

## **Standard terms of business**

The following standard terms of business apply to all engagements accepted by Brooking Ruse & Co Limited. All work carried out is subject to these terms except where changes are expressly agreed in writing.

### **1 Professional obligations**

- 1.1 We will observe and act in accordance with the bye-laws and regulations of the Institute of Chartered Accountants in England and Wales together with their code of ethics. We accept instructions to act for you on this basis. In particular you give us authority to correct errors made by HM Revenue & Customs 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.

#### ***Professional indemnity insurance***

- 1.2 In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our professional indemnity insurer is Tokio Marine HCC, of 40 Lime Street, London, EC3M 5BS. The territorial coverage is worldwide excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

### **2 Investment services**

- 2.1 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 (or licensed by a Designated Professional Body), as we are not.

### **3 Commissions or other benefits**

- 3.1 In some circumstances, commissions or other benefits may become payable to us or to one of our associates in respect of transactions we or such associates arrange for you, in which case you will be notified in writing of the amount and terms of payment. See **Key Facts** for whether the fees that would otherwise be payable by you will or will not be abated by such amounts. If we reduce the fees that we would otherwise charge by the amount of commission retained, we will apply the HMRC concession which allows VAT to be calculated on the net fee after deduction of the commission. You consent to such commission or other benefits being retained by us or, as the case may be, by our associates, without our, or their, being liable to account to you for any such amounts.

### **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 of the Institute of Chartered Accountants in England and Wales.
- 4.2 In order to avoid an excessive amount of administration, interest will only be paid to you where the amount of interest that would be earned on the balances held on your behalf in any calendar year exceeds £25. Any such interest would be calculated using the prevailing rate applied by Lloyds Bank plc for small deposits subject to the minimum period of notice for withdrawals. Subject to any tax legislation, interest will be paid gross.
- 4.3 If the total sum of money held on your behalf is enough to give rise to a significant amount of interest or is likely to do so, then the money will be placed in a separate interest-bearing client bank account designated to you. All interest earned on such money will be paid to you. Subject to any tax legislation, interest will be paid gross.
- 4.4 We will return monies held on your behalf promptly as soon as there is no longer any reason to retain those funds. In the unlikely event of us holding any unclaimed monies we reserve the right to pay such monies to a registered charity in line with the guidelines set out in the Clients' Money Regulations referred to above. We will not do this unless we have been unable to contact you for at least five years and we have taken reasonable steps to trace you and return the monies.

## **5 Fees**

- 5.1 Our fees are computed on the basis of time spent on your affairs by the principals and our staff and sub-contractors or consultants, and on the levels of skill and responsibility involved. Disbursements represent travel, accommodation and other expenses incurred in dealing with your affairs.
- 5.2 If it is necessary to carry out work outside the responsibilities agreed with you for each service, we will advise you in advance. Any additional work will involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage.
- 5.3 Invoices are payable in full (including disbursements) in accordance with the terms set out on the invoice. 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.
- 5.4 It is our normal practice to request that clients make arrangements to pay a proportion of their fee on a monthly standing order. These standing orders will be applied to fees arising from work agreed in this letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis.
- 5.5 We reserve the right to charge interest on overdue accounts at the current rate under the Late Payment of Commercial Debts (Interest) Act 1998. We also reserve the right to terminate our engagement and cease acting if payment of any fees billed is unduly delayed. We accept settlement of fees by certain credit cards.
- 5.6 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.
- 5.7 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.
- 5.8 In the event that this firm ceases to act in relation to your company's affairs you agree to meet all reasonable costs of providing information to the company's new advisers. In particular you agree to meet these costs where we are required by law to provide information to a successor firm.

## **6 Retention of and access to records**

- 6.1 You have a legal responsibility to retain documents and records relevant to your financial affairs. 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 financial statements. Individuals, trustees and partnerships should retain these records for 6 years from the 31 January following the end of the tax year to which they relate. Companies, Limited Liability Partnerships and other corporate entities should retain these records for 6 years from the end of the accounting period. You should retain them for longer if HM Revenue & Customs enquire into your tax return.
- 6.2 Whilst certain documents may legally belong to you, unless you tell us not to, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.

## **7 Cloud accounting**

- 7.1 Where the firm provides access to accounting software in the Cloud, or, the firm chooses to use software in the Cloud in order to discharge its service to you, this will be provided by a third party (the 'Cloud Supplier'). We have confirmed that the third party complies with the Data Protection Act.
- 7.2 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.
- 7.3 The firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them to help ensure that normal service is resumed as soon as possible.

## **8 Conflicts of interest and independence**

- 8.1 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, subject to 9 below. We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you unless we are unable to do so because of our confidentiality obligations. 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.
- 8.2 If a conflict of interest should arise, either between two or more of our clients, or in the provision of multiple services to a single client, we will take such steps as are necessary to deal with the conflict. In resolving the conflict, we would be guided by the code of ethics of the Institute of Chartered Accountants in England and Wales which can be viewed at part of the Regulations and Guidance at [www.icaew.com/regulations](http://www.icaew.com/regulations).
- 8.3 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 below.

## **9 Confidentiality**

- 9.1 We confirm that where you give us confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.
- 9.2 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.
- 9.3 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.
- 9.4 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.
- 9.5 We may, on occasions, subcontract work on your affairs to other tax or accounting professionals. The subcontractors will be bound by our client confidentiality terms.
- 9.6 If we use external or cloud based systems, we will ensure confidentiality of your information is maintained.
- 9.7 We reserve the right, for the purpose of promotional activity, training or other business purposes, to mention that you are a client. As stated above, we will not disclose any confidential information.
- 9.8 This clause applies in addition to our obligations as to data protection below.

## **10 Quality control**

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

### ***Dealing with HM Revenue & Customs***

- 10.2 When dealing with HM Revenue & Customs 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 HM Revenue & Customs, see [www.hmrc.gov.uk/government/your-charter](http://www.hmrc.gov.uk/government/your-charter). To the best of our abilities, we will ensure that HM Revenue & Customs meet their side of the Charter in their dealings with you.

- 10.3 We will take account of the steps and checks suggested by HM Revenue & Customs in their 'Agent Toolkits'. While use of the Toolkits is voluntary, we will ensure that our quality control procedures match or enhance the suggestions in the Toolkits so that, in the unlikely event that HM Revenue & Customs consider any of your tax returns with which we assist to be inaccurate, we will be able to help you demonstrate to HM Revenue & Customs that reasonable care has been taken in the preparation of the return, thereby significantly reducing the possibility of an inaccuracy penalty being imposed. To further reduce the possibility of an inaccuracy penalty, you will remain responsible for maintaining good quality supporting records for each return, for providing us with all relevant information and explanations and for acting on any advice that we give you.

## **11 Help us to give you the right service**

- 11.1 We are committed to providing you with a high quality service that is both effective and efficient. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by contacting Mr. Paphitis or Ms. Knight on 01934 622466.
- 11.2 We undertake to look into any complaint carefully and promptly and do all we can to explain the position to you. If we do not answer your complaint to your satisfaction you may of course take up the matter with the Institute of Chartered Accountants in England and Wales.
- 11.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:
- your insolvency, bankruptcy or other arrangement being reached with creditors;
  - failure to pay our fees by the due dates;
  - either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

## **12 Applicable law**

- 12.1 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 the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.
- 12.2 If any provision in this Standard Terms of Business or any associated engagement letter, or its application, are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

## **13 Changes in the law**

- 13.1 We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.
- 13.2 We will accept no liability for losses arising from changes in the law or the interpretation thereof, practice.

## **14 Electronic and other communication**

- 14.1 Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. However, internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication. We will never change our bank details without confirming this to you by posted letter. Any emailed or telephoned communications appearing to be from us which are not confirmed by post are fake and we accept no liability for any loss caused to you through accepting such communications as genuine. Similarly always give us by hand or by post (as well as by email) details of your bank account.

- 14.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.
- 14.3 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.

## 15 **Data Protection**

- 15.1 To enable us to discharge the services agreed under our 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 you / your business / company / partnership / its officers and employees and shareholders ('personal data').

### ***Data controller and data processor***

- 15.2 In the course of providing services to you and processing personal data, we may disclose personal data to other firms in our network, a regulatory body or a third party. We may use sub-processors and/or export personal data you supply to us outside the EU/EEA/UK if necessary (subject to your prior written consent, which will not be unreasonably withheld where we are a processor). We will ensure all such data disclosure/export is compliant with relevant data protection legislation in the EU/EEA/UK and will use our reasonable endeavours to ensure that any agreement entered into with sub-processors include similar terms to those set out in this clause 14. Where cloud-based services are to be used you may be subject to our cloud services terms and conditions, and cloud storage may be outside the EU/EEA/UK.
- 15.3 We confirm we have adequate security measures in place to protect personal data provided to us, including administrative, physical and technical safeguards.
- 15.4 We will notify you within 10 working days if an individual asks for copies of their personal data, makes a complaint about the processing of personal data or serves a notice from a relevant data protection authority where this relates to you. You and we will consult and cooperate with each other when responding to any such request, complaint or notice. If an individual whose data you have supplied to us or which we are processing on your behalf asks us to remove or cease processing that data, we shall be entitled to do so where required by law.
- 15.5 We will answer your reasonable enquiries to enable you to monitor compliance with this clause.

### ***Data controller***

- 15.6 We confirm that we are each considered an independent data controller in relation to personal data and that we will each comply with the relevant provisions of applicable data protection legislation.
- 15.7 You will also ensure that any disclosure of personal data to us complies with such legislation. If you supply us with any personal data or confidential information you shall ensure you have a lawful basis to pass it to us and will fully indemnify and hold us harmless if you do not have such a basis and that causes us loss. If you are supplying us with personal data on the basis of a power of attorney for anyone, you must produce to us an original or certified power of attorney on demand. You must ensure you have provided the necessary information to the relevant data subjects regarding its use. You may refer to our privacy notice at the web address shown in **Key Facts** for this purpose.

### ***Data processor***

- 15.8 Applicable data protection legislation places express obligations on you as a data controller where we as a data processor undertake the processing of personal data on your behalf. An example would be where we operate a payroll service for you. We therefore confirm that we will at all times use our reasonable endeavours to comply with the requirements of applicable EU/EEA/UK data protection legislation when processing data on your behalf. In particular we confirm that we will aim to comply with any obligations equivalent to those placed on you as a data controller. You will also comply with applicable data protection legislation, including but not restricted to, ensuring that you have all appropriate consents and notices or another lawful basis in place to enable the lawful transfer of personal data to us. You will fully indemnify and hold us harmless if you do not have a lawful basis and that causes us loss.
- 15.9 Schedule 1.01a forms part of this engagement letter and sets out the subject matter and duration of the processing, the nature and purpose of the processing, the type of personal data and the categories of data subjects.
- 15.10 As the data processor we shall;
- process personal data only on written instruction from you;

- Restrict data access to authorised personnel only, and who are bound by confidentiality;
- Disclose the personal data to courts, government agencies and other third parties as and to the extent required by law;
- Maintain a written record of all categories of personal data processing carried out on your behalf, including details of transfers of personal data outside of the EU/EEA/UK and a general description of the technical and organisational security measures in place in relation to personal data; and
- Delete or return all personal data to you at the completion of our engagement requiring personal data processing, subject to legal requirements to retain data.

## 16 **Limitation of third party rights**

- 16.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any 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.
- 16.2 The advice we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it, unless we have expressly agreed in writing that a specified third party may rely on our work. We will accept no responsibility to third parties, including any group company to whom the engagement letter is not addressed, your spouse, nor any family member of yours or your employer, for any aspect of our professional services or work that is made available to them.

## 17 **Client Identification**

- 17.1 In common with other professional services firms, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 to:
- Maintain identification procedures for clients beneficial owners of clients, and persons purporting to act on behalf of clients;
  - Maintain records of identification evidence and the work undertaken for the client; and
  - Report, in accordance with the relevant legislation and regulations.
- 17.2 We have a statutory obligation under the above legislation to report to the National Crime Agency (NCA) any reasonable knowledge or suspicion of money laundering. Any such report must be made in the strictest confidence. In fulfilment of our legal obligations, neither the firm's principals nor may staff enter into any correspondence or discussions with you regarding such matters.
- 17.3 If we are not able to obtain satisfactory evidence of your identity and where applicable that of the beneficial owners, we will not be able to proceed with the engagement.

## 18 **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards**

- 18.1 Unless agreed specifically in a separate engagement letter, we are not responsible for your compliance with the *International Tax Compliance (United States of America) Regulations 2013*, produced as a result of FATCA. In particular, we are not responsible for the categorisation of any UK entity into either a Financial Institution (FI) or an active or passive Non-Financial Foreign Entity (NFFE) nor, if a Financial Institution, for its registration with the US Internal Revenue Service (IRS) and subsequent submission of the required annual returns to HM Revenue & Customs.
- 18.2 However, if requested to do so we can provide advice on the completion of the forms supplied by Financial Institutions under these Regulations, or under Common Reporting Standards, and used by them to determine the status of an entity. We can also provide advice on setting up the appropriate systems to identify and report on your clients or beneficiaries who are foreign citizens affected by FATCA or Common Reporting Standards.

## 19 **General Limitation of liability**

- 19.1 We will provide services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default. 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. Further, we will not be liable to you for any delay or failure to perform our obligations if the delay or failure is caused by circumstances outside our reasonable control. Subject to clause 19.5 below our liability to you shall be limited as set out in our engagement or other client letter.

- 19.2 You will not hold us, our directors and staff, 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. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, officers, employees, agents or advisers. However, this exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.
- 19.3 You agree that you will not bring any claim in connection with services we provide to you against any of our directors or employees personally.
- 19.4 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. 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.
- 19.5 Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by negligence nor for fraudulent misrepresentation or other fraud which may not as a matter of applicable law be excluded or limited.

## **20 Intellectual property rights and use of our name**

- 20.1 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.
- 20.2 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.

## **21 Draft/interim work or oral advice**

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

## **22 Interpretation**

- 22.1 If any provision of our engagement letter or terms of business is held to be void, then that provision will be deemed not to form part of this contract, and no other provisions will be affected or impaired in any way. 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.

## **23 Internal disputes within a client**

- 23.1 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 (unless we have agreed otherwise) 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 registered office/normal place of business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business, we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken. In certain cases we reserve the right to cease acting for the business/client entirely.

## **24 Disengagement**

- 24.1 If we resign or are asked to resign, we will normally issue a disengagement letter to ensure that our respective responsibilities are clear.

## **25 Probate-type services**

- 25.1 As we are not licensed or authorised for the reserved legal activity of non-contentious probate, any work we do for you on closely aligned activities, such as estate administration or inheritance tax advice, will not be covered by the ICAEW Probate Compensation Scheme and you will not have access to the Legal Ombudsman, nor is our advice covered by legal professional privilege.