The disengagement letter

United Kingdom edition

[Firm letterhead]

[Date]

[Client name]
[Client address]

Dear [Client contact],

OUR ENGAGEMENT IS ENDING

Further to [our conversation on [date] / your letter of [date] / our letter of [date]], this letter confirms that we will cease to act for [Client name] with effect from [cut-off date]. Our engagement letter dated [date] ends on that date, except as set out below.

WHAT WE HAVE COMPLETED

We have completed the following work: [the accounts for the year ended [date], approved on [date] / the VAT return for the quarter to [date], submitted on [date] / payroll up to and including [pay period] / the Self Assessment return for [tax year], submitted on [date]]. The attached status report lists each item.

WHAT WE HAVE NOT COMPLETED

We have not started, or have not finished, the following, and will not do so after [cut-off date]: [list]. Unless we agree otherwise in writing, responsibility for each of these passes to you, or to your new accountant, on that date.

DATES YOU NOW NEED TO MEET

The following are due after [cut-off date]: [VAT return for the quarter to [date], due [date]] / [RTI submissions from the [date] pay period] / [Confirmation statement, due [date]] / [accounts for the year ended [date], due at Companies House by [date]] / [Self Assessment return and payment, due [date]]. Penalties and interest for anything filed or paid late after that date are not our responsibility.

WORK WE WILL STILL DO

[None.] / [We will complete [specific item] by [date], for a fee of [amount] plus VAT. We will do nothing else unless you ask us in writing and we agree.]

YOUR NEW ACCOUNTANT

When your new accountant writes to us, we will need your authority to reply and to share information about your affairs. Please confirm, by signing the enclosed authority or by email, that

we may do so. Without it we can tell them only that you have not given it.

YOUR RECORDS

We will return the books and records that belong to you [by [date] / on request]. [Please collect them / We will send them in [format]]. We will keep copies and our own working papers, and will retain the records our anti-money laundering obligations require for the period the law requires.

HMRC AND COMPANIES HOUSE

We will remove our authorisation to act as your agent with HM Revenue & Customs for [Self Assessment / Corporation Tax / VAT / PAYE / CIS] on [date]. After that, HMRC will deal with you, or with the agent you authorise. [We will also stop providing our address as your registered office on [date]; please file the change at Companies House before then.]

FEES

Our final invoice for work up to [cut-off date], [number], is enclosed, for [amount] including VAT. [Our invoice [number] of [date], for [amount], also remains outstanding.] Both are payable within [number] days.

PLEASE KEEP THIS LETTER

This letter and the attached status report record where our work ended. Please keep them with your records and pass a copy to your new accountant.

Yours sincerely,
[Name], [Firm name]

Enclosures: status report; authority to respond to your new accountant; final invoice

Supplied as-is, with no guarantee. This template is provided for general information only. It is not legal advice and it is not a substitute for it. Have your own legal adviser review it, and adapt it to your practice and your jurisdiction, before you use it with a client. FirmHello accepts no responsibility or liability for any use made of this document.