



## Terms and conditions

### 1 Introduction

- 1.1 These terms and conditions set out the general terms under which we undertake our business. The specific conditions relating to particular assignments will be covered in a separate letter or letters of engagement.

### 2 Ethical guidelines

- 2.1 We are bound by the ethical guidelines of the Association of Chartered Certified Accountants (ACCA) and The Institute of Chartered Accountants in England and Wales (ICAEW), and accept instructions to act for you on the basis that we will act in accordance with those ethical guidelines. A copy of these guidelines can be viewed at our offices on request.

### 3 Fees

- 3.1 Our fees are computed on the basis of time spent on your affairs by the principals and our staff and on the levels of skill and responsibility involved. A full list of the time spent and the charge out rates used is available on request.
- 3.2 If it is necessary to carry out work outside the responsibilities outlined in the 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 are completed to the agreed stage.
- 3.3 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. Other than where such insurance was arranged through us you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.
- 3.4 In the case of a dispute over the level of fees charged we reserve the right to require that the matter is dealt with through arbitration. We recommend that arbitration is undertaken by the fee arbitration service provided by ACCA for members. The fee arbitrator will be appointed by the ACCA president; the fee will be as negotiated with the ACCA arbitrator.
- 3.5 All fees will be charged including VAT where applicable.
- 3.6 All fees will include any disbursements which have been recharged in accordance with our agreement.
- 3.7 Our terms relating to payment of amounts billed are strictly payment by the end of the following month as indicated on each fee. Interest may be charged on all overdue debts, which is currently 0.5% per month (APR 6.17%). Settlement of fees by MasterCard and Visa is accepted.

### 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' Monies Rules of the Institute of Chartered Accountants in England and Wales. However, in order to avoid an excessive
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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 £200. Any such interest would be calculated using the prevailing rate applied by our bank for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.

- 4.2 Fees paid by you in advance for professional work to be performed and clearly identifiable as such shall not be regarded as clients' monies.

## **5 Quality control and disclosure of information**

- 5.1 As part of our ongoing commitment to providing a quality service, some of our files may be subject to an independent review. Our reviewers are highly experienced professionals and, of course, are bound by the same requirements for confidentiality as our partners and staff.
- 5.2 We also reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

## **6 Internal disputes**

- 6.1 In the event 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. We will continue to supply information to the normal place of business for the attention of the director(s) / partner(s) / sole proprietor.

## **7 Investment services**

- 7.1 If during the provision of professional services to you, you need advice on investments, we may have to refer you to The MGroup Financial Services Limited, being an appointed representative of Sanlam Partnerships Limited who are authorised by the Financial Conduct Authority (FCA). However, as we are licensed by the Association of Chartered Certified Accountants, we may be able to provide certain limited investment services where these are complementary to, or arise out of, the professional services we are providing to you. Such advice may include:

- advise you on investments generally, but not recommend a particular investment or type of investment;
- refer you to an Authorised Third Party (ATP) to assist you and the authorised third party during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The ATP will issue you with his own terms and conditions letter, will be remunerated separately for the services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000. The firm may receive commission from such an introduction, in which case you will be fully informed of the expected size and nature of such commission at the time of the introduction.
- assist you in making arrangements for transactions in investments in certain circumstances;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange; and
- manage investments or act as trustee (or donee of a power of attorney) where decisions to invest are taken on the advice of an authorised person.

We may also, on the understanding that the shares or other securities of the company are not publicly traded:

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- advise the company, including existing or prospective shareholders, in relation to exercising rights, taking benefits or share options valuation and methods;
- arrange any agreements in connection with the issue, sale or transfer of the company's shares or other securities;
- arrange for the issue of the new shares; and
- act as the addressee to receive confirmation of acceptance of offer documents etc.

#### 7.2 Referral to a Permitted Third Party (PTP)

Should you require advice on investment business which we are unable to give as we are not authorised by the Financial Services Authority we can arrange this via our financial services company, The MGroup Financial Services Limited.

The MGroup Financial Services Limited will issue you with their own terms and conditions letter, will be remunerated separately for their services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000.

We will inform you when any introductory fee / commission is received and agree with you how this is to be dealt with at that time.

### 8 Commissions or other benefits

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

### 9 Agency Fees

- 9.1 No agency fees will be incurred by you in connection with the provision of The MGroup's services. However, should a member of our staff subsequently become an employee of your business within six months of leaving their employment with The MGroup, agency fees equating to 25% of their salary will be due to The MGroup. This fee will become payable within 30 days of the employee commencing their new tenure with you.

### 10 Retention of records

- 10.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following preparation of your return or accounts.

- 10.2 Documents and records relevant to your affairs are required by law to be retained as follows:

Individuals, trustees and partnerships

- with trading or rental income: 5 years and 10 months after the end of the tax year;
- otherwise: 22 months after the end of the tax year;

Companies

- 6 years from the end of the accounting period;

These periods may be extended if HM Revenue and Customs enquires into your tax return.

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- 10.3 Ownership of records is determined by case law. We have summarised below instances where documents, although retained by ourselves, will belong to you:
- 1) Where work is of a tax compliance nature, the entire tax file will be deemed to belong to you unless we have provided copies of all tax matters to you, e.g., the preparation and submission of accounts, returns, computations and VAT returns to HM Revenue and Customs, agreement of clients' tax liabilities, including those following "in depth" investigations.
  - 2) Where a report is made on your behalf, to the authorities, for submission to the authorities, in connection with an accounts' investigation where we will be acting as principals, the report and supporting schedules will belong to you.
  - 3) Where work is of a tax advisory nature, letters, reports or documents giving the advice belong to you.
- 10.4 Where we have provided you with copies of tax documents, forming your tax file, it will be your responsibility to maintain these for the required time period.
- 10.5 If you cease to be a client we will request you to collect any tax files or documents. If after a period of 12 months these are not collected we reserve the right to destroy them.
- 10.6 If at any time while you remain a client, we still hold any tax files and documents that are your property where the last entry therein was made no later than seven years earlier, then we will write to your last known address inviting you to collect such tax files and documents. If such tax files and documents are not collected we will, under the terms of this letter of engagement, be at liberty to destroy any such tax files and documents upon the seventh anniversary of the last entry therein.
- 10.7 All files and records which are the property of ourselves will be retained in accordance with our formal file destruction policy which is available for inspection upon request.
- 10.8 If a request is made by yourself to request the collection of a file at the time the file is closed or prior to the expiration of the file's designated retention period, we will copy the file and retain the copy until the file's designated date of destruction.
- 10.9 If a cost is payable to a storage house to retrieve the file, this is a disbursement chargeable to yourself.
- 10.10 The above relates to paper as well as electronic records.

## **11 Notification**

- 11.1 We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm other than those engaged on the specific assignment (for example, information provided in connection with accounting, taxation and other services).

## **12 Timetable**

- 12.1 The services we undertake to perform for you will be carried out on a timescale to be determined between us on an ongoing basis.
- 12.2 The timing of our work will in any event be dependant on the prompt supply of all information and documentation as and when required by us.

## **13 Third parties**

- 13.1 Any advice we give you will be supplied on the basis that it is for your benefit only and shall not be disclosed to any third party in whole or part without our prior written consent. It may not be
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used or relied upon for any other purpose or by any other person other than you without our prior written consent. If our advice is disclosed to any third party (with or without our consent), then we accept no responsibility or liability to that third party for any consequences that may arise to them, should they rely on the advice.

- 13.2 If it is proposed that any documents or statement which refer to our name, are to be circulated to third parties, please consult us before they are issued.

## **14 Confidentiality**

- 14.1 As specified in these terms and conditions, we confirm that where you give us confidential information we shall at all times keep it confidential, except as required by law to make disclosures as provided for in regulatory, ethical or other professional pronouncements applicable to our engagement.
- 14.2 You agree that it will be sufficient compliance with our duty of confidence for us to take such steps as we think fit to preserve confidential information both during and after termination of this engagement.

## **15 Quality of service**

- 15.1 We aim to provide a high quality of service at all times. If you would like to discuss with us how our service could be improved or if you are dissatisfied with the service that you are receiving please let us know by contacting the partner dealing with your affairs, Penny Casterton or John-Paul Cleaver.
- 15.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may take up the matter with the Association of Chartered Certified Accountants or the Institute of Chartered Accountants in England and Wales. This should be done promptly and in any event no later than 6 months after exhausting our procedures.

## **16 Communication**

- 16.1 As Internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their dispatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. All risks connected with sending commercially sensitive information relating to your business are borne by you and are not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication. The recipient is responsible for virus checking emails and any attachments.
- 16.2 E-mail may be used to enable us to communicate with you. As with any other means of delivery this carries with it the risk of inadvertent misdirection or non delivery. It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 16.3 Advice issued by staff should not be relied upon unless it has been confirmed by a Partner.
- 16.4 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.

## **17 Applicable law**

- 17.1 This engagement letter is 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 this 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
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the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

- 17.2 All work performed is conducted using the current legislation according to the accounting period. We cannot be held responsible for future development and changes in the legislation.
- 17.3 Legislation which is retrospective in its application could impact on advice given to you by us prior to its introduction. We will not advise on the implications of such retrospective legislation unless you specifically ask us to do so.

## **18 Contracts (Rights of Third Parties) Act 1999**

- 18.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms 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.
- 18.2 The work that is undertaken is designed for the use of you as the client. The accounts and report should not be distributed by you to any other party without our prior consent.

## **19 Data Protection Act**

- 19.1 Activities where The MGroup's function is that of a Data Controller:

To enable us to discharge the services agreed under this engagement, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance, we may obtain, use, process and disclose personal data about, for example, you, your customers, your suppliers or your employees, or your or their nominated beneficiaries or next of kin (as applicable). In each case we are a data controller in our own right in relation to that personal data. We will comply with our legal obligations as data controller in relation to such data (and in particular our obligations under the General Data Protection Regulation (GDPR)) and will use such data in accordance with the privacy notice set out on our website. You must ensure that any provision by you of such personal data to us is lawful.

- 19.2 Activities where The MGroup's function is that of a Data Processor:

In connection with our provision of outsourced payroll and auto-enrolment services we may act as your data processor for the purposes of GDPR. If and to the extent that we act as your data processor then we will comply with the provisions of the Data Processing Annex set out at the end of these terms and conditions in relation to our processing activities.

## **20 Limitation of liability**

- 20.1 We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses directly caused by our negligence or wilful default.
- 20.2 Exclusion of liability for loss caused by others:

We will not be liable if such losses, penalties, interest or additional tax liabilities are caused by the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false information, or if they are caused by a failure to act on our advice or a failure to provide us with relevant information.

In particular, 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.

- 20.3 Exclusion of liability in relation to circumstances beyond our control:
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We will not be liable to you for any delay or failure to perform our obligations under this engagement letter if the delay or failure is caused by circumstances outside our reasonable control.

**20.4 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.

**20.5 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.

**20.6 Limitation of aggregate liability:**

Where the engagement letter specifies an aggregate limit of liability, then that sum shall be the maximum aggregate liability of this firm, company or LLP, its principals, partners, directors or members agents and employees to all persons to whom the engagement letter is addressed and also any other person that we have agreed with you may rely on our work. By signing the engagement letter you agree that you have given proper consideration to this limit and accept that it is reasonable in all the circumstances. If you do not wish to accept it you should contact us to discuss it before signing the engagement letter.

You have agreed that you will not bring any claim of a kind that is included within the subject of the limit against any of our principals/partners/directors/members or employees; on a personal basis.

## **21 Money Laundering Regulations 2017**

**21.1** In accordance with the Proceeds of Crime Act, The Terrorism Act, Money Laundering Regulations 2017 and The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 you agree to waive your right to confidentiality to the extent of any report made, document provided or information disclosed to the National Crime Agency (NCA).

**21.2** You also acknowledge that we are required to report directly to NCA without prior reference to you or your representatives if during the course of undertaking any assignment the person undertaking the role of Money Laundering Reporting Officer becomes suspicious of money laundering.

**21.3** As with other professional services firms, we are required to have appropriate risk based policies and procedures for assessing and managing money laundering risks: this applies at the start of any business relationship and through the lifetime of the relationship. This includes undertaking appropriate customer due diligence. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.

**21.4** Copies of such records created as part of the client due diligence process, including any non-engagement documents relating to the client relationship and ongoing monitoring of it, will be retained by us for a period of five years after we cease to act for the business unless we are

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required to retain them under statutory obligation, or to retain them for legal proceedings, or you consented to the retention in which case the records will be retained for not more than ten years.

## **22 Implementation**

22.1 We will only assist with implementation of our advice if specifically instructed in writing.

## **23 Intellectual property rights**

23.1 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.

## **24 Interpretation**

24.1 If any provision of the engagement letter or schedules is held to be void, then that provision will be deemed not to form part of this contract.

24.2 In the event of any conflict between these terms of business and the engagement letter or appendices, the relevant provision in the engagement letter or schedules will take precedence.

## **25 Lien**

25.1 Insofar as permitted to do so by law or professional guidelines, we reserve 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.

## **26 Reliance on advice**

26.1 We will endeavour to record all advice on important matters in writing. Advice given orally is not intended to be relied upon unless confirmed in writing. Therefore, if we provide oral advice (for example during the course of a meeting or a telephone conversation) and you wish to be able to rely on that advice, you must ask for the advice to be confirmed by us in writing.

## **27 Conflicts of interest**

27.1 We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client. 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.

27.2 If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests then we will adopt those safeguards. Where possible this will be done on the basis of your informed consent. We reserve the right to act for other clients whose interests are not the same as or are adverse to yours subject of course to the obligations of confidentiality referred to above.

## **28 Period of engagement and termination**

28.1 Unless otherwise agreed in the engagement covering 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.

28.2 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

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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.

- 28.3 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.

## 29 Disengagement

- 29.1 Should we resign or be requested to resign a disengagement letter will be issued to ensure that our respective responsibilities are clear.

## DATA PROCESSING ANNEX

In this Annex “**Data Protection Legislation**”: means (i) unless and until the GDPR is no longer directly applicable in the UK, the General Data Protection Regulation ((EU) 2016/679) and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998.

### 1. DATA PROTECTION

- 1.1 Both parties will comply with all applicable requirements of the Data Protection Legislation.
- 1.2 The parties acknowledge that for the purposes of the Data Protection Legislation, you are the data controller and we are the data processor (where **data controller** and **data processor** have the meanings given in the Data Protection Legislation) in relation to certain **personal data** (as defined in the Data Protection Legislation) processed by us. Section 2 below sets out the scope, nature and purpose of processing by us, the duration of the processing and the types of personal data and categories of data subject.
- 1.3 We shall, in relation to the personal data described in Section 2:
- (a) process the personal data only on your written instructions or as required by law;
  - (b) have in place appropriate technical and organisational measures to protect against unauthorised or unlawful processing of, accidental loss or destruction of, or damage to, the personal data;
  - (c) ensure that all personnel who have access to and/or process the personal data are obliged to keep them confidential (without limiting our obligations to report payroll information to HMRC as part of our payroll service or our professional obligations to report fraud or money laundering);
  - (d) not transfer the personal data outside of the European Economic Area unless with your prior written consent or as required by law;
  - (e) assist you in responding to any request from a data subject and complying with your obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators, in each case subject to the payment of our reasonable fees;
  - (f) at your written direction delete or return the personal data on termination of the services to which their provision relates (except to the extent we are required by law to retain the data); and
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- (g) maintain complete and accurate records and information to demonstrate our compliance with this Section 1, and allow you to audit our compliance (provided such audit is conducted in such a manner to minimise disruption to our business, on reasonable notice, at your cost and subject to your payment of our reasonable fees for time incurred).
- 1.4 We may appoint third party processors of the personal data described in Section 2 but shall ensure that we do so under a written agreement incorporating terms which are equivalent in their effect to those set out in this Annex.
- 2. DETAILS OF PROCESSING**
- 2.1 **Scope**
- We may process certain personal data on the client's behalf in the performance of outsourced payroll and auto-enrolment services relating to the client's personnel. Such processing may take place within our IT environments or those of our selected payroll software provider.
- 2.2 **Nature**
- Processing in the course of providing outsourced payroll and auto-enrolment services to the client, which means accessing, receiving, storing, creating and transmitting personal data.
- 2.3 **Purpose of processing**
- The provision of outsourced payroll and auto-enrolment services to the client as agreed from time to time, and in particular the payment of salary and other sums to the clients' personnel and the calculation and reporting of applicable tax.
- 2.4 **Duration of the processing**
- For the duration of the performance of our payroll and auto-enrolment services and any additional retention period required by law.
- 2.5 **Types of personal data**
- Such personal data as may be processed by us to provide payroll and auto-enrolment services, including the name and contact details of the data subjects being paid, their National Insurance numbers, bank account details, details of salary, benefits, entitlements, and tax details.
- 2.6 **Categories of data subject**
- The client's personnel (officers, employees and workers).
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