



Hogbens Dunphy
Accountants &
Tax Consultants

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1 Applicable law

1.1.

Our Engagement Letter and Standard Terms and Conditions shall be governed by, and construed in accordance with the law and practice of England & Wales. The Courts of England and Wales shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Letter (including the firm's Standard Terms and Conditions) 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.

1.2.

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.

1.3.

The advice we give you is for your company's 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.

2 Client identification

2.1.

In common with all accountancy and legal practices, the firm is required by law 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.

2.2.

We use electronic checks as part of our identification procedures. We confirm that these electronic checks are not credit checks.

3 Quality of service

3.1.

We are committed to providing you with a high-quality service that is both efficient and effective. However, 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 contact Richard Wadhams, Director. We agree to look into any complaint carefully and promptly and do everything reasonable to try and resolve it.

3.2.

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 agreement between us set out in this Standard Terms and Conditions and associated Engagement Letter. 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.

3.3.

We are required to be honest and to take reasonable care to ensure that your returns to HMRC are accurate. To allow us to do this, you in turn are required to be honest and truthful with us, providing us with all the relevant information required in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, visit <https://www.gov.uk/government/publications/hmrc-charter>.

4 Client monies

4.1.

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds. The account will be operated, and all funds dealt with, in accordance with the Clients' Money Regulations.

4.2.

We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. We are required under the Clients' Money Regulations to appoint an alternate to administer the client bank account in the event of the death or incapacity of Richard Wadhams. The alternate appointed by this firm is Cheryl Humphries.

5 Commissions or other benefits

5.1.

In some circumstances we may receive commissions or other benefits for introductions to other professionals or in respect of transactions which we arrange for you. Where this happens that third party will notify you in writing of the amount and terms of payment and receipt of any such commissions or benefits.

6 Investment advice

6.1.

If, during the provision of professional services to you, you need advice on investments, including insurances, we may refer you to someone who is authorised by the Financial Conduct Authority or licensed by a designated professional body as we are not authorised to give such advice. We will act as introducers and are not authorised to offer alternative advice. As a result of our introduction we may receive commission.

7 Fees and payment terms

7.1.

Our fees may depend not only upon the time spent on your affairs but also on the level of skill and responsibility and the importance and value of the advice that we provide, as well as the level of risk.

7.2.

If we provide you with an estimate of our fees for any specific work, then the estimate will not be contractually binding unless we explicitly state that that will be the case.

If it is necessary for us to carry out work that is outside the scope of the engagement currently in place with you. Where possible we will advise you of this in advance. Any additional work will result in additional fees being charged.

7.3.

Where requested, we may indicate a fixed fee for the provision of specific services or an indicative range of fees for a particular assignment. It is not our practice to identify fixed fees for more than a year ahead as such fee quotes need to be

reviewed in the light of events. If it becomes apparent to us, due to unforeseen circumstances, that a fee quote is inadequate, where possible we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

7.4.

You will pay us on a standing order or direct debit basis, we will discuss with you separately the amount and frequency of payments. These standing orders/direct debits will be applied to fees arising from work agreed in our Engagement Letter for the current and ensuing years.

7.5.

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.

7.6.

Our fees are exclusive of VAT which will be added where it is chargeable. Any disbursements we incur on your behalf and expenses incurred in the course of carrying out our work for you will be added to our invoices where appropriate.

7.7.

Unless otherwise agreed to the contrary, our fees do not include the costs of any third party, counsel or other professional fees.

7.8.

You authorise us to settle our agreed fees from any money held on your behalf in the client account.

7.9.

If a client company, trust or other entity is unable or unwilling to settle our fees we reserve the right to seek payment from the individual giving us instructions on behalf of the client and you agree that we shall be entitled to enforce any sums due.

7.10.

Fee Protection Insurance - In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by HMRC. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

7.11.

Our terms relating to payment of amounts invoiced and not covered by an existing standing order or direct debit, where appropriate, are strictly 14 days net. We reserve the right to charge interest on late paid invoices at the rate of 8% above the Bank of England Base Rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

7.12.

If you do not accept that an invoiced fee is fair and reasonable you must notify us within 21 days of receipt, failing which you will be deemed to have accepted that payment is due.

7.13.

To the extent that we are permitted by law or by professional guidelines, we hold the right to exercise a lien over all funds, documents and records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

8 Retention of and access to records

8.1.

Retaining documents and records relevant to your tax and financial affairs is your legal responsibility. 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.

8.2.

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 are 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.

8.3.

Whilst certain documents may legally belong to you, 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.

9 Electronic communication

9.1.

Unless you tell us otherwise, we will at all times use email or other electronic means to communicate with you and with any third parties you instruct us to.

9.2.

To send company emails we use end to end Transport Layer Security encryption, however, with TLS the message might not stay encrypted after the message reaches your email provider. In other words, TLS encrypts the connection, not the message.

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices. However electronic communication is not totally secure, and we cannot be held responsible for damage or loss caused by viruses nor for communications that are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must accept in return for greater efficiency and lower costs. If you do not wish to accept these risks please let us know and we will communicate by hard copy, other than where electronic submission is mandatory.

9.3.

Any communication by us with you sent through the post is deemed to arrive at your postal address two working days after the day that the document was sent.

9.4.

When accessing information held electronically by HMRC, we may have access to more information than we need and will only access records reasonably required to carry out the contract.

9.5.

You are required to keep us up to date with accurate contact details at all times. This is important to ensure that communications and papers are not sent to an incorrect address.

10 Data protection

10.1.

To enable us to discharge the services agreed in this 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.

10.2.

You are also 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 this Engagement Letter relieves you as a data controller of your own direct responsibilities and liabilities under data protection legislation and regulation.

10.3.

Our Privacy Notice which can be found on our website at www.hogbensdunphy.co.uk explains how we process personal data in respect of the various services that we provide.

10.4.

As part of our ongoing commitment to providing a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced and professional people and, of course, are bound by the same rules for confidentiality as us.

Processing of customer personal data – where we act as a data processor e.g. payroll or bookkeeping

10.5.

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. Terms relating to our responsibilities as a data processor are set out in paragraphs 10.6 to 10.9 below.

10.6.

In respect of the client personal data, unless otherwise required by applicable laws or other regulatory requirements, we shall:

10.6.1.

Process the client personal data only in accordance with your lawful written instructions, in order to provide you with the services pursuant to our engagement with you and in accordance with applicable data protection legislation;

10.6.2.

Disclose the client personal data to courts, government agencies and other third parties as and to the extent required by law;

10.6.3.

Maintain commercially reasonable and appropriate security measures, including administrative, physical and technical safeguards, to protect against unauthorised or unlawful processing of any client personal data and against accidental loss or destruction of, or damage to, such client personal data.

10.6.4.

Maintain written records of our processing activities performed on your behalf which shall include:

- i. the categories of processing activities performed;
- ii. details of any cross-border data transfers outside of the United Kingdom; and
- iii. a general description of security measures implemented in respect of the client personal data;

10.6.5.

Return or delete all the client personal data upon the termination of the engagement with you pursuant to which we agreed to provide the services;

10.6.6.

Ensure that only those personnel who need to have access to the client personal data are granted access to it and that all of the personnel authorised to process the client personal data are bound by a duty of confidentiality;

10.6.7.

Where we transfer the client personal data to a country or territory outside the United Kingdom to do so in accordance with data protection legislation; 10.6.8.

Notify you promptly if:

- We receive a request, complaint or any adverse correspondence from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or in respect of the client personal data; or
- We are served with an information or assessment notice, or receive any other material communication in respect of our processing of the client personal data from a supervisory body (for example, the Information Commissioner's Office);

10.6.9.

Notify you, without undue delay, in the event that we reasonably believe that there has been a personal data breach in respect of the client personal data; and

10.6.10.

At your cost and upon receipt of your prior written notice, allow you, on an annual basis and/or in the event that we notify you of personal data breach in respect of the client personal data, reasonable access to the relevant records, files, computer or other communication systems, for the purposes of reviewing our compliance with the data protection laws.

10.7.

Without prejudice to the generality of clause 10.1, you will ensure that you have all necessary appropriate consents and notices in place to enable the lawful transfer of the client personal data to us.

10.8.

Should you require any further details regarding our treatment of personal data, please contact our data controller.

10.9.

The following details are also required by Article 28(3) of the GDPR where we provide payroll services;

10.9 1.

Subject matter and duration of the processing of client personal data

The subject matter and duration of the processing of the client personal data are set out in the Engagement Letter.

10.9 2.

The nature and purpose of the processing of client personal data

The processing of client personal data is in order to calculate payroll and deductions and arrange payments to HMRC and the employees of your company.

10.9 3.

The types of client personal data to be processed

Personal Data:

- Full name
- Date of birth
- Home address
- National Insurance number
- Tax code
- Salary

10.9 4.

The categories of data subject to whom the client personal data relates

The client personal data relates to employees of your company.

11 Professional rules and practice guidelines

11.1.

We will observe and act in accordance with the byelaws, regulations and ethics of the CIOT and accept instructions to act for you on this basis.

11.2.

You are responsible for bringing to our attention any errors, omissions or inaccuracies in your returns that you become aware of after the returns have been submitted in order that we may assist you to make a voluntary disclosure.

11.3.

In particular you give us the authority to correct errors made by HMRC where we become aware of them. We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations. The requirements are also available on the internet at www.icaew.com/regulations.

12 Confidentiality

12.1.

Communication between us is confidential. We shall take all reasonable steps not to disclose your information except where we are required to by law and as set out in our Privacy Notice available on our website at www.hogbensdunphy.co.uk. Unless we are authorised by you to disclose information on your behalf, this undertaking will apply both during and after this engagement.

12.2

We may on occasions, subcontract work on your affairs to other tax and accounting professionals. Any subcontractor will be bound by our client confidentiality and security terms.

13 Conflicts of interest and internal disputes within a client

13.1.

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 we will notify you immediately should we become aware of any conflict of interest involving us and affecting you.

13.2.

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.

13.3.

If a dispute arises between the parties who own the business or who are involved in the ownership and management, it should be noted that our client is the business and we therefore would not provide information or services to one party without the permissions of all parties

14 The Provision of Services Regulations 2009

14.1.

In accordance with our professional body rules we are required to hold professional indemnity insurance. Details about the insurer and coverage can be seen by request. 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.

15 Timing of our services

15.1.

If you provide us with all information and explanations on a timely basis in accordance with our requirements, we will plan to undertake the work within a reasonable period of time in order to meet any regulatory deadlines. However, failure to complete our services prior to any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.

16 Use of our name in the statements or documents issue by you

16.1.

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.

16.2.

The copyright in any document prepared by us belongs to us in entirety unless the law specifically provides otherwise.

17 Interpretation

17.1.

If any provision of the Engagement Letter or Standard Terms and Conditions is held to be void, then that provision will be deemed not to form part of this contract and the remainder of this agreement shall be interpreted as if such provision had never been inserted.

17.2

If there is a conflict between the Engagement Letter and these Standard Terms and Conditions then the relevant provision in the Engagement Letter takes precedence.

18 Limitation of Liability

18.1.

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.

18.2.

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.

18.3.

Where we refer you to another firm whom you engage with directly, we accept no responsibility in relation to their work and will not be liable for any loss caused by them

18.4.

Exclusion of liability in relation to circumstances beyond our control

We will not be liable to you for any delay or failure to perform our obligations under the Engagement Letter if the delay or failure is caused by circumstances outside our reasonable control.

18.5.

Exclusion of liability relating to non-disclosure or misrepresentation

We will not be responsible or liable for any loss, damage or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us.

This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures that we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry beyond that which it would have been reasonable for us to have carried out in the circumstances.

18.6.

Indemnity for unauthorised disclosure

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing

or otherwise. This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time that we spend in defending it.

19 Limitation of Third-Part Rights

19.1.

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.

19.2.

The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the Engagement Letter that a specified third party may rely on our work. We accept no responsibility to third parties, including any group company to whom the Engagement Letter is not addressed, for any advice, information or material produced as part of our work for you that you make available to them. A party to this agreement is the only person who has the right to enforce any of its terms and no rights or benefits are conferred on any third party under the Contracts (Rights of Third Parties) Act 1999.

20 Reliance on advice

20.1.

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. Therefore, 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.

20.2.

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. 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. Advice is only valid at the date it is given.

21 Implementation

21.1.

Unless specifically instructed and agreed in writing we will not assist with the implementation of our advice.

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 and Conditions.

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 regarding the resumption of a normal service as soon as possible.

22.4

When we cease to act for you, we will seek to agree the position on access to cloud accounting records to ensure continuity of service. This may require you to enter direct engagements with the software providers and pay for that service separately.

23 Disengagement

23.1.

Should we resign or be requested to resign we will normally issue a disengagement letter to ensure our respective responsibilities are clear.

23.2

We reserve the right following termination for any reason to destroy any of your documents that we have not been able to return to you after a period of six months unless other laws or regulations require otherwise as detailed in our Retention Policy which is available on request.

24 Period of engagement and termination

24.1.

Unless otherwise agreed in the Engagement Letter our work will begin when we receive your implicit or explicit acceptance of that letter, except as stated in that letter we will not be responsible for periods before that date.

24.2.

Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party, except where you fail to cooperate with us or we have reason to believe that you have provided us, or HMRC, with misleading information, in which case we may terminate this agreement immediately. Termination will be without prejudice to any rights that may have accrued to either of us prior to termination.

24.3.

In the event of termination of this contract, we will endeavour to agree with you the arrangements for the completion of work in progress at that time, unless we are required for legal or regulatory reasons to cease work immediately. In that event, we shall not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

24.4.

If you engage us for a one-off piece of work the engagement ceases as soon as that work is completed. The date of completion of the work is taken to be the termination date and we owe you no duties and we will not undertake further work beyond that date.

24.5.

Where recurring work is provided (for example ongoing compliance work such as the completion of annual tax returns) the engagement ceases on the relevant date in relation to the termination as set out above. Unless immediate termination applies, in practice this means that the relevant termination date is:

- 21 days after the date of notice of termination; or
- A later agreed date

24.6.

We owe you no duties beyond the date of termination and we will not undertake any further work.