

**ENGAGEMENT DOCUMENT FOR INCOME TAX  
 AND/OR ACCOUNTING SERVICES  
 TERMS AND CONDITIONS**

|                                      |      |        |           |
|--------------------------------------|------|--------|-----------|
| Client Name: (Mr / Mrs / Ms / Miss): |      |        |           |
| Entity Name <i>(if applicable)</i> : |      |        |           |
| D.O.B                                |      | Email: |           |
| Phone No (H):                        | (W): | (M):   |           |
| Billing Address:                     |      | State: | Postcode: |

**Only fill the following section if your details have changed or you are a new client.**

|  |  |            |  |
|--|--|------------|--|
| Tax File Number:   |  | ABN / ACN: |  |
| Are you an Australian resident for tax purposes? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Unsure: |  |            |  |
| Occupation:  |  |            |  |
| <b>Spouse Details</b> <i>(if applicable)</i>   |  |            |  |
| Full Name:   |  | D.O.B:     |  |

This agreement sets out the terms and conditions of our appointment to act as your Accountants. These terms and conditions will apply to all future assignments in which we act as your Accountants unless we enter into a subsequent "Terms and Conditions of Professional Engagement" agreement. Please read this agreement carefully and if you have any queries regarding its contents contact us as soon as possible.

**PURPOSE, SCOPE & OUTPUT OF THE ENGAGEMENT**

The purpose and scope of the engagement would be for the preparation and lodgement of annual income tax returns, and the preparation of any annual and/or interim financial statements relevant to any business structure you may have as of this date.

This document is to confirm our understanding of our engagement and the nature and limitations of the Services we will provide.

## DOCUMENTATION

Prior to any necessary documentation being lodged by us on your behalf, we will provide draft documentation for your approval. Upon approval, evidenced by your signature(s), draft documentation will become final documentation ready for submission. We shall endeavour to ensure that final documents are lodged with the relevant authority by the due date, subject to:

- (a) you (the Client) providing all information and documents relevant to the proper performance of the work at the outset of the engagement and during the engagement in a timely manner. This includes promptly advising us of anything that occurs subsequently to render information already provided misleading or incomplete, or advising of any change in your circumstances relevant to the work; and
- (b) return of final signed documentation for lodgement.

If during the engagement you become aware of any conflict of interest or potential conflict of interest or there is a change of circumstances which may result in a conflict, you must advise us. Events which may give rise to a conflict of interest or potential conflicts during the engagement include events affecting you, such as deaths, matrimonial disputes as well as litigation (threatened or actual) or changes in the nature or structure of your business or your business relationships.

There are provisions in the Taxation Administration Act 1953 that provide you (as from 1<sup>st</sup> March 2011) with "safe harbours" from administrative penalties for incorrect or late lodgement of returns, if, among other things, you gave us "all relevant taxation information" in a timely manner. This means that it is to your advantage to give us all information necessary for us to do the work.

Please Note: that lodgement fees, where applicable, must be provided to our office before final documents will be considered ready for lodgement.

We understand that an audit of the financial statement is not required and therefore no assurance will be expressed.

This engagement will be conducted in accordance with the relevant standards and ethical requirements of CPA Australia.

As the special purpose financial report will be prepared exclusively for your benefit we will rely on you for both the completeness and accuracy of the information supplied to us and you are solely responsible to users of the special purpose financial report compiled by us. This includes responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies.

The Australian taxation system is based upon self-assessment. Therefore it will be necessary for you to maintain the appropriate receipts, dockets, cash register tapes and other original items to substantiate any claims for deductions that you might make.

## SERVICES AND ADVICE NOT PROVIDED UNLESS SPECIFICALLY REQUESTED

This agreement does not cover provision of Services or advice in the following areas, unless specifically requested by you:

- |                                |  |
|--------------------------------|--|
| 1. Management advice/services  | 10. Centrelink   |
| 2. Taxation planning           | 11. Maintenance and keeping of all books of account                  |
| 3. Estate planning             | 12. Capital Gains Tax (e.g. cash payments/receipts)                  |
| 4. Business acquisitions/sales | 13. Leasing  |
| 5. Payroll Tax                 | 14. Investment Advice  |
| 6. Workcover                   | 15. Attendance at monthly meetings                                   |
| 7. Superannuation Funds        | 16. Budget Planning & Reporting                                      |
| 8. Fringe Benefits Tax         | 17. Tax Planning incorporating recommended strategies and structures |
| 9. Stamping of documents       |  |

## GOODS & SERVICES TAX REQUIREMENTS

- |  |                                   |
|--|-----------------------------------|
| 1. Australian Business Number Registration | 6. Instalment Activity Statements |
| 2. Business Activity Statements            | 7. Pay as You Go Instalments      |
| 3. Pay as You Go Withholding Tax           | 8. Wine Equalisation Tax          |
| 4. Luxury Car Tax                          | 9. Fuel Tax Credits               |
| 5. Goods & Services Tax Registration       |                                   |

## **SUBSTANTIATION REQUIREMENTS**

Specifically related to your individual and/or partnership tax returns(s), we will advise you of the requirements under the substantiation provisions of the legislation, and hereby advise the necessity to maintain bona fide receipts as specifically required by the legislation. As a guide all receipts must carry the following detail as a minimum.

- The name of the supplier
- The nature of the goods purchased
- The date of the transactions (and the receipt)
- The amount of the expense

The involvement of this type of engagement may not disclose fraud, defalcations or other irregularities, which may occur. However any material weakness in your accounting or internal control system which comes to our notice will be drawn to your attention.

The information will be prepared in accordance with appropriate Accounting Standards and any applicable laws.

As stated above our reports will be prepared for you therefore we disclaim any assumption of responsibility for any reliance on our report by any party other than your Business and our report will contain a disclaimer to this effect.

## **RELATIVE RESPONSIBILITIES**

The conduct of this engagement shall be in accordance with the standards and ethical requirements covered by the Institute of Chartered Accountants in Australia and New Zealand, and CPA Australia which monitor compliance with Professional Standards by their members which means that information acquired by the Practice in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by the Practice to other parties except as required or allowed for by law or professional standards, or with your express consent.

The Practice files may, however, be subject to review as part of the quality control review program by the CPA Australia which may on occasion monitor the Practice's Clients records. The Client acknowledges that, if requested, the Practice files relating to this engagement of Services will be made available upon request.

### *Financial Statements.*

It is understood and agreed that:

- (a) the Client will provide the Practice with accurate and complete information necessary to compile the Client's financial statements and income tax return;
- (b) the responsibility for the accuracy and completeness of the assertions in the financial statements and/or taxation return remains with the Client;
- (c) each page of the financial statements will be conspicuously marked as being unaudited;
- (d) the Client will attach the Practice's disclaimer when distributing the financial statements to the Australian Taxation Office (ATO), financial institutions or other parties and acknowledge that the financial statements prepared by the Practice is for the Client's purpose only;
- (e) the Client accept responsibility for;
  - (i) all records and information supplied to the Practice; and
  - (ii) any failure to supply the Practice with relevant records and information;
- (f) the Client grant the Practice full authority to contact any organisation (including the Client's Bank and the ATO) for the purposes of obtaining information necessary to complete the Client's tax return and the financial statements. The Client acknowledges that this information would not otherwise be available due to the Privacy Act restrictions, but the Client gives the Practice full authority for this statement to be used as written confirmation of the Client's agreement to the Practice obtaining information for any organisation from the above mentioned purposes.

### *Returns*

You acknowledge our end of year procedures and confirm that you will supply all the information required to complete the appropriate returns including Fringe Benefits Tax, Goods and Services Tax, and state taxes such as Land Taxes and other State and Federal Taxes. You will also need to complete, sign and return our year end checklist.

We are authorised to prepare and file the Business' and/or Individual's Income Tax Return (together with any other Returns required for associated legal entities as defined in this Letter of Engagement's signatory box below) from the information and records supplied to us. However, you are responsible for meeting your tax obligations and for any penalties imposed by the ATO for non-compliance with those obligations.

We understand that we are responsible for the preparation and filing of the Business' Company Statement, when applicable, with the Australian Securities and Investment Commission from information supplied by you, as well as the preparation of any shareholders and directors resolutions you may request and to assist with the maintenance of the statutory records. Where appropriate, you may request us to act as your registered office.

### *Australian Taxation Office Linking and Tax Assessments*

You agree to be linked to our practice in relation to all income tax types to enable us to obtain information regarding outstanding taxes. This will enable us to best serve you in dealings with the ATO. Our address will be used by the ATO for service of notices and we are responsible for checking tax assessments. We shall also endeavour to advise the amounts and due dates of tax instalments. However, the responsibility for paying the correct tax and paying on time rests with you. Any penalties arising from lateness, errors, wrong estimates or for any other reason are payable by your Business as the taxpayer and/or where applicable as an Individual.

### **LIMITATION OF LIABILITY (refer clause 19 of the Terms and Conditions)**

The liability limitations of the Practice, its Partners, associates, and employees shall be limited to the amount of cover provided under the Practice's Professional Indemnity Insurance policy.

The Client agrees to indemnify the Practice, its Partners, associates, employees and any other person who may be sought to be made liable in excess of the limit of liability as described in the above paragraphs in respect of any activity arising from or connected with these terms in respect of any claim of whatever kind, including negligence, that may be made by any person and any costs and expenses that may be incurred by the Practice.

The Practice shall be under no liability whatsoever to the Client for any indirect loss and/or expense (including loss of profit) suffered by the Client arising out of a breach by the Practice of these terms and conditions.

### **CLIENT'S ACKNOWLEDGMENT OF THE LIMITED LIABILITY OBLIGATION**

We have discussed with you the limitation of our liability created by this clause. You acknowledge that we have advised you that you may wish to obtain legal advice on all questions arising from the terms of our engagement letter and, in particular, the limitation of liability provisions, because they may impact on your legal rights.

### **FEES**

Our fees (including the appropriate amount of GST) will be billed as work progresses and are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses such as, but not limited to, photocopying, sending or receiving facsimile transmissions and any other disbursements outlaid on your behalf, these shall be detailed accordingly on each Client's "Charge Out Sheet". **Please Note: The Fees are subject to review on an annual basis effective from 1 July each year.**

### **ESTIMATE**

Due to the nature of accounting we are unable to give accurate estimates of the professional costs which will be incurred, however, we will provide an initial best estimate of hourly costs if so required. To enable you to plan and make allowance for your ongoing commitment for professional costs we shall submit to you if required, accounts for payment on a monthly basis and/or upon completion of a particular assignment. Fees are payable within fourteen (14) days of the account being rendered and you acknowledge that we have a general possessory lien on all books, records and other documentation for any outstanding fees.

### **CALCULATION**

Calculation of professional costs will be made in accordance with CPA Australia guidelines (APLES 110) being a fair reflection of the value of work performed, taking into account:

- a) the skill and knowledge required for the type of work involved, while the work, as defined, is within our knowledge and skills, any changes to the work may necessitate making new arrangements with you;
- b) the level of training and experience of the persons necessarily engaged on the work;
- c) the time necessarily occupied by each person engaged on the work; and
- d) the degree of responsibility that the work entails

The rates charged (on time basis) as at 1<sup>st</sup> July, 2018, cover staff hours only, including travelling time at an hourly rate to the maximum of \$385.00 (including GST) per hour. Time is charged in 6 minute increments and electronically recorded and collated for any work that is performed by any member of our staff in the provision of but not limited to:

- Preparation of any and all required documentation for the completion and lodgement of Tax Returns and Financial Reports
- ASIC reporting
- GST requirements for all individuals and any associated entities and/or related parties

This includes any form of advice, including meetings, telephone discussions, communications, - written, verbal or electronic, Centrelink queries, appraisals, investigations, research and form completion, maintenance and administration

of your taxation/company/super/trust/partnership files and any other matters on which time is spent in relation to your affairs.

**SEVERABILITY**

We agree that each of the promises and undertakings given in this Engagement document are independent from one another and severable.

Please sign below the acceptance of the Terms and Conditions together with the duplicate copy of this Engagement document for return to this office to indicate that it is in accordance with your understanding of the arrangements.

| <b>ACCEPTANCE OF TERMS</b>   |                           |
|--|---------------------------|
| In accordance with the Privacy Act (1988) I/we authorise any person or company to give information as may be required in response to credit enquiries. I/we have read and understand the attached TERMS AND CONDITIONS of <b>Roy A McDonald</b> which form part of, and are intended to be read in conjunction with this Letter of Engagement and agree to be bound by these conditions. I/we acknowledge that we have been advised that I/we may wish to obtain legal advice on all questions arising from the terms and conditions of contract and, in particular, the limitation of liability provisions (clause 18), because they may impact on my/our legal rights. |                           |
| SIGNED (CLIENT):<br>_____  | SIGNED (CLIENT):<br>_____ |
| Full Name: _____   | Full Name: _____          |
| Position: _____  | Position: _____           |
| Date: ____ / ____ / ____   |                           |
| SIGNED (FOR AND ON BEHALF OF THE FOLLOWING ENTITIES):  |                           |
| _____  | _____                     |
| _____  | _____                     |
| SIGNED (WITNESS TO CLIENT'S SIGNATURE): _____  |                           |
| Full Name: _____   |                           |
| Date: ____ / ____ / ____   |                           |
| SIGNED (PRACTICE): _____   | Name: _____               |
| Date: ____ / ____ / ____   |                           |

*Complete in duplicate mark one "Client Copy"*

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