



James Hair Group Limited
James Hair & Co
James Hair & Co Limited
Caledonian Agricultural Management Services Limited

Standard terms of business

(Revised 31 August 2018)

All engagements that we accept are subject to the following standard terms of business unless changes are expressly agreed in writing.

1. Professional obligations

1.1 We are a member of The Institute of Chartered Accountants of Scotland 'ICAS' and in our conduct are subject to its Code of Ethics which can be found at www.icas.com/ethics/icas-code-of-ethics. We will observe and act in accordance with the bye-laws and regulations of ICAS. We accept instructions to act for you on this basis.

1.2 Where we become aware of errors made by HM Revenue & Customs you give us authority to correct them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

1.3 As required by the Provision of Services Regulations 2009 (SI 2009/2999) details of the firm's professional registrations can be found at www.jameshair.co.uk.

Our VAT registration number is 327 5807 43.

1.4 We have a duty to provide services under this contract with reasonable skill and care. If you give us confidential information, we will keep it confidential unless we have to release it by law or due to regulatory, ethical or other professional requirements.

1.5 Whilst working for you, we may act for other clients where there is a conflict of interest, and we will inform you immediately when this arises. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. During and after our engagement, you agree that we reserve the right to act for other clients whose interests are or may compete with or be adverse to yours, subject, or course, to our obligations of confidentiality and the safeguards set out in the paragraphs on confidentiality below.

Professional indemnity insurance

1.6 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Liberty Mutual Insurance Europe Limited. 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 of America or Canada.

1.7 If for any reason circumstances arise that may result in a claim to our professional indemnity insurers, you give us your permission to notify them.

2. Fees

2.1 Our fees are calculated on the basis of time spent on your affairs, the levels of skill and responsibility involved, the importance and value of the advice provided to you, and the level of risk. In addition, we may charge disbursements of travel, accommodation and other expenses incurred in dealing with your affairs.

Our hourly charge out rate is notified to a client at the initial engagement. These are subject to annual review and the revised rates are deemed to be effective on all engagements from 1 January in each new year (refer Appendix 1 for current rates).

- 2.2 If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you, we will advise you of this in advance. Any additional work will result in additional fees being charged. We would therefore like to point out that it is in your interests to ensure that the information you provide us with is completed to the agreed stage.
- 2.3 If we give you an estimate of our fees for carrying out any specific work, then that estimate will not be contractually binding unless we have explicitly stated that will be the case.
- 2.4 If we agree a fixed fee with you for providing a specific range of services this will be the subject of a separate agreement. This agreement will set out the period which the fixed fee relates to and the services covered by it.
- 2.5 Where we have agreed that you will pay on an invoice rendered basis, invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. Any queries you have on our invoices must be notified to us within 21 days of receipt or we shall deem you to have accepted that payment is due.
- 2.6 Where we have agreed that you will pay us on a standing order basis, we will discuss with you separately the amount and frequency of payments. These standing orders will be applied to fees arising from work agreed in our letter of engagement for the current and ensuing years. Where a scheduled monthly payment is not made any fees invoiced to you that are outstanding at that time will immediately become due for payment in their entirety.
- 2.7 Where we offer you the facility to pay your professional fees by instalments, we do not charge any interest or charges. As these terms have been agreed after 18 March 2015 this instalment agreement is not a regulated credit agreement.
- 2.8 You may have an insurance policy or membership of a trade or professional body that entitles you to assistance with payment of our fees in some situations. A particular example would be assistance with an investigation by HM Revenue & Customs. Unless you arranged the insurance through us then you will need to advise us of any such cover you have. Please note that you remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 2.9 We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed. We accept settlement of fees by certain credit cards.
- 2.10 Insofar as we are permitted to do so by law or professional guidelines, we reserve the right to exercise a lien over all documents and records in our possession. We will only exercise this right where those documents and records relate specifically to the work undertaken on your behalf and until such times as all outstanding fees and disbursements are paid in full.
- 2.11 In the event that we cease to act for you then you agree to meet all reasonable costs of providing information to your new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.
- 2.12 If you are a director or shareholder of a private limited company, you guarantee to pay personally any fees (including disbursements) for services provided to the company that the company is unable to pay. This clause shall become effective in the event of a receiver or liquidator being appointed to the company or the company otherwise being wound-up.

3 Help us to give you the right service

- 3.1 At James Hair & Co, we pride ourselves on offering advisory information and updates on issues that can affect you and your business. From time to time, we will send you informative articles, invitations to our events and any other information we think you would find useful.

If you do not wish to receive these, you can opt out now or change your preferences at any time. All you need to do is get in touch with us via info@jameshair.co.uk or speak to your usual James Hair & Co contact.

Alternatively, you can fill out the form on our website via www.jameshair.co.uk and choose what you want to receive information on and what you do not – we will never send you anything you tell us you do not want.

Complaints policy

- 3.2 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 contacting James Hair.
- 3.3 We undertake to look into any complaint carefully and promptly and 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 ICAS.
- 3.4 In order for us to provide you with a high-quality 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;
 - failure to pay our fees by the due dates;
 - either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.
- 3.5 Should we resign or be requested to resign we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. Should we have no contact with you for a period of 12 months or more we may issue to your last known address a disengagement letter and hence cease to act.

4 Commissions or other benefits

- 4.1 In some circumstances, commissions or other benefits may become payable to us or one of our associates in respect of transactions we or such associates arrange for you. If this happens we will notify you in writing of the amount and terms of payment. The fees that would be otherwise payable by you will be abated by such amounts. When we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission. You consent to such commission or other benefits being retained by us or, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

5 Client monies

- 5.1 We may at times hold money on your behalf. Any such money will be held on trust in a client bank account, which is held separately to funds that belong to us. The client bank account will be operated, and all funds dealt with, in accordance with the ICAS Clients' Money Regulations.

We are also authorised to hold client money in connection with our designated investment business. Such funds are operated and managed under the rules of the Financial Conduct Authority.

- 5.2 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds.
- 5.3 To avoid excessive amounts of administration, interest will only be paid to you if the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £50. Any such interest would be calculated using the prevailing rate applied by our banker for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

- 5.4 If the total sum of money held on your behalf exceeds £10,000 for a period of time of 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.
- 5.5 We will exercise reasonable skill and care to ensure that a fair rate of interest is earned.
- 5.6 Money held on your behalf in relation to probate services will be held in a separate client bank account ring-fenced for legal services. This will normally be a separate interest bearing client account for the estate in question.
- 5.7 We are required under the Client Money Regulations to appoint an alternate to administer the client bank account in the event of the death or incapacity of the principal. This alternate must be a firm, or member registered with one of the CCAB bodies, providing that member holds a current practising certificate issued by the relevant professional body. We are also required to have arrangements in place with the bank operating the client bank account. The alternate appointed by this firm is Robin Winter of Henderson Black & Co, Cupar.

6 Retention of and access to records

- 6.1 We own all information such as working papers, letters, file notes of meetings and telephone conversations etc which we create or receive either in our own right or whilst acting as your agent.
- 6.2 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 accounts and returns. You have a legal responsibility to retain these records. The law requires individuals, trustees and partnerships to keep records in relation to trading or rental income 6 years from the 31 January following the end of the tax year to which they relate. Other records should be kept for 22 months after the end of the tax year they relate to. Companies, Limited Liability Partnerships and other corporate entities are required to keep records for 6 years from the end of the accounting period.
- 6.3 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 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 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. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you. We have safeguards that can be implemented to protect the interests of different clients if a conflict arises. Where conflicts are identified which cannot be managed in a way that protects your interests then we regret that we will be unable to provide further services.
- 7.2 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 the ICAS Code of Ethics which can be viewed at www.icas.com/ethics/icas-code-of-ethics.

8 Confidentiality

- 8.1 Communication between us is confidential and we shall take all reasonable steps to keep your information confidential except where we are required to disclose it by law, by regulatory bodies, by our insurers or as part of an external peer review. We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. Any subcontractors we use will be bound by the same confidentiality requirements.

9 Quality control

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

10 Applicable law

- 10.1 Our engagement letters are governed by, and construed in accordance with, Scots law. The Courts of Scotland will have exclusive jurisdiction in relation to any claim, dispute or difference concerning any engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.
- 10.2 If any provision in these terms of business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

11 Changes in the Law

- 11.1 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 the light of any change in the law or your circumstances.
- 11.2 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 Unless you tell us otherwise we will at times use email or other electronic means to communicate with you.
- 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 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.

The transmission of information via the internet is not completely secure. Although we will do our best to protect your personal data, we cannot guarantee the security of your data transmitted to our site; any transmission is at your own risk. Once we have received your information, we will use strict procedures and security features to try to prevent unauthorised access.

- 12.3 It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 12.4 We may choose to use a Client Portal to allow access and secure transfer of communication and documents created by us. We have sole discretion to decide which types of documents can be uploaded and viewed on the Client Portal.

- 12.5 Our Client Portal is offered to you and is conditional upon your acceptance of the terms, conditions and notices contained herein. By using the portal you agree to these terms and conditions. We may modify, suspend, discontinue or restrict the use of any portion of our Client Portal, including the availability of any portion of the content at any time, without notice or liability.
- 12.6 Each user of the Client Portal is required to have a username and password. You acknowledge that you are solely responsible for:
- Not allowing access to the Client Portal to any third party;
 - Keeping all passwords and login details secure;
 - Ensuring that your network and systems meet any necessary performance requirements;
 - Promptly informing us of any unauthorised access or breach of security; and
 - Maintaining your own network and telecommunications links.
- 12.7 James Hair & Co will not be liable for any failures to deliver services due to transmission errors or unavailability of telecommunications networks (including for reasons of force majeure) or due to the failure or unavailability of any third party infrastructure.
- 12.8 Where required we may use the Client Portal to provide access for approval of documents, this approval will be seen as acceptance and signature of the document contained within the Client Portal.

13 Data Protection

- 13.1 To enable us to discharge the services agreed in any engagement letter, comply with related legal and regulatory obligations and for other related purposes including updating and enhancing client records and analysis for management purposes, as a data controller, we may obtain, use, process and disclose personal data about you, your business, company, partnership, its shareholders, members, officers and employees as described in our privacy notice. We confirm when processing data on your behalf that we will comply with the provisions of all relevant data protection legislation and regulation.
- 13.2 You may also be an independent controller responsible for complying with data protection legislation and regulation in respect of the personal data you process and, accordingly where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene relevant requirements. Nothing within any engagement letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.
- 13.3 Data protection legislation and regulation places obligations on you as a data controller where we act as a data processor to undertake the processing of personal data on your behalf, for instance where we operate a payroll service for you. We therefore confirm that we will at all times take appropriate measures to comply with relevant requirements when processing data on your behalf. In particular we confirm that we have adequate security measures in place and that we will comply with any obligations equivalent to those placed on you as a data controller.
- 13.4 Our privacy notice can be found on our website at www.jameshair.co.uk which explains how we process personal data in respect of the various services that we provide.

14 The Contract (Third Party Rights) (Scotland) Act 2017

- 14.1 Persons who are not party to this agreement shall have no rights under the Contract (Third Party Rights) (Scotland) Act 2017 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 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.

15 The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017

- 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 2017 to:
- Maintain identification procedures for clients and beneficial owners of clients;
 - Maintain records of identification evidence and the work undertaken for the client; and
 - Report, in accordance with the relevant legislation and regulations.
- 15.2 The offence of money laundering 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.
- 15.3 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, or obtaining a contract through bribery. Clearly these examples are 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 nor staff may enter into any correspondence or discussions with you regarding such matters.
- 15.5 We may use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

16 General limitation of liability

- 16.1 We will provide services as 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 where you or others supply incorrect or incomplete information, or fail to supply any appropriate information or where you fail to act on our advice or respond promptly to communications from us or the tax authorities.
- 16.2 You will not hold us, the owners of this firm and any staff employed by the firm, responsible, to the fullest extent permitted by law, for 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 we provide to you against any of the principals or employees personally.
- 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.

17 Use of our name in statements or documents issued by you

- 17.1 You are not permitted to use our name in any 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

18 Draft/interim work

- 18.1 In the course of our providing services to you we may provide advice or reports or other work products in draft or interim form. However, final written work products will always prevail over any draft, or interim statements. Where you request it, we will provide you with written confirmation of matters stated orally.

19 Advice

- 19.1 Advice we give you orally should not be relied upon unless we confirm it in writing. We endeavour to record all advice on important matters in writing. However, if you particularly wish to rely upon oral advice we give you during a telephone conversation or a meeting, you must ask for the advice to be confirmed in writing.
- 19.2 Unless specifically instructed and agreed in advance we will not assist with the implementation of our advice.

20 Intellectual property rights

- 20.1 We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

21 Internal disputes within a client

- 21.1 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties. Unless otherwise agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken.

22 Provision of cloud-based services

- 22.1 Where the firm provides accounting software in the Cloud, this will be provided by a third party (the 'Cloud Supplier'). The third party has signed a confidentiality agreement with the firm to ensure compliance with the relevant clauses in the firm's standard terms of business i.e. our fees (2), Confidentiality (8), Internet Communication (12), Data Protection Act (13) and General Limitation of Liability (16).
- 22.2 The service provided by the Cloud Supplier will be a discrete web based hosted facility, and you agree that access will also be provided to the firm and the third party.
- 22.3 The firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them to help ensure that normal service is resumed as soon as possible.

23 Investment services

- 23.1 We are authorised and regulated by the Financial Conduct Authority services to carry out investment services. We are included on the Register maintained by the Financial Conduct Authority for the activities we are authorised to carry out. The Register can be accessed at www.fca.gov.uk. For designated investment business services we will issue a separate terms of business letter.

24 Financial Promotions

- 24.1 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 interests to sell a particular investment and we would wish to inform you of this. We may therefore contact you in such circumstances, 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.

25 Corporate finance business – Notice of treatment as a professional client/eligible counterparty

- 25.1 There may be occasion when having regard to the information you have given us and based on our assessment of you we may categorise you as a professional client or eligible counterparty, in relation to corporate finance business, because of your experience and understanding of corporate finance. We will advise you in writing if this is the case.
- 25.2 You are entitled to request an alternative categorisation so that you can receive a higher level of protection. It is your responsibility to make this request. You can do this by not signing this section and making your request to us in written form.
- 25.3 Because of the categorisation we have given you, you will lose the protection given to retail clients under the Conduct of Business Source Book of the Financial Conduct Authority. Protection in the following areas will not apply because when advising you we will assume that you are able to protect your own interests:

Understanding of risk

- We do not need to warn you of the nature of any risks involved in any transactions we recommend for you or give you written risk warnings about any transactions.

Arranging loans

- We do not need to make a recorded assessment of your financial standing, ensure that the terms of the loan(s) and the amounts are suitable.

Non-exchange traded securities

- We do not have to arrange or effect any transaction for you at a reasonable price.

Best execution

- We do not need to arrange or effect any transaction for you on the best terms available.

Financial Ombudsman Service

- Please note that you will also lose the right of access to the Financial Ombudsman Service.

- 25.4 If you have any questions regarding investment business or require any further information please contact us.

26 Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards

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.

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.



APPENDIX 1

CHARGE OUT RATES SUMMARY 2020 (£/HOUR)

£ _____

DIRECTORS	Consultancy	250.00
	Compliance	175.00
QUALIFIED	Senior	55.00/75.00
TRAINEES	3	27.00/33.00
SENIOR PROCESSING		43.00/50.00
JUNIOR PROCESSING		30.00