

# Standard Terms of Engagement

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## Accounting and/or Taxation Engagements

This document sets out our Standard Terms of Engagement and the nature and limitations of the services that we provide for accounting and taxation engagements between the Client (the “Client” and/or “you”) and Andrew Skinner & Associates (“ASA”).

## Purpose, Scope and Output of the Engagement

ASA will provide accounts compilation and preparation; and taxation services, which will be 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 the purposes outlined in the Compilation Report and Taxation returns only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed unless otherwise engaged. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform our Client of any such matters that come to our attention.

Financial Accounts will be prepared and/or Income Tax Returns (the “Report(s)”) will be prepared for distribution to statutory bodies for the agreed purpose. There is no assumption of responsibility for any reliance and our Report by any person or entity other than the Client indicated in the Financial Accounts and/or Income Tax Return. 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.

## Responsibilities

In conducting an accounting and taxation engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed by law, or with the Client’s express consent.

We wish to advise that ASA’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 CPA Australia which monitors compliance with professional standards by their members. We advise the Client that by accepting our engagement the Client acknowledges that, if requested, our files relating to the engagement will be made available under this program. Should this occur we will advise the Client accordingly.

Clients are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. The Client is responsible for maintaining and regularly balancing all books of account and Clients should be aware that:

- The Client is responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services.

- Any advice given is only an opinion based on our knowledge of the Clients particular circumstances; and
- The Client has obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns.

## **Taxation Services**

The taxation services for which we are responsible are set out in the engagement letter. Where we are engaged as your Tax Agent, we will liaise and correspond with the Australian Taxation Office, as necessary, in order to fulfill our role as Tax Agent.

Income tax legislation places the responsibility for information contained in tax returns with the taxpayer. Accordingly, you will be responsible for maintaining adequate financial and accounting records to enable us to carry out our assignment. You should also maintain a capital gains tax register covering all specified assets acquired after 19 September 1985 and all other necessary asset and other registers.

All taxation services will be provided as your agents and on the basis that you will make full and complete disclosure to us of all relevant information.

## **Your protections under TASA**

The *Tax Agent Services Act 2009 (TASA)* and complimentary amendments to the applicable taxation administration legislation provide statutory protections for taxpayers who engage registered tax agents for returns lodged on or after 1 March 2010.

In particular, as your tax agent, we are bound by a statutory Code of Conduct which is administered by a new national Tax Practitioners Board. That Code requires us, amongst other things, to act lawfully in your best interests and with honesty and integrity in the performance of our duties.

In addition, as the client of a registered tax agent, you have statutory “safe harbour” exemptions from penalties in certain circumstances.

In order to benefit from the safe harbour should the need arise, it is a requirement for you to ensure that you provide us with all of the relevant tax information. This includes any records, or documents we request from you plus any other information relevant to the preparation of your tax return. The information provided must be complete and accurate.

It is equally important that you provide us with this information by the time it is requested so as to allow the return to be lodged by its due date. The safe harbour from late lodgment penalties can also apply where a Business Activity Statement, Instalment Activity Statement, or Fringe Benefits Tax return is lodged late.

Whilst the safe harbour can apply to exempt the penalty for an error made in a tax return, it is important to note that the tax and interest will be still be payable.

## **Company Secretarial Services**

The company secretarial services for which we are responsible are set out in the engagement letter.

Where the address of our office is used by a Client company as the Registered Office, it is solely for the purpose of acting as agent for the receipt of any documents delivered or served upon the

Company. The address of our office may not be used as the Principal Place of Business by a Client company unless a specific circumstance exists and approval in writing has been given by us to such situation. Any documents received will be forwarded to the Company Secretary or dealt with in such manner as you may, from time to time, direct.

## **Fees**

Our fees are computed on the basis of time spent on your affairs by our team members involved, based on the degree of responsibility and skill involved, and will include Goods and Services Tax at the prevailing rate plus out-of pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skills required. Details of individual rates are available on request.

## **Terms and conditions**

The terms and conditions of the provision of ASA services are:

- Our terms of trade are strictly 7 days net
- The firm reserves the right to charge interest at bank overdraft interest rates on overdue accounts.
- Costs to recover any outstanding debt will be charged to the debtor
- Work will not continue where fees are outstanding unless prior arrangements are made
- Any queries regarding fee invoices should be made within 7 days of receipt.

## **Electronic Communication**

As part of our Client service we may communicate with you and with others on your behalf by email. Email communications sent without encryption can be intercepted and may be read by a third party. Other potential risks include non-delivery or failure to read an email in a timely manner.

In this regard, you agree to indemnify and release ASA from all claims arising from the use of email in our communication with you or the communication we undertake in the course of carrying out our assignment on your behalf or in accordance with your instructions.

## **Timetable**

The timetable for completion of the agreed services where possible will be to satisfy your regulatory requirements. Where this is not possible due to identifiable circumstances, an agreed timetable will be provided to you by separate correspondence.

## **Record Keeping**

The obligation to maintain financial records are detailed within income tax legislation, various requirements in respect of capital gains tax legislation and also in the Corporations Act 2001. We draw your attention to these requirements as it is your obligation to retain the required records for the length of time prescribed by the legislation which is relevant to you and/or your business entity.

## **Jurisdiction**

Our contract with you for services to be supplied will be governed solely by Australian Law and any dispute shall be referred exclusively to a Court or other appropriate tribunal within the jurisdiction of Australia.

We note that all information acquired by our firm is collected in accordance with our privacy policy which complies with the Privacy Amendment (Private Sector) Act 2000. A copy of our Privacy Policy Disclosure Statement is available for review upon request.

Under the Professional Standards Act (NSW) 1994 and the Scheme approved under that Act, the liability of the firm, its partners, associates and employees or contractors is limited.

## **Limited Liability**

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

## **Ownership of Documents**

All original documents obtained from the Client arising from the engagement shall remain the property of the Client. 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 Accounts and/or Income Tax Returns. Ownership of these documents will vest in the Client. All other documents produced by us in respect of an engagement will remain the property of ASA.

ASA has a policy of exploring a legal right of lien over any Client documents in our possession in the event of a dispute. ASA has also established dispute resolution processes.

## **Termination**

Our Firm may not continue to provide ongoing work should the Client:

- Fail to pay the ASA's fees; or
- Provide ASA with inadequate instructions; or
- Indicate to ASA we have lost your confidence; or
- Become aware the Client lacks integrity.

## **Indemnity**

The Client should fully and completely indemnify ASA its directors and employees in respect of all claims by any person or party whatsoever for loss to any person or persons and/or property caused by or in connection with or arising out of the Service by ASA and in respect of all cost and charges in connection therewith (on the indemnity basis) whether arising under statute or common law.

In any claim against us for loss, the loss will be proportionately reduced by the extent of the Client's contribution to that loss.

## General

We look forward to discussing your taxation and accounting needs and encourage Clients to contact us throughout the year.

If you require any additional information, please do not hesitate to contact us.

Signed for and on behalf of ASA:

A handwritten signature in black ink, appearing to read 'Andrew Skinner', written over a horizontal line.

Andrew Skinner  
Sole Director  
Date: