



## SurSum Advisory Limited

Your Law Firm's CFO

# *TERMS OF BUSINESS*

## 2023

The following terms of business apply to all engagements accepted by SurSum Advisory Limited ("we" or "us"). All work is carried out under these terms except where changes are expressly agreed in writing.

### 1. APPLICABLE LAW

- 1.1 Our engagement letter, the schedules of services and our standard terms and conditions of business are governed by and should be construed in accordance with English law. Each party agrees that 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 on any basis. Each party irrevocably waives any right 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.
- 1.2 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 light of any change in the law or in 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.

### 2. CLIENT IDENTIFICATION

- 2.1 As with other professional services firms, we are required to identify our clients for the purposes of the UK anti-money laundering legislation. We may request from you, and retain, such information and documentation as we require for these purposes and/or make searches of appropriate electronic databases. If we are not able to obtain satisfactory evidence of your identity, we will not be able to proceed with the engagement.
- 2.2 If you undertake business that requires you to be supervised by an appropriate supervisory authority to follow anti-money laundering regulations including if you accept or make a high

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Director: Thomas Blandford BA(Hons), FCA, MCMI, VR

Registered in England and Wales under Company Number: 14342771

Registered Office: 46 Park Place, Leeds, LS1 2RY

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities



value cash payments of €10,000 or more (or equivalent in any currency) in exchange for goods you should inform us.

- 2.3 Any personal data received from you to comply with our obligations under The Money Laundering, Terrorist Financing and Transfer for Funds (Information on the Payer) Regulations 2017 (MLR 2017) will be processed only for the purposes of preventing money laundering or terrorist financing. No other use will be made of this personal data unless use of the data is permitted by or under enactment other than the MLR 2017, or we have obtained the consent of the data subject to the proposed use of the data.

### **3. CLIENTS' MONEY**

- 3.1 We will not hold money on your behalf. On occasion we may receive funds from you in advance for our fees, but this does not meet the definition of client money in accordance with ICAEW's Clients' Money Regulations.

### **4. LIMITATION OF LIABILITY**

- 4.1 The following clauses limit our liability to the you in respect of any negligence, default, or breach of duty, or breach of trust, occurring in the course of the provision of Services pursuant to the Engagement Letter.
- 4.2 For the Purposes of this clause, 'Person' means any corporate body, individual or other person, including:
- any director or employee of the Client Party,
  - persons associated with the Client Party,
  - persons providing or who have provided finance or services to the Client Party including other professionals, and
  - any governmental or regulatory authority or body where such governmental or regulatory authority or body is in breach of duty, whether statutory or otherwise, and irrespective of whether such authority or body has, in respect of the relevant loss or damage, any statutory immunity from liability for damages, but excluding the Client Party itself
- 4.3 Where any Person, whether or not that Person is or could be made a party to or a witness in any relevant proceedings, is also liable to the Client Party for, or has otherwise caused or contributed to, all or part of the same loss or damage as us (a 'Responsible Person'), and/or where the Client Party itself has contributed to such loss or damage, our liability shall be limited to such amount as is just and equitable having regard to the extent to which each of us, any such Responsible Person and the Client Party is liable for, or has otherwise caused or contributed to, such loss or damage.
- 4.4 Any limitation, exclusion or restriction (however arising) on the liability of any Responsible Person and any other matter (whenever arising), including inability to pay or insolvency, affecting the possibility of recovering compensation from any Responsible Person shall be

ignored in determining whether and to what extent that Responsible Person is liable to the Client Party for, or has caused or contributed to, such loss or damage. Neither Us nor the Client Party shall unreasonably resist the joinder to the proceedings or the calling as a witness in the proceedings of any Responsible Person.

- 4.5 If the effect of clause 4.3 would be to limit our liability to less than such amount as is fair and reasonable, as determined in accordance with that clause, this clause shall have effect as if it limited Our liability to such amount as is fair and reasonable, as so determined.
- 4.5 Our aggregate liability in respect of all claims by you shall be limited to the amount specified in the Engagement Letter or, if no amount is specified there, to either ten times the fee or £0.5million whichever is the lower.
- 4.6 It is further agreed that, in order to give effect to the agreed principle that we shall not be liable more than once in respect of any loss or damage a Client Party may suffer arising out of the Services the subject of the Engagement Letter, any amount otherwise payable to a Client Party by reason of a claim under the Engagement Letter in respect of any such loss or damage shall be reduced by any amount paid to that Client Party in respect of the same loss or damage by reason of a claim under any other letter of engagement entered into between ourselves and that Client Party or otherwise.
- 4.7 For the avoidance of doubt where there is more than one Client Party, Our aggregate liability to all Client parties shall not exceed the limit applicable pursuant to clause 4.5 above. In that event the limit of liability specified above will have to be allocated between the Client Parties. It is acknowledged that such allocation will be entirely a matter for the Client Parties, provided always that if (for whatever reason) no such allocation is agreed, no Client Party shall dispute the validity, enforceability or operation of the limit of liability on the ground that no such allocation was agreed.
- 4.8 Any claim must be formally commenced within two years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which give rise to the action and in any event no later than four years after the cause of action arises. This provision expressly overrides any statutory provision that would otherwise apply.
- 4.9 Except as expressly provided herein, no person may enforce the Engagement Letter by virtue of the Contracts (Rights of Third Parties) Act 1999 (the 'Act').
- 4.10 These provisions do not apply in relation to:
- Death or personal injury;
  - Loss and damage arising from fraud on our part; and
  - Any other situations in which the limitation of our liability is prohibited by law

## **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 that

commission is less than £300 we will retain it.

5.2 Where it is greater than £300, we will notify you in writing within 14 days of the benefit being notified to us of the amount and terms of payment and receipt of any such commissions or benefits. The same will apply if the payment is made to, or the transactions are arranged by one of our associates. The fees you would otherwise pay will not be reduced by the amount of the commissions or benefits. However, we will account to for you for any such amounts by giving you an equivalent amount of hours of work of our Principals (calculated at a rate of £300 per hour). You agree that we or our associates can retain the commission or other benefits.

5.3 The following are examples of likely commissions that may be received by us or our associates and the likely amounts. These are examples only and may not cover all receipts in the future:

<b>Provided service</b>	<b>Name or type of firm paying commission</b>	<b>Basis of commission</b>	<b>Rate of commission</b>	<b>Frequency</b>
Introduction to software supplier	Software supplier	Variable	10% of annual fee	Monthly for life of contract
Introduction to corporate financier/lawyer or other professional service provider	Professional services provider	Variable	20% of fees charged	One off

5.4 If in the future, abnormally large commissions (for example more than double the largest amount in 5.3) are received which were not envisaged when the engagement letter was signed, we will obtain specific consent to the retention of those commissions.

## 6. CONFIDENTIALITY

6.1 Unless we are authorised by you to disclose information on your behalf, we confirm that if you give us confidential information we will, at all times during and after this engagement, keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable to us or our engagement.

6.2 You agree that, if we act for other clients who are or who become your competitors, to comply with our duty of confidentiality it will be sufficient for us to take such steps as we think appropriate to preserve the confidentiality of information given to us by you, both during and after this engagement. These may include taking the same or similar steps as we take in respect of the confidentiality of our own information.

- 6.3 In addition, if we act for other clients whose interests are or may be adverse to yours, we will manage the conflict by implementing additional safeguards to preserve confidentiality. Safeguards may include measures such as separate teams, physical separation of teams, and separate arrangements for storage of, and access to, information.
- 6.4 You agree that the effective implementation of such steps or safeguards as described above will provide adequate measures to avoid any real risk of confidentiality being impaired.
- 6.5 We may, on occasion, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.
- 6.6 We will inform you of the proposed use of a subcontractor before they commence work, except where your data will not be transferred out of our systems and the subcontractor is bound by confidentiality terms equivalent to an employee.
- 6.7 When use external or cloud-based systems, we will ensure confidentiality of your information is maintained.
- 6.8 This applies in addition to our obligations on data protection in section 8

## 7. CONFLICTS OF INTEREST

- 7.1.1 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, unless we are unable to do so because of our confidentiality obligations. If conflicts are identified which cannot be managed in a way that protects your interests, we regret that we will be unable to provide further services.
- 7.2 If there is a conflict of interest that is capable of being addressed successfully by the adoption of suitable safeguards to protect your interests, we will adopt those safeguards. In resolving the conflict, we would be guided by ICAEW's Code of Ethics, which can be viewed at [icaew.com/en/membership/regulations-standards-and-guidance/ethics](https://www.icaew.com/en/membership/regulations-standards-and-guidance/ethics). 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, of course, to our obligations of confidentiality and the safeguards set out in the paragraph on confidentiality above.

## 8. DATA PROTECTION

- 8.1. In this clause 8, the following definitions shall apply:

'client personal data' means any personal data provided to us by you, or on your behalf, for the purpose of providing our services to you, pursuant to our engagement letter with you;

'data protection legislation' means all applicable privacy and data protection legislation and regulations including PECR, the UK GDPR and any other applicable national laws, regulations and secondary legislation in the UK relating to the processing of personal data and the privacy of electronic communications, as amended, replaced or updated from time to time;

'controller', 'data subject', 'personal data', and 'process' shall have the meanings given to them in the data protection legislation;

'UK GDPR' means the Data Protection Act 2018 as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020; and

'PECR' means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2426/2003) as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020.

- 8.2. We shall each be considered an independent data controller in relation to the client personal data. Each of us will comply with all requirements and obligations applicable to us under the data protection legislation in respect of the client personal data.
- 8.3. You shall only disclose client personal data to us where:
  - a) you have provided the necessary information to the relevant data subjects regarding its use (and you may use or refer to our privacy notice available at <https://sur-sum.co.uk/privacy-policy/>);
  - b) you have a lawful basis upon which to do so, which, in the absence of any other lawful basis, shall be with the relevant data subject's consent; and
  - c) you have complied with the necessary requirements under the data protection legislation to enable you to do so.
- 8.4. Should you require any further details regarding our treatment of personal data, please contact our Data Protection Officer.
- 8.5. We shall only process the client personal data:
  - a) in order to provide our services to you and perform any other obligations in accordance with our engagement with you;
  - b) in order to comply with our legal or regulatory obligations; and
  - c) where it is necessary for the purposes of our legitimate interests and those interests are not overridden by the data subjects' own privacy rights. Our privacy notice (available at <https://sur-sum.co.uk/privacy-policy/>); contains further details as to how we may process client personal data.]
- 8.6. For the purpose of providing our services to you, we may disclose the client personal data to our regulatory bodies or other third parties (for example, our professional advisors or service providers). We will only disclose client personal data to a third party (including a third party outside of the UK) provided that the transfer is undertaken in compliance with the data protection legislation.
- 8.7. We may disclose the client personal data to other third parties in the context of a possible sale, merger, restructuring or financing of or investment in our business. In this event we

will take appropriate measures to ensure that the security of the client personal data continues to be ensured in accordance with data protection legislation. If a change happens to our business, then the new owners may use our client personal data in the same way as set out in these terms.

- 8.8. We shall maintain commercially reasonable and appropriate security measures, including administrative, physical and technical safeguards, to protect against unauthorised or unlawful processing of the client personal data and against accidental loss or destruction of, or damage to, the client personal data.
- 8.9. In respect of the client personal data, provided that we are legally permitted to do so, we shall promptly notify you in the event that:
- a) we receive a request, from or on behalf of a relevant data subject, to exercise their data subject rights under the data protection legislation or a complaint or any adverse correspondence in respect of our processing of their personal data;
  - b) we are served with an information, enforcement or assessment notice (or any similar notices), or receive any other material communication in respect of our processing of the client personal data from the Information Commissioner's Office or any other supervisory authority); or
  - c) we reasonably believe that there has been any incident which resulted in the accidental or unauthorised access to, or destruction, loss, unauthorised disclosure or alteration of, the client personal data.
- 8.10. Upon the reasonable request of the other, we shall each co-operate with the other and take such reasonable commercial steps or provide such information as is necessary to enable each of us to comply with the data protection legislation in respect of the services provided to you in accordance with our engagement letter with you in relation to those services.

## **9. MONEY LAUNDERING REGULATIONS**

- 9.1 In common with all accountancy and legal practices we are 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.
- 9.2. As part of our regulatory duties, we are obliged to verify as a minimum the identity, place of residence, source of funds and of wealth of our clients. As part of this process we will make searches about you using an electronic reference agency that will supply us with information including that from the Electoral Register. This process may also require sight of certain documentation. We are unable to act on your behalf until our verification requirements have been met. The agencies will record details of these searches, but this does NOT affect your credit rating or credit score.
- 9.3. We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

9.4. The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act and 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. 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.

9.5. We are obliged by law to report any instances of money laundering to NCA without your knowledge or consent. In consequence, neither the firms' principals nor staff may enter into any correspondence or discussions with you regarding such matters. 16.6 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by the Consultative Committee of Accountancy Bodies.

## **10. DISENGAGEMENT**

10.1. If we resign, or are asked to resign, we will normally issue a disengagement letter to ensure that our respective responsibilities are clear. If 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 thereafter cease to act.

## **11. ELECTRONIC AND OTHER COMMUNICATION**

11.1. Unless you instruct us otherwise, we may, if appropriate, communicate with you and with third parties by email or other electronic means. The recipient is responsible for virus checking emails and any attachments.

11.2. 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 in emails or by electronic storage devices. Nevertheless, electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses or for communications which 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 bear 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 paper mail, other than when electronic submission is mandatory.

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

11.4. As a matter of routine, inbound and outbound calls to us are recorded for the purposes of quality control and monitoring. You consent to us retaining these recordings for the duration of our engagement.



## 12. FEES AND PAYMENT TERMS

12.1. 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 we provide, as well as the level of risk.

12.2. If we provide you with an estimate of our fees for any specific work, the estimate will not be contractually binding unless we explicitly state that will be the case. Otherwise, our fees will be calculated on the basis of the hours worked by each member of staff necessarily engaged on your affairs, multiplied by their charge-out rate per hour, VAT being charged thereon. Indicative hourly charge-out rates are as follows:

Principal	£300
Manager	£200
Assistant	£100

12.3. If 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, we reserve the right to notify you of a revised figure or range and to seek your agreement thereto.

12.4. 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 you have. You will remain liable for our fees regardless of whether all or part are liable to be paid by your insurers.

12.5. We will normally bill monthly and our invoices will be due for payment within 15 days of issue. Where we have offered a discount for prompt payment, such payment must be received in full prior to work commencing. Where we have a valid Direct Debit mandate with you, we will split out annual fees over multiple months interest free. Where ad hoc fees re chargeable these will be debited by the same direct mandate at the next available point.

12.6. 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.

12.7. Unless otherwise agreed to the contrary, our fees do not include the costs of any third party, counsel or other professional fees. If these costs are incurred to fulfil our engagement, such necessary additional charges may be payable by you.

12.8. It is our normal practice to issue 'Applications for Payment' through the BACs and Direct Debit system when dealing with continuous or recurring work. The payment terms for 'Applications for Payment' are the same as for invoiced fees. A VAT invoice will be issued to you upon receipt of your payment.

- 12.9. It is our normal practice to ask clients to pay by monthly direct debit and periodically to adjust the monthly payment by reference to actual billings.
- 12.10. We reserve the right to charge interest on late paid invoices at the rate of 8% above bank base rates 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, having given written notice, if payment of any fees is unduly delayed. We intend to exercise these rights only if it is fair and reasonable to do so.
- 12.11. 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.
- 12.12. 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 (or parent company) giving us instructions on behalf of the client, and we shall be entitled to enforce any sums due against the group company or individual nominated to act for you.

### **13. HELP US TO GIVE YOU THE BEST SERVICE**

- 13.1. We are committed to providing you with a high-quality service that is both efficient and effective. If, at any point 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 Tom Blandford on 07379 639030
- 13.2. We will consider carefully any complaint you may make about our service as soon as we receive it and do all we can to explain the position to you. We will acknowledge your letter within five business days of its receipt and endeavour to deal with your complaint within eight weeks.
- 13.3. If we do not answer your complaint to your satisfaction, you may, of course, take up the matter with our professional body, ICAEW.

### **14. INTELLECTUAL PROPERTY RIGHTS AND USE OF OUR NAME**

- 14.1. We will retain all intellectual property rights in any document prepared by us during the course of carrying out the engagement except where the law specifically states otherwise.
- 14.2. You are not permitted to use our name in any statement or document 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.

### **15. INTERPRETATION**

- 15.1. If any provision of our engagement letter or terms of business is held to be void, that provision will be deemed not to form part of this contract. 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.

## 16. INTERNAL DISPUTES WITHIN A CLIENT

16.1. If we become aware of a dispute between the parties who own the business or who are in some way involved in its ownership and management, 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 those charged with governance. If conflicting advice, information or instructions are received from different parts of our clients governing body in the business, we will refer the matter back to the board of directors/partners/members and take no further action until the board has agreed the action to be taken.

## 17. INVESTMENT ADVICE (INCLUDING INSURANCE DISTRIBUTION SERVICES)

17.1. Investment business is regulated by the Financial Services and Markets Act 2000. If, during the provision of professional services to you, you need advice on investments including insurances, we may have to refer you to someone who is authorised by the Financial Conduct Authority, as we are not. However, as we are licensed by ICAEW, we may be able to provide certain investment services that are complementary to, or arise out of, the professional services we are providing to you.

17.2. Such advice may include

- advise you on investments generally, but not recommend a particular investment or type of investment;
- advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- advise and assist you in transactions concerning shares or other securities not quoted on a recognised exchange;
- assist you in making arrangements for transactions in investments in certain circumstances;

17.3. For corporate clients we may also, on the understanding that the shares or other securities of the company are not publicly traded:

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

17.4. In the unlikely event that we cannot meet our liabilities to you, you may be able to claim compensation under the Chartered Accountants' Compensation Scheme in respect of exempt regulated activities undertaken. Further information about the scheme and the circumstances in which grants may be made is available on ICAEW's website:

[www.icaew.com/cacs](http://www.icaew.com/cacs)

17.5. In relation to the conduct of insurance distribution activities, we are an ancillary insurance intermediary. We are not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance distribution activity, which is broadly the advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by ICAEW. The register can be accessed from the Financial Conduct Authority's website at [www.fca.org.uk/register](http://www.fca.org.uk/register).

## 18. LIEN

18.1. Insofar as we are permitted to so by law or by 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.

## 19. LIMITATION OF THIRD PARTY RIGHTS

19.1. 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 which 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. PERIOD OF ENGAGEMENT AND TERMINATION

20.1. Unless otherwise agreed in our engagement letter, our work will begin when we receive implicit or explicit acceptance of that letter. Except as stated in that letter, we will not be responsible for periods before that date.

20.2. Each of us may terminate our agreement by giving not less than 21 days' notice in writing to the other party except if 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 before termination.

20.3. We reserve the right to terminate the engagement between us with immediate effect in the event of: your insolvency, bankruptcy or other arrangement being reached with creditors; an independence issue or change in the law which means we can no longer act; failure to pay our fees by the due dates; or either party being in breach of their obligations if this is not corrected within 30 days of being asked to do so.

20.4. In the event of termination of our 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 will not be required to carry out further work and shall not be responsible or liable for any consequences arising from termination.

## 21. PROFESSIONAL RULES AND STATUTORY OBLIGATIONS

- 21.1. We will observe and act in accordance with the Bye-laws, regulations and Code of Ethics of ICAEW including Professional Conduct in Relation to Taxation and will accept instructions to act for you on this basis. In particular, you give us the authority to correct errors made by HMRC if 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. You can see copies of these requirements in our offices. The requirements are also available online at [icaew.com/en/membership/regulations-standards-and-guidance](https://www.icaew.com/en/membership/regulations-standards-and-guidance).

## 22. QUALITY CONTROL

- 22.1. As part of our ongoing commitment to provide a quality service, our files are periodically reviewed by an independent regulatory or quality control body. These reviewers are highly experienced professionals and are bound by the same rules of confidentiality as our principal and staff.
- 22.2. When dealing with HMRC on your behalf we are required to be honest and to take reasonable care to ensure that your returns are correct. To enable us to do this, you are required to be honest with us and to provide us with all necessary information in a timely manner. For more information about 'Your Charter' for your dealings with HMRC, visit <https://www.gov.uk/government/publications/hmrc-charter>. To the best of our abilities, we will ensure that HMRC meet their side of the Charter in their dealings with you.

## 23. RELIANCE ON ADVICE

- 23.1. 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. Advice is valid as at the date it was given. Final written work products will always prevail over any draft, interim or oral statements.

## 24. CORPORATE SERVICES

- 24.1 A private company or limited liability partnership is required to file its financial statements at Companies House within nine months of the year end. The company will be liable to a fine if it fails to do so. We accept no responsibility for fines or regulatory action taken against the directors if the statutory financial statements are not available for filing.
- 24.2 Where we have specifically agreed to act as your agent, and to do any/all of:
- a) submit the financial statements to the Registrar of Companies;
  - b) complete and submit the company's confirmation statement;
  - c) complete and submit any other forms which are required by law to be filed at Companies House, provided that you keep us fully informed of any relevant changes or events which are required to be notified to Companies House, within one week of the change or event; and
  - d) maintain the statutory books.
- You are still required to complete all the returns which are required by law to be filed at Companies House, for example, the confirmation statement and the notification of changes

in directors. We will, of course, be pleased to advise you on these, but you retain overall responsibility for your legal obligations.

## **25. RETENTION OF PAPERS**

25.1. You have a legal responsibility to retain documents and records relevant to your financial affairs. During the course of our work we may collect information from you and others relevant to your tax and financial affairs. We will return any original documents to you [if requested]. Documents and records relevant to your tax affairs are required by law to be retained as follows:

### **Individuals, trustees and partnerships:**

- a) with trading or rental income: five years and 10 months after the end of the tax year
- b) otherwise: 22 months after the end of the tax year.

### **Companies, Limited Liability Partnerships, and other corporate entities:**

- c) six years from the end of the accounting period.

25.2. Although certain documents may legally belong to you, we may destroy correspondence and other papers that we store electronically or otherwise that are more than [seven] years old, except documents we think may be of continuing significance. You must tell us if you wish us to keep any document for any longer period.

## **26. THE PROVISION OF SERVICES REGULATIONS 2009**

26.1. Our professional indemnity insurer is Marsh Commercial, of Castlemead, Lower Castle Street, Bristol, BS1 3AG. 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 or Canada.

## **27. TIMING OF OUR SERVICES**

27.1. 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 to meet any regulatory deadlines. However, failure to complete our services before any such regulatory deadline would not, of itself, mean that we are liable for any penalty or additional costs arising.