

Terms and Conditions

Payroll Charges

The charges for the Virtual Business Source (VBS) production of payroll reports and payslips shall be as per the Processing Rate Schedule form time to time in force.

VBS will invoice the client in accordance with the above charges on a monthly basis and accounts must be settled within 26 days of invoice date. Where a Direct Debit is in place VBS will direct debit the client four working days prior to the end of the following month. Any cancellation of the direct debit will be construed as a breach of this agreement. VBS reserves the right to charge a 1.5% per month finance charge to all overdue balances including accounts where the direct debit is not honoured.

VBS reserves the right to suspend processing if there are any overdue balances extending beyond 52 days of the invoice date.

VBS reserves the right to exercise a lien on the data if the payment terms are not complied with.

VBS reserves the right to charge a reasonable administration fee (£20) for clients repeatedly being requested for balances overdue by more than 52 days.

Other Fees

There are various bases on which our other fees are computed. Typically our fees are worked out on the basis of time spent on your affairs by our staff, on the levels of skill and responsibility involved, and the priority and importance of the work undertaken. However, from time to time we may agree a fee with you that varies from this basis, e.g. a fixed fee or a contingency fee, and this will be discussed with you prior to the relevant work being undertaken. If it is necessary to carry out work outside the responsibilities outlined in your letter of engagement 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. We have found that many of our clients have taken advantage of paying their fee on a monthly Direct Debit. We shall be pleased to discuss this with you and furnish you with all relevant details.

Fees will be rendered, as appropriate, at suitable times to take account of the work performed. Our terms relating to amounts levied, and not covered by ongoing standing orders arrangements, are strictly within 30 days of the fee note date. We reserve the right to charge interest on overdue accounts at 1.5% per month. Settlement of fees by Mastercard and Visa is accepted. An alternative method of settling our fees is our arrangement with Premium Credit Limited (one of the UK's leaders in premium financing), under which payment of fees can be spread over a period of 10 months at a competitive instalment charge, details of which are available on request. The advantages of using this plan are:-

- immediate acceptance of your application – you will not be subject to any credit checking procedures;
- fixed monthly instalments to assist budgeting and cash flow;
- Premium Credit are not provided with any details whatsoever relating to the work done by Virtual Business Source Limited – ie total confidentiality;
- You will **not** receive any unsolicited literature or unwanted approaches to purchase other products.

If you wish to take advantage of this facility please contact us.

If we have entered into a Fixed Price Agreement with you, that agreement outlines the services we are to provide to you and how those services are to be paid for by you.

Payroll Errors

Any errors committed solely by VBS will be made good at VBS cost provided that the client shall have notified VBS in writing of the error within one day of the date of completion and despatch of the processing.

Data and Reports

The Client hereby confirms that it has all intellectual property rights necessary for VBS to receive and process the data and the client will indemnify VBS against any liabilities that may arise from use of the data as processed.

VBS accepts no liability for the data in respect of any event outside VBS direct control.

The risk and responsibility in respect of the payroll reports shall pass to the Client upon posting by VBS or delivery by Courier Service (if appropriate), to the client provided such reports have been accurately addressed to the Client.

VBS confirms that all data received from the Client and all data returned to the Client will be treated in the strictest confidence, and that no such data or information will under any circumstances be passed to a third party, without permission from the client.

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 the completion of our work. Whilst certain documents may legally belong to you, we may 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 indicate that fact to us.

Payroll and PAYE records will be retained by us for 6 years after the end of the tax year to which they relate and will then be destroyed.

Identification

At the start of our relationship with you and from time to time during the period of our relationship, we are required by law to check your identity. This can be carried out manually by reviewing and copying identity documents, such as passports, driving licences and utility bills or, in order to verify the information you provide about your identity, we can make searches electronically about you with a fraud prevention agency. Sources that are checked include the Electoral Roll. In some cases we may ask you to supply at least one original document of confirmation of your identity, address or both, which we will use along with the electronic checks we perform. Any documents provided to us will be recorded and copied as part of our Anti Money Laundering requirements.

Assessment of Creditworthiness

We reserve the right at all times to obtain information from third parties and other external sources and searches may be made on your file at a licensed credit referencing agency and the search trace may be recorded on your file. Undertaking such searches or obtaining such information will assist us in assessing your creditworthiness and ability to pay our fees and charges pursuant to our agreement with you.

Client monies

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.

In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by Lloyds TSB Bank Plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross. If the total sum of money held on your behalf exceeds £10,000 for a period of more than 30 days, or a sum is likely to be held for more than 30 days, then the money will be placed in an 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.

Electronic communication

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.

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

Investment Business

Virtual Business Source Limited (VBS) is not authorised by the Financial Services Authority (FSA) to conduct Investment Business. VBS is owned and controlled by WKH Chartered Accountants, which is licensed by the Institute of Chartered Accountants in England and Wales to provide certain limited investment services to its clients. VBS has an associated company, Provisio Limited, which is authorised and regulated by the FSA. The Partners of WKH hold a beneficial interest in Provisio Limited.

Marketing

From time to time we may use your company name in marketing and other promotional material. If you have any objection to this please notify us in writing.

Data Protection Act 1998

We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under your letter of 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. You have a right of access, under data protection legislation, to the personal data that we hold about you. For the purposes of the Data Protection Act 1998, the Data Controller in relation to personal data supplied about you is Virtual Business Source Limited.

Money Laundering Reporting

In common with all accountancy and legal practices we are required by The Proceeds of Crime Act 2002 and The Money Laundering Regulations 2007 to:

- maintain identification procedures for all new clients;
- maintain records of identification evidence;
- report, in accordance with the relevant legislation and regulations, to the Serious Organised Crime Agency (SOCA).

Contracts (Rights of Third Parties) Act 1999

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.

Liability Provisions

We will perform the engagement with reasonable skill and care. The total aggregate liability to you, as a body, of whatever nature, whether in contract, tort or otherwise, of Virtual Business Source Limited for any losses whatsoever and howsoever caused arising from or in any way connected with this engagement, shall not exceed ten times your annual fee.

Professional Indemnity Insurance

In accordance with the disclosure requirements of the Services Regulations 2009 our professional indemnity insurer is Royal & Sun Alliance plc of PO Box 152, West Gate, Bristol, BS99 7RD. The territorial coverage is worldwide excluding USA/Canada.

Applicable law

These terms and any letter of engagement or Service Level Agreement are governed by, and construed in accordance with English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning these standard terms of engagement and any letter of engagement 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.

Notice

Notice under this agreement shall be given in writing by first class post (which shall be deemed to be received 48 hours after posting) or facsimile transmission (which shall be deemed to be given at the date of transmission) or by personal delivery at the last known business trading address of the party

Help us to give you the right service

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 telephoning Paul Marsden, Director.

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns.

PO Box 501
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Broadway
Letchworth Garden City
Herts SG6 9BL

Virtual Business Source Limited
Registered Number: 6642764 England

T&C (Jul 10)
1 July 2010