICES AND EXECUTORSHIP

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act for you and to clarify our respective responsibilities in respect of that work.

The name of the client is as stated in **Key Facts**.

1 Your responsibilities

- 1.1 You will be solely responsible for providing us with complete details of your wishes, including the appointment of Executors, in writing.
- 1.2 You are responsible for ensuring that, to the best of your knowledge and belief, the financial and non-financial information you provide us with, is accurate and complete.
- 1.3 You are responsible for ensuring that a relative or close friend is aware of the existence of the will and it's location.
- 1.4 You will inform us if the will that we hold has been revoked.

2 Our responsibilities

- 2.1 We have agreed to carry out the following services on your behalf, as listed in **Key Facts**:
 - (a) meet with you to obtain papers and information relevant to the engagement;
 - (b) draft a will document in accordance with your wishes, as presented.
 - (c) advise you on related topics in accordance with our other services offered.
 - (d) where we are unable to provide specific advice, we will inform you of this;
 - (e) where the original executed will is returned to us, we will retain this in a safe and secure location. Where the executed document is not returned to us, we hold no responsibility for its whereabouts; and
 - (f) upon confirmation of death, we will provide the executed will, where held by us, to your executors.
- 2.2 Where a member of Simpson Wreford LLP has been appointed as Executor, we will apply for the grant of representation and carry out the administration of the estate, which will include the following:
 - (a) take all reasonable steps to collect in the deceased's assets;
 - (b) take all reasonable steps to collect any money due to the estate;
 - (c) arrange for the payment the deceased's funeral and testamentary debts;
 - (d) distribute legacies; and
 - (e) complete the administration and distribute the residuary estate.

LASTING POWERS OF ATTORNEY

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act for you and to clarify our respective responsibilities in respect of that work.

The name of the client is as stated in **Key Facts**.

1 Your responsibilities

- 1.1 You will be solely responsible for providing us with complete details of your wishes, by completing our questionnaire.
- 1.2 You are responsible for ensuring that, to the best of your knowledge and belief, the information you provide us with, is accurate and complete.
- 1.3 You are responsible for ensuring the application is fully completed, correct and appropriately signed and witnessed upon receipt.

2 Our responsibilities

- 2.1 We have agreed to carry out the following services on your behalf, as listed in **Key Facts**:
 - (a) meet with you to obtain papers and information relevant to the engagement;
 - (b) prepare the application(s) in accordance with the information, as supplied by you;
 - (c) when requested and upon receipt of the appropriate fee, we will submit the application(s) to the Office of the Public Guardian for registration; and
 - (f) we will supply you or your attorney(s) with the registered power upon receipt from the Office of the Public Guardian.
- 2.2 Where a member of Simpson Wreford LLP is appointed as Attorney, they will:
 - (a) follow any instructions included by the donor in the LPA;
 - (b) consider any preferences included by the donor in the LPA;
 - (c) assist the donor in making their own decisions, where possible;
 - (d) make any decision in the donor's best interests;
 - (e) respect their human and civil rights;
 - (f) retain detailed records of any important decisions made on your behalf, including from whom any advice was sought or any disagreements that arose; and
 - (g) claim any reasonable costs incurred in carrying out their role as attorney.
- 2.3 Upon death, the Attorney will inform the Office of the Public Guardian and give to them the original LPA and all certified copies, along with a copy of the death certificate.