

## TERMS OF OUR ENGAGEMENT

*As we commence the preparation of your Business Income Tax Returns, Business Activity Statements & Financial Statements for the 2015/16 Financial Year, we ask that you take the time to read and sign this letter, which is a requirement set upon us by our professional accounting bodies, Chartered Accountants Australia & New Zealand & Certified Practising Accountants. This letter is to confirm our understanding of the terms of our engagement and the nature and limitations of the services that we provide.*

### Purpose, Scope and Output of the Engagement

This firm will provide taxation & accounting services, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB). The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention. This engagement includes the preparation of

- Income Tax Returns
- Financial Statements
- Business Activity Statements
- Corporate Secretarial (where applicable)

Financial statements & tax returns will be prepared for distribution to the relevant specific organisation or party for the purpose specified in the report or as agreed. There is no assumption of responsibility for any reliance on our report by any person or entity other than yourselves and those parties specified in the report or as agreed. The report shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our report may include a disclaimer to this effect.

### Period of Engagement

The first period for which the engagement commences is year ended 30<sup>th</sup> June 2017. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

*This engagement document will be effective for future years unless we issue an amended one to you. An amended document would be issued where there were significant changes in the purpose and scope of the engagement.*

### Responsibilities

Please be aware that:

- You are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services.
- Any advice given to you is only an opinion based on our knowledge of your particular circumstances.
- A taxpayer has obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is the taxpayers responsibility to keep those records for five (5) years.

In conducting this engagement, information acquired by us in the course of the engagement, including any information relating to your affairs whether it belongs to you or not or is provided by you or not, is subject

to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent.

A taxpayer is responsible under self-assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax.

We wish to draw your attention to our firm's system of quality control which has been established and maintained in accordance with the relevant APESB standard. As a result, our files may be subject to review as part of the quality control review program of CA ANZ & CPA which monitors compliance with professional standards by its members. We advise you that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program.

#### Privacy Act

We may collect personal information about you, your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (**Privacy Act**). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

#### Your disclosure and Record Keeping Obligations

You are required by law to keep full and accurate records relating to your tax & accounting affairs in order to facilitate the preparation of accurate financial statements & tax returns.

It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work contemplated under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of you by us. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees. We will not verify the underlying accuracy or completeness of information you provide to us. Therefore, the responsibility for the accuracy and completeness of the particulars and information provided by you rests with you.

You are also required to advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services. Specifically, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our advice is inaccurate, incomplete or

misleading because it is based on inaccurate, incomplete or misleading information being provided to us.

**By accepting the terms of this document, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure and record keeping .**

The *Taxation Administration Act 1953* contains specific provisions that may provide you with “safe harbours” from administrative penalties for incorrect or late lodgement of returns if, amongst other things, you give us “all relevant taxation information” in a timely manner. Accordingly, it is to your advantage that all relevant information is disclosed to us as any failure by you to provide this information may affect your ability to rely on the “safe harbour” provisions and will be taken into account in determining the extent to which we have discharged our obligations to you.

You are also required to advise us if you become aware of any conflict of interest or potential conflict of interest. Generally, a conflict of interest is any event which may result in us becoming unable to remain objective in the performance of our services to you. Some examples of events which could give rise to a conflict of interest or potential conflict of interest during this engagement are changes to your business circumstances, events affecting your family (eg. death and/or marriage breakdown) or a legal action commencing against you.

You are required by law maintain full and proper records in order to facilitate the preparation of accurate reports & returns. Under the self-assessment regime you are required to maintain records for a period of up to 7 years and have my records available in the event of an Australian Taxation Office, or other statutory bodies request for audit of my affairs.

**Please note that by engaging our services, you are committing to providing us your financial information reconciled and in a format agreed on with us, to ensure that any up-front or fixed quotes we have issued are valid as they have been based on the assumption that the information will come to us as expected.**

#### Fixed Price Agreement & Payment terms

The Fixed Price Agreement (FPA) provided to you is based on the expected amount of time and the level of staff required to complete the tax and accounting services as agreed. The FPA covers the lodgement of returns as outlined together with support listed. Any services provided outside the scope of that work will be the subject of a separate “Change Order” invoice payable in accordance with the terms of that invoice.

#### Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils’ website: [www.psc.gov.au](http://www.psc.gov.au)

#### Ownership of Documents

All original documents obtained from you arising from the engagement shall remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

Our engagement will result in the production of Financial Statements, Income Tax Returns and other electronic documents or files, which will be supplied to you. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of the firm, subject to any statutory obligations.