



## Introduction

Set out in this document are the basic engagement terms and conditions (the “Terms”), which, together with the Engagement Letter will apply to all work undertaken for you with respect to any engagement, by FINPOS Accountants, or FINPOS Assurance.

For the purposes of both the Engagement Letter and this document, “FINPOS”, the “Firm”, “us” and “we” includes FINPOS Accountants, FINPOS Assurance, its employees, directors and all related entities/individuals.

## Who may instruct us

You confirm that you, and any other person you nominate in writing from time to time (provided we have acknowledged such nomination), are authorised to give us instructions and information on behalf of all persons we are acting for and to receive our advice and documents on their behalf.

If we are acting for a business, and we receive conflicting advice, information or instructions from different persons, we may refer the matter to the board of directors, partners or proprietors (as applicable) and act only as requested by them.

If we are acting for you and your spouse/partner, we will advise you and your spouse/partner on the basis that you are a family unit with shared interests. We may deal with either of you and may discuss with either of you the affairs of the other. If you wish to change these arrangements, please let us know.

## Services

The services to be undertaken as part of the Engagement are set out in the Engagement Letter (the “Purpose and scope of the engagement” paragraph) and FINPOS will use all reasonable commercial efforts to provide the Services to an appropriate professional standard, in an efficient and timely manner, using all necessary skill and expertise.

A detailed description of the services we provide and that are available to you are described below. Only those mentioned in the “Purpose and scope of the engagement” of your engagement letter are applicable to your engagement, all of the others are however available should you require them, please contact us for further information.

### Financial accounts

Such engagements include the preparation of the annual financial accounts of the Entities in your Group. This service includes the preparation of:

-  a profit and loss statement;
-  a balance sheet; and
-  notes for the above accounts.

This service includes maintenance of the chart of accounts for the general ledgers of your Entities, and telephone support should you require any assistance as to how to record specific transactions in the general ledger.

However, this service does not include the preparation of one-off accounts for presentation to your financiers for additional finance and the like.

## Act as the registered agent for ASIC

This service also includes the preparation and lodgement of any standard reports that are required to be furnished to the Australian Securities and Investments Commission (“ASIC”). Utilising our office as the registered office of any companies you may control can also be arranged, if requested.

## Income tax returns

FINPOS Accountants are registered tax agents with the Australian Tax Practitioners Board. Our Registered Tax Agent number is 72 799 007. If our firm has been engaged to prepare and lodge income tax returns for your Group, we will undertake the preparation according to best practices, based upon the information provided by you.

We will not be responsible for reviewing or verifying any financial records or statements provided to us either via manual cashbooks or prepared on accounting software such as MYOB or Xero. Correct coding or classification of accounts is outside the scope of this engagement. If assistance is required on how to correctly code, or to review how you currently do so, please discuss this with us. This will entail work which is outside the scope of the preparation and lodgement of a tax return.

Also please ensure that you have all source documentation available to allow this firm to analyse the income tax implications of any transaction if we request to see it. Whilst we will not as a matter of course be looking at these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious.

It is also expected that, in respect of individual income tax returns, each person will have the necessary documents to comply with the substantiation provisions of the Income Tax Assessment Act.

We can advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation if you request. As part of our standard engagement, we do not, however, check that the requirements of the substantiation provisions have been satisfied.

This specifically means that we will not be reviewing your log book or any calculations or information you provide us, such as a rental property schedule either prepared by you on a spreadsheet or by a property manager. If you require assistance in completing a log book or preparing any calculations, or you would like us to review such work, please discuss this with us.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns. These will be provided free of charge.

The fee for this service does not cover any inquiries made to us, or investigations involving us, conducted by the ATO. Substantial penalties apply for an incorrectly prepared income tax return. If you have any queries in respect to this, please contact our office for assistance prior to signing your returns.

## BAS returns

As the BAS returns are prepared periodically and lodged during the financial year, it is not possible for this firm to review the correctness of the underlying financial information as part of the preparation of the BAS return. This is because we are engaged to prepare the annual financial accounts and these are prepared after the conclusion of the financial year.

Therefore, for the BAS returns, we will rely on and process the financial information provided to us without any review of the primary source documents. In doing that, we will make the following specific assumptions:

-  The financial information provided to us is accurate.
-  The financial information correctly states the GST position. For example, all input tax credits and GST payable amounts have been correctly recorded in the general ledger. If you are unsure of the correct position or require advice regarding this, please do not hesitate to contact us for assistance.
-  You have the necessary supporting documentation to satisfy the ATO for GST purposes. Again, if you are unsure of the ATO requirements or require advice regarding these documents, please do not hesitate to contact us for assistance.
-  You hold valid tax invoices and adjustment notes for all expenditure incurred by you in respect of which an input tax credit is being claimed. Substantial penalties apply for an incorrectly prepared BAS. If you have any queries in respect to this, please do not hesitate to contact us for assistance.

However, it is possible that, when the financial accounts are prepared, some discrepancies will exist between the information disclosed in the quarterly BAS returns and in the annual financial statements.

Should any discrepancies arise, we will discuss the need to correct either the BAS returns and/or financial accounts. If you have any queries in respect to this, please do not hesitate to contact us for assistance.

## Fringe Benefits Tax (FBT) returns

If we are engaged to prepare and lodge the FBT returns for your Entities. Please note, because of the impact of GST, it is not possible to prepare an FBT return from the information contained in the general ledger. It is necessary to revert to the source documentation to allow our firm to analyse the FBT implications of any transaction.

Our fee for this service includes the following:

-  Advice on how to collate the information necessary to prepare the annual FBT return;
-  An annual review of the methods available to reduce the FBT expense on the annual FBT return;
-  Telephone advice on basic FBT issues; and
-  The calculation of Reportable Fringe Benefits Tax Amounts that may be required to be included on the annual payment summaries for your employees (including family members employed in the business of any Entity).

## Single Touch Payroll (STP) reports

If we are engaged to prepare and lodge weekly, fortnightly, monthly or quarterly STP reports with the ATO for the Group, it will be based on the information provided to us by you, your employees or any third party authorised by you, without reviewing or verifying the payroll calculations, any relevant wage rates or the source documents relied upon to process each STP pay event.

We will only provide a lodgement service. We make no representations about the accuracy of the information submitted, the due date or whether it is received by the ATO.

As part of this engagement, we are not engaged to perform, or check the accuracy of, payroll calculations associated with the STP reports. You and your employees are responsible for correctly preparing and processing each pay event, and for maintaining the necessary supporting documentation.

You and your employees are also responsible for calculating and remitting your PAYG withholding and Superannuation Guarantee liabilities with respect to each employee, for each relevant pay event.

## Superannuation

If we are engaged to attend to the income tax compliance work for your self-managed superannuation fund (SMSF). This assignment will involve the following:

-  Preparation of the SMSF's accounts for the purposes of the Superannuation Industry Supervision Act 1993 (the SIS Act).
-  Preparation and lodgement of the SMSF annual return. It is important to note as part of the regulatory framework for SMSFs, an annual audit of the fund must be undertaken and provided to the trustees of the fund before the SMSF annual return is lodged. Therefore, trustees of the fund must ensure that they provide the fund accounting records with sufficient time to allow these tasks to be completed.
-  With respect to the annual audit of the SMSF referred to above, this office will make arrangements for the audit to be undertaken by an independent external party whereby you will be billed and liable for all costs associated with the completion of the audit.

In addition to the basic financial information required to complete these requirements, it is expected that the source documentation will be available to allow this firm to analyse the implications of any superannuation related transaction.

You should also note that the deeds of the fund should be annually reviewed by a superannuation specialist to ensure they continue to comply with the requirements of the SIS Act. Our engagement does not extend to the provision of such legal advice and our fee does not include this service. We are happy to recommend the services of a superannuation specialist for this task.

This service does not cover any inquiries or investigations by the ATO.

## Qualifications on our services

To the extent our services involve the performance of services established by law, nothing in the engagement letter or these terms reduce our obligations under such law.

You must not act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid.

Our services are limited exclusively to those you have engaged us to perform. Unless otherwise specified in the engagement letter, our services cannot be relied upon to disclose irregularities and errors, including fraud and other illegal acts, in your affairs. Unless it is an audit engagement, neither an audit nor a review will be conducted and, accordingly, no assurance will be expressed.

Where our engagement is recurring, we may amend our engagement letter and these terms where we consider it is necessary or appropriate to do so. If you do not accept such amendments, you must notify us promptly in which case you may terminate our engagement in accordance with the section titled termination below and those amendments will not apply prior to such termination.

## Confidentiality

Both parties acknowledge that as part of this Engagement that they may encounter information that is confidential to the other party. Both parties agree not to divulge such information except as may be required by law or by any persons or bodies responsible for regulating that party's business.

We will take all reasonable steps to keep your information confidential, except where:

-  we need to disclose your information to our service providers or regulatory bodies in performing the services, our professional advisers or insurers or as part of an external peer review from time to time.
-  Our files may also be subject to review as part of the quality review program of Chartered Accountants Australia and New Zealand. By accepting this engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis;
-  we are required by law, regulation, a court of competent authority, or those professional obligations referred to the professional obligations paragraph below, to disclose the information; or
-  you give us permission to disclose the information.

We may retain your information during and after our engagement to comply with our legal requirements or as part of our regular IT back-up and archiving practices. We will continue to hold such information confidentially.

We may mention that you are a client for promotional purposes.

## Your obligations

You agree to pay for the Services in accordance with this Agreement. See further the section below on Fees, expenses and terms of payment.

You must provide us promptly with such information as may reasonably be required for the proper performance of the Services covered by this agreement, in sufficient time to enable our services to be completed before any applicable deadline. You also undertake that, if anything occurs after information is provided by you to us to render such information misleading or false, you will promptly notify us and take all necessary steps to correct any announcement, communication or document issued which is based upon such information, should we deem it necessary.

You authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs

You must keep us informed on a timely basis of changes in your circumstances that may affect our services.

FINPOS shall be entitled to rely upon the accuracy of all information provided by you, or by others on your behalf, without independently verifying it, unless required by the scope of the assignment.

## Reliance on advice

We will endeavour to record all advice on important matters in writing. Advice given verbally is not intended to be relied upon unless confirmed in writing. If we provide verbal advice (for example during a meeting or telephone conversation) that you wish to rely on, you must ask us to confirm the advice in writing.

## Investment & financial advisory advice

We do not hold an Australian Financial Services Licence and are not an authorised representative of such a licence holder.

As a result, we are generally prohibited from providing you with any advice, recommendation or opinion that is intended to influence you in making any decision in relation to superannuation (including whether to establish, contribute to or draw benefits from a superannuation fund, or any investment decision by an superannuation trustee), or that could reasonably be regarded as being intended to have such an influence (Financial Advice). However, we are able to provide you with superannuation advice that is of a factual nature only (e.g., to explain how superannuation rules would apply to you and what options are available to you).

Where you request us to undertake superannuation-related work (e.g., to arrange for the establishment of a self-managed superannuation fund), we will be obliged to perform that work in accordance with your instructions, even if we believe those instructions may not be in your best interest.

Where you request Financial Advice concerning superannuation, we will endeavour to assist you in obtaining that advice from an appropriately licensed advisor. We work with a number of licensed advisors who we would happily recommend, please contact us for their details.

We will not provide you with investment or financial advice regulated under the *Corporations Act 2001* (Cth) unless we have expressly agreed to do so in writing, specifying an applicable Australian Financial Services Licence number.

## Professional obligations

We will comply with the professional and ethical standards of the Accounting Professional and Ethical Standards Board, available at [apesb.org.au](http://apesb.org.au). This includes APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, which among other things contains provisions that apply if we become aware of any actual or potential 'non-compliance with governing laws or regulations' (NOCLAR). Where any such non-compliance poses substantial harm (such as serious adverse consequences to investors, creditors, employees, auditor, group auditor or the public), we may be required to disclose the matter to an appropriate authority.

## Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between the various persons this engagement letter covers) or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests then we will be unable to provide further services to some or all of the persons to whom this engagement applies. If this arises, we will inform you promptly.

We may act for other clients whose interests are not the same as or are adverse to yours, subject to the obligations of conflicts of interest and confidentiality referred to above.

## Privacy

You must make all necessary notifications and obtain any necessary consents for us to process personal information you provide to us. We collect and use that personal information for the purposes of providing the services described in the engagement letter to you and we will comply with the Privacy Act 1988 (Cth) when processing that personal information. Our privacy policy provides further details of our privacy practices.

We may be required to verify your identity for the purposes of the anti-money laundering laws. We may request from you such information as we require for these purposes and make searches of appropriate databases

We will take all reasonable precautions to ensure that any electronic data that contains your private information is securely stored and that any email transmissions are protected and are not able to be intercepted by third parties. However, we cannot be held liable for any loss that you might incur as a consequence of any third party intervention that accesses, procures or copies any data that contains your private information from any medium or device we use to store or transmit such information.

In the event that, despite our firm having taken reasonable precautions to securely store your private information, you suffer any losses arising from unauthorised cyber-activity, you agree to forever release us from any claim for your losses.

## Fees and payment

Our fees will be charged on the basis set out in the engagement letter and have been set based on the level of skill, responsibility, importance and value of the advice, as well as the level of risk.

If we have provided you with an estimate of our fees for any specific work, this is an estimate only and our actual fees may vary. The fee quoted is effective as at the date of the quote, and will remain in force until 30 June or 31 December, whichever occurs first.

We may provide a fixed fee for the provision of specific services. If it becomes apparent to us, due to unforeseen circumstances, that a fixed fee is inadequate, we may notify you of a revised figure and seek your agreement to it.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by the ATO.

Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are to be paid by someone else.

We will bill on completion of the task and our invoices are due for payment within 7 days of issue. For larger assignments we may offer instalment bills to reduce the impact of larger bills, these will be done on a progressive basis. Our fees set out in our engagement letter are exclusive of GST which will be added to our invoice where it is chargeable. Any disbursements and expenses we incur in the course of performing our services will be added to our invoices where appropriate.

FINPOS reserves the right to charge interest on any outstanding balances at a rate of 3% over the RBA cash rate, where permitted by Law. We may also suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed.

Should our fees remain overdue by more than one month and FINPOS take additional steps to recover any outstanding fees, you agree to pay for any such costs as FINPOS may incur or determine are reasonable to enable recovery.

We intend to exercise these rights only where it is fair and reasonable to do so.

## Ownership of materials

We own the copyright and all other intellectual property rights in everything we create in connection with this engagement. Unless we agree otherwise, anything we create in connection with this agreement may be used by you only for the purpose for which you have engaged us.

All working papers prepared by us (in any form whatsoever, including physical and electronic) remain our property. We will retain these papers in accordance with our normal record keeping practices in accordance with our professional and legal obligations.

You agree we can use your logos and trademarks for the sole purpose of providing advice to you in connection with the engagement, unless you tell us otherwise.

## Lien

If permitted by law or professional guidelines, we may exercise a lien over all materials or records in our possession relating to all engagements for you until all outstanding fees and disbursements are paid in full.

## Electronic mail

If you ask FINPOS to transmit any document to you electronically, you agree to release FINPOS from any claim you may have as a result of any unauthorised copying, recording, reading or interference with that document after transmission, for any delay or non-delivery of any document and for any damage caused to your system or any files by the transmission or contents of the transmission.

Should you wish to rely on the advice you acknowledge that you will only do so once signed written confirmation via letter is received.

## Governing Law

This engagement letter and the contract arising from it and all aspects of the engagement by you and the performance of work for you are governed by the laws of New South Wales and you agree to be bound by the laws of New South Wales.

Both you and FINPOS irrevocably submit to the exclusive jurisdiction of the Courts of New South Wales, notwithstanding that your activities or any part of the work undertaken or your acceptance of these terms of engagement may be or take place outside the State of New South Wales.

## Interpretation

If any provision of the engagement letter or these terms is void, that provision will be severed and the remainder will continue to apply. If there is any conflict between the engagement letter and these terms, these terms prevail.

## Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation.

You agree not to bring any claim against any of our directors, shareholders or employees in their personal capacity.

To the maximum extent permitted by law, we are not liable to you for:

-  indirect, special or consequential losses or damages of any kind; or
-  liability arising due to the acts or omissions of any other person or circumstances outside our reasonable control, or your breach of these terms.

## Limitation of third party rights

Our advice and information is for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the engagement letter that a specified third party may rely on our work.

## Disputes and complaints

If you have any concerns about our costs or services, please speak to the person responsible for this engagement, who is identified in our engagement letter. To resolve your concerns, we have policies and procedures in place to deal appropriately with complaints and will use best endeavours to resolve a complaint or dispute to the mutual satisfaction of the parties involved. We may require you to detail your complaint in writing to allow us to fully investigate any concerns that you raise.

## Outsourcing

We may utilise the services of third parties from time to time and as separately notified to you. To perform the services, we provide these third parties with access to your data to the extent this is required to perform the services. These services include but are not limited to IT support and software services, data storage, bookkeeping, actuarial services or the conduct of an audit of your arrangements. This may require information being sent overseas in accordance with our Privacy Policy.

## Termination

Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except where a conflict of interest has arisen, you fail to cooperate with us or we have reason to believe that you have provided us or any other person with misleading or factually inaccurate information, in which case we may terminate this agreement immediately. Termination will not affect any accrued rights.

## Communication

You must advise of any changes to your contact details. We may send any communications to the last contact details you have provided. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments. There is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties in any form of communication, whether electronic, postal or otherwise. We are not responsible for any such matters beyond our control.

## Indemnity

In consideration of our agreement to supply you with the services described in this engagement letter, you agree to indemnify this firm, its directors, associates, employees, contractors and any other person who may be sought to be made liable in excess of the limit of liability described above in respect of any activity arising from or connected with this engagement letter 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 us.

## Variation

No variation of this Agreement can be made after the agreement to the Engagement Letter unless confirmed in writing by authorised signatories of both parties.