

Client's terms of engagement

Thank you for your instructions to attend to your taxation requirements (and preparation of financial statements if required).

This letter sets out our terms of engagement and the scope of the work to be performed by us within that engagement, and supersedes any previous engagement letter provided by us. Please read it carefully and if you have any queries or wish to discuss any aspect, do not hesitate to contact us. It is to be read in conjunction with our client agreement (herewith).

A regime for the regulation of tax agents has applied under the Tax Agent Services Act 2009 (TASA) and the accompanying regulations. The new regime has implications for registered tax agents and also for their clients. An important feature of TASA is the provision of a "safe harbour" protection from penalties in certain circumstances for taxpayers who engage registered tax agents. To obtain the benefits of safe harbour protection, the legislation requires the taxpayer to provide the registered tax agent with "all relevant taxation information" to enable accurate statements to be provided to the Australian Taxation Office (ATO). This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement as set out below and may also affect other matters discussed below.

You will find further discussion on the safe harbour protections in the document accompanying your tax return entitled Clients' rights and obligations under the taxation laws.

1. Purpose and scope of engagement

Our engagement is to attend to the preparation of financial statements (if necessary) solely for the purpose(s) of preparation of the entities tax returns and the lodgements thereof.

Our services will be provided to you on a fee for service basis.

This letter relates only to the abovementioned services and details the basis and terms of this engagement. Unless otherwise agreed, our engagement will be limited to the matters described in this letter. Work that is performed or disbursements that are incurred which are outside the scope of this letter will be the subject of additional charge.

2. Basis of engagement

Our engagement is to assist preparation financial statements (if necessary) and lodgement of your taxation returns.

2.1 Accounting and record-keeping

In respect of the personal tax return, we require that all relevant information be collated and forwarded to our office by when requested each year. We shall detail more specific requirements in respect of the Individual tax returns later in this letter and in our source document checklist.

2.2 Taxation services

In engaging us to provide taxation services, it is important for you to understand the following:

- You are responsible for the accuracy and completeness of the particulars and information provided to us by you.
- Any advice we provide is only an opinion based on our knowledge of your particular circumstances.
- You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate returns.
- We cannot provide taxation services if we find that information on which those services are to be based contain false or misleading information, or omit material information, and you are not prepared to appropriately amend that information.

2.4 No statutory financial audits are conducted

You and your employees are responsible for the maintenance of the accounting systems and internal controls for all the Entities. That includes the keeping and maintenance of all required books of account. Our firm cannot be relied upon to disclose irregularities, including fraud, and other illegal acts and errors that may occur with regard to such matters.

The Power of Exponential Thinking

Our firm is not being engaged to conduct a statutory audit of the financial records of any of your Entities and we will not express an auditor's opinion as to the truth and fairness of the financial statements.

2.5 Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for approval. We will endeavour to ensure that the returns are lodged by the due dates and will advise you at the beginning of the financial year when documentation should be provided to us. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any late lodgement penalties or interest charges you may incur.

2.6 Ownership of documents

The financial statements, tax returns and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents will remain our property at all times.

If our services are terminated (by either party), each client separately agrees that we shall be entitled to retain all documents owned by that client (including all tax refund cheques of that client which come into our possession) until payment in full of all outstanding fees outstanding from all members of the Group on any account. Where copies of any documents released to you are required for our records, you will be charged for the cost of photocopying at our normal rates.

2.7 Additional services

The scope of our engagement is the preparation and lodgement of the accounting and taxation matters detailed above. Any agreed fee applies only to services and advice provided within the scope of our engagement. This fee includes checking and forwarding original assessments and payment notices that are received from the ATO.

However, any additional services or advice that you request are outside the scope of this letter and are not included in this agreed fee. We will separately advise you of the fee for these services, including any direct out of pocket expenses. Please note in particular that any correspondence from the ATO that does not relate to initial assessments or original payment notices or ASIC annual company statements, will be charged as additional services.

2.8 Fees and charges

Our services will be provided to you on a fee for service basis, our professional fees are inclusive of GST. Unless otherwise stated in writing, any estimates which we provide to you of our anticipated fees, disbursements and charges for any work are only indicative of the amounts you can expect to be charged. *Estimates are not quotes or caps, and are not binding on us.*

2.9 Limitation of liability

Our firm's liability may be limited by a scheme approved under Professional Standards legislation.

3. Confirmation of engagement

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this letter to ensure that you are satisfied with the scope of our engagement. Please contact us if you have any queries about this letter.

Once you are satisfied with the terms of this letter, would you please have all authorised persons sign and date both copies of this letter in the places indicated. **One signed copy should be forwarded to us as evidence of your acceptance of the terms of our engagement. You should retain the other copy as your evidence of our engagement.** Other actions that indicate acceptance of the engagement are outlined in the client agreement.

We thank you for the opportunity to provide accounting and taxation services to you and we look forward to developing a close professional relationship with you for many years to come.

Yours sincerely,

Myfanwy Rigby/Allan Vickers

Encl – client agreement and source doc checklist and confirmation copy

Acknowledgment of terms of engagement

We, the parties named in the Schedule, confirm that we understand and agree to your terms of engagement, and acknowledge our responsibilities as set out the terms of engagement.

Dated the _____ day of _____, 20_____.

Name(s) (Authorised parties)		Signed	
		(Signatures)	