

# Terms of Engagement

The purpose of this document is to set out the nature of the working relationship between yourself and David Philpott & Associates.

## **A) Generally – We will:**

- Act for you on an ongoing basis as Accountants and Advisors.
- Act as mentors and business developers.
- Act on your instructions which may be in verbal, written, or electronic form.
- Carry out various assignments as requested by you from time to time.
- Carry out various regular and special assignments for you.

## **B) Specifically – Compile the following:**

- (i) Financial Statements Compilation  
Compile various Financial Statements and reports as requested and intended by you from time to time, using information supplied by you. We will prepare Special Purpose Financial Statements unless advised otherwise. The Statements will be compiled, where appropriate, in accordance with: Compilation Standards used by Chartered Accountants Australia & New Zealand, Companies Act, Securities Act, Financial Reporting Act, and Financial Reporting Standards.  
The Statements will have appended to them a disclaimer of David Philpott & Associates liability. Refer to David Philpott & Associates for a copy.
- (ii) Taxation  
Compile various Tax Statements and Returns as instructed by you from time to time, using information supplied by you.  
The Statements will be compiled in accordance with the relevant tax legislation, rulings, guidelines, etc.  
The Statements will have appended to them a disclaimer of David Philpott & Associates liability. Refer to David Philpott & Associates for a copy.

## **INCOME TAX RETURNS**

We will compile appropriate Income Tax Returns from financial statements you approve and from additional information you provide in writing. We will assist you to understand the importance and risks of you signing these Income Tax Returns as being true and correct statutory records.

We will require you to complete questionnaires each year to elicit all relevant tax information to assist in the compilation of your Returns. It is your responsibility to ensure their accuracy and completeness as well as monitoring and checking the final returns for reasonableness and correctness.

We will also assist you with your tax planning efforts and explain what we perceive to be possible contentious issues so you may decide upon the proper course of action. Where you elect to use the Estimation Provisions in relation to taxation payments, we will advise you of the ramifications of such an election. Any penalty and/or use of money interest due to incorrect estimation will be your responsibility.

## **INCOME TAX ASSESSMENTS & PAYMENTS**

We offer the following services: -

- a) Use of Firm's address for Inland Revenue to serve notices
- b) Tax advice letters with amounts and dates of tax due
- c) Check your amounts and advise of legitimate amendments
- d) Assist with objections if necessary
- e) Check accuracy & propriety if penalties and use of money interest are in doubt

## **OTHER SERVICES**

If, and when required. Refer section A.

**At all times it will be your responsibility to ensure all tax payments are made on time.**

## **RECORDS**

We will retain the records and information held for a period of 7 years after which they will be destroyed by secure means. A fee may be charged for this service.

### **OWNERSHIP OF WORKPAPERS**

Material that you provide to us remains yours and will be returned to you when the engagement is completed. Workpapers that we create remain our property.

### **YOUR WORK**

We reserve the right to cease working on your behalf where accounts are overdue.

### **OUR FEES AND DISBURSEMENTS**

We will charge fair and reasonable fees based on time, responsibility, urgency, value and complexity of the assignment. We will charge for both internal and external disbursements.

#### **Payment Terms: Are within 14 days from receipt of invoice, unless an alternative method is agreed on before the work is started.**

- I understand that overdue accounts will incur collection and administration fees of 5%, charged monthly.
- I agree to pay progressive fees on account of work done where missing information or records delay completion.
- I accept liability for your charges if the information supplied herein relates to a Company of which I am a Director.
- I understand that an administration fee may be charged for the monthly fees charged for Xero/MYOB through our firm.

### **STATUTORY RECORDS (COMPANIES)**

We will be responsible for the maintaining of your company statutory records and the preparing and lodging of the annual return as required. On your advice, we will also update the Companies Office records for changes to company details.

We will prepare annual company resolutions for shareholders and directors.

The Companies Act 1993 requires that the annual financial statements are completed within nine months of the end of your financial year. It is the responsibility of the directors to ensure that the information is provided to us on a timely basis in order that we may assist the directors in achieving compliance with this requirement.

### **LIABILITY**

Any liability against David Philpott & Associates must be made and notified to us within 12 months of the date of practical completion of the assignment. We are here to assist in your financial wellbeing, but you are ultimately responsible.

### **NO AUDIT OR REVIEW ENGAGEMENT UNDERTAKEN**

We will not undertake an audit or review of the information you provide to us. Accordingly, the Compilation Report disclaimer will apply to any reports we prepare for you.

### **PENALTY TAX REGIME**

Incorrect tax returns result in penalties, as well as interest charges on short paid tax. You are required to have taken reasonable care or have an acceptable interpretation if penalties are not to apply.

### **PROOF OF IDENTITY**

The requirements of the new Anti-Money Laundering (AML) Legislation require us to obtain certain personal information from you. This information includes obtaining proof of your Full Name, Date of Birth and Address.

This information will be required before we are able to undertake any work on your behalf.

For our existing clients, in order to avoid delays, we encourage you to provide the required information in advance of us acting and to regularly update us with any changes to personal details.

### **PRIVACY ACT / ADDITIONAL INDUSTRY SERVICES**

We use and have access to selected services that facilitate and complement our accounting services we have available to provide to you. Unless you advise us to the contrary, you authorise us to disclose to the providers of those services your details solely to enable us to facilitate those services to you without obligation. You are free to opt out of this authority at any future time.

As a member of the Chartered Accountants Australia and New Zealand we advise that the Institute may require access to clients records for the purposes of discharging its quality assurance obligations.

On occasion, we may use your personal information, such as your address or contact details, to provide you with industry information or to introduce you to additional services that we offer. In this regard, we may, for example, send you written or electronic communications, electronic newsletters and/or invitations to events. If at any time you do not wish to receive information such as this, we invite you to contact us and we will not send you any additional information.

## Authority to Act

This authority enables **David Philpott & Associates** to obtain information for all tax types from Inland Revenue concerning your tax affairs (by internet, phone, fax or e-services), to act as your Tax Agent in these matters and sign Tax Returns on your behalf. It also gives us the authority to obtain necessary records and information from ACC, banks and other financial institutions or other third parties as required.

These terms constitute the entire agreement and supersede and extinguish all prior agreements and understandings between us and you. If there is inconsistency between these terms and any other arrangement between us and you, these terms will prevail unless otherwise agreed in writing by both parties.

These terms will continue from year to year, unless it is agreed in writing to change them or changes/additions are required.

If the terms as set out are acceptable to you, please initial page 1 & 2 of this document, complete, sign where indicated, and return to us. (Scanning and emailing is acceptable)

*D L Philpott*

**David Philpott & Associates**  
**Chartered Accountants**

(1) SURNAME \_\_\_\_\_ IRD# \_\_\_\_\_

FIRST NAME \_\_\_\_\_ MIDDLE NAME \_\_\_\_\_

D.O.B \_\_\_\_\_

(2) SURNAME \_\_\_\_\_ IRD# \_\_\_\_\_

FIRST NAME \_\_\_\_\_ MIDDLE NAME \_\_\_\_\_

D.O.B \_\_\_\_\_

(3) ADDITIONAL ENTITIES

\_\_\_\_\_ IRD# \_\_\_\_\_

\_\_\_\_\_ IRD# \_\_\_\_\_

\_\_\_\_\_ IRD# \_\_\_\_\_

PHYSICAL ADDRESS \_\_\_\_\_

POSTAL ADDRESS \_\_\_\_\_

TELEPHONE: HOME \_\_\_\_\_ CELL \_\_\_\_\_

WORK \_\_\_\_\_ EMAIL \_\_\_\_\_

*I have read and understand the terms of this engagement confirmation.*

CLIENT SIGNATURE (s) \_\_\_\_\_

DATE \_\_\_\_\_

**For David Philpott & Associates to complete**

ID SUPPLIED / TYPE \_\_\_\_\_ POA \_\_\_\_\_

COPY TAKEN ON FILE \_\_\_\_\_ WITNESSED \_\_\_\_\_