
Engagement Terms

These are the Terms of Engagement (“Terms”) of Dalcorp Accounting Services (ABN 28 970 013 874). This Agreement is constituted by these Terms and any other later document that we advise you becomes part of, or varies this Agreement. These Terms confirm our understanding of the nature and the limitations of the services we will provide. We may also detail further limitations on the scope of our engagement with you in a fee proposal, email communication and associated correspondence specific to the particular engagement.

SCOPE OF OUR SERVICES

Our firm will provide services, which will be conducted 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 this purpose only. As a result, no audit or review of the financial statements or income tax returns prepared will be performed and accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, or other illegal acts and errors that may exist.

Our role will be limited to assistance in the compilation of the financial statements and preparation of the relevant taxation returns based on the information and records provided by you to us. The financial statements prepared will contain an appropriate disclaimer that identifies the extent and limitation of our role. We are entitled to rely on the records provided as being both accurate and complete.

While our engagement does not include the audit of your financial statements or income tax returns, we are required by the Tax Agents Services Act 2009 to satisfy ourselves as to the reasonableness of the information and claims being made in the income tax returns. The legislation provides the basis for this and may require us to make further enquiries of you or your nominated representatives from time to time. Where possible, we will endeavour to identify the information required in advance. Any advice provided is only an opinion based on our knowledge of the business entity and its particular circumstances.

Where Dalcorp Accounting Services are appointed your ASIC registered agent, services will be limited to preparation and lodgement of the company’s annual

statutory return and drafting of the required declaration of solvency minute.

If the scope of services on page 1 lists ASIC annual return preparation and authority to act as registered agent, by accepting & signing these terms you consent to the appointment of Dalcorp Accounting Services as your ASIC Agent. Dalcorp Accounting Services charge a fee of \$220 per company for the preparation of the Annual ASIC Statement and the use of our office as a registered address of the Company. This fee will be payable upon lodgement of each Company’s Annual Statement. An ASIC filing fee of approx. \$263 will also be payable by the company directly to ASIC. It will be the client’s (directors) responsibility to maintain the corporate register and tend to other corporate responsibilities, such as company minutes and company detail changes unless further written instruction is provided to us. These additional services attract additional fees.

Please be aware there is a 28 day lodgement timeframe for all company information and details changes to be made with ASIC, and as a requirement to meet these deadlines we will need a minimum 21 days’ notice of any changes to be made in order to complete and file the required documentation. We accept no responsibility of any late lodgement fees.

From time to time, you may require additional work to be completed other than what is covered by this engagement and request us to complete this for you. This will represent a separate engagement for which a separate engagement letter will be issued.

Unless specifically requested in writing, our engagement will not cover the review of your obligations of compliance with the following;

- Indirect state taxes such as land tax and stamp duty
- Employment taxes such as payroll tax and workers compensation
- Employer obligations such as Superannuation Guarantee and FairWork
- Withholding from suppliers and checking the validity of quoted ABNs

BAS RETURNS (DEPENDING ON SCOPE)

BAS returns are prepared quarterly and lodged during the financial year. It is not possible to review the correctness of the underlying financial information as

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part of the preparation of the quarterly BAS return. This engagement is for the preparation of the annual accounts at the end of the financial year. Accordingly the quarterly BAS returns will be based upon the financial information provided without review of primary source documents.

In doing so, it is assumed that the financial information provided by you is accurate, that the financial information correctly states the GST position; for example that all input tax credits and GST payable amounts have been correctly recorded; that you have supporting documentation to satisfy the Australian Taxation Office for GST audit purposes; and that you hold valid tax invoices and adjustment notes for all expenditure incurred and for which an input tax credit is being claimed.

It is possible that, when the financial accounts are prepared, discrepancies are noted between the information disclosed in quarterly BAS returns and the annual financial statements. Any corrections and related fees will be documented at this time.

USE OF CLOUD COMPUTING SYSTEMS

Use of Cloud Computing Systems. We use MYOB and Xero (cloud accounting systems); BGL 360 & SimpleFund 360 (a cloud based administration and super fund tax return preparation system); Office 365 (a cloud email, calendar and document management system); Dropbox (cloud document management systems); DocuSign (a cloud electronic signature system). These cloud computing systems store files on remote servers operated by third parties, including the use of hosting providers in the United States of America and in Singapore. There is the ability for you to act as the Subscriber for Xero Business Edition subscriptions and to "invite" us into that subscription as an "invited user", rather than having us act as the Subscriber to that subscription. Xero has different user roles, and in particular the Subscriber to a Xero subscription has the ability to control access rights to a Xero subscription. If we are the Subscriber for your Xero Business Edition, we will always give you full access to your Xero subscription, including if the business relationship between us terminates or if there is a dispute between us. If you transfer your business to a new accountant, you will need to provide us with the name and email address of your chosen new Xero Subscriber for us to transfer your Xero subscription. We are bound by the Xero Partner Code of Conduct. This Code contains dispute resolution procedures and how your access to the Xero

subscription will be maintained in the event of a dispute (including relating to non-payment of our fees) between us and you.

LODGEMENT DATES AND TIMEFRAMES

To ensure the efficient completion of your work, it is agreed that all information that is reasonably required will be made available in order for us to complete the various engagements agreed.

Some of the agreed work is subject to specific lodgement dates. Our objective is to ensure that all work is completed in time to meet these lodgement dates. Our capacity to complete the work required relies on us receiving the work within a reasonable time period prior to those due dates (our recommendation is not less than 30 days) and receiving timely answers to any queries raised.

We will agree on a work program with you each year, including the dates for both the receipt of work and our completion date.

YOUR OBLIGATIONS & RIGHTS

The *Tax Agents Services Act 2009* requires us to advise you of your rights and obligations where we are acting for you on taxation matters. In relation to the taxation services provided:

- You are subject to the self-assessment system in relation to any of your income tax returns. The Commissioner is entitled to rely on any statements made in your income tax returns. Where those statements are later found to be incorrect, the Commissioner may amend your income tax assessments and, in addition to any tax assessed, you may also be liable for penalties and interest charges.
- You have an obligation to keep proper records that will substantiate the taxation returns prepared and which will satisfy the substantiation requirements of the Income Tax Assessment Act. Failure to keep such records could result in claims being disallowed, additional tax being imposed, and the imposition of penalty or general interest charges.
- You are responsible for the accuracy and completeness of the particulars and information required to comply with the various taxation

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laws. We will use this information supplied in the preparation of your returns.

- Your rights as a taxpayer include:
 - The right to seek a private ruling;
 - The right to object to an assessment by the Commissioner;
 - The right to appeal against an adverse decision by the Commissioner.

Certain time limitations may exist for you to exercise these rights. Should you wish to exercise these rights at any time you should contact us so that we can provide you with the relevant time frames and to discuss any additional requirements which may exist.

CLIENT'S DISCLOSURE AND RECORD KEEPING OBLIGATIONS

You are required by law to keep full and accurate records relating to your tax affairs. It is your obligation to provide our firm with all information that would be reasonably expected and will be necessary to allow us to perform work contemplated under the engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of the client by the practitioner. Inaccurate, incomplete or late information could have a material effect on services and/or conclusions.

I/We need not verify the underlying accuracy or completeness of information from you if it appears reasonable. However, if I/we believe information is missing, incorrect or misleading, I/we will need to seek further assurance from you.

The Taxation Administration Act 1953 now contains specific provisions that may provide you with "safe harbour" from administrative penalties for incorrect or late lodgement of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide "all relevant taxation information" to me/us in a timely manner (the safe harbour provisions apply from 1 March 2010). Accordingly, it is to your advantage that all relevant information is disclosed to me/us, as any failure by you to provide this information may affect your ability to rely on the "safe harbour" provisions and will be taken into account in determining the extent to which tax practitioners have discharged their obligations to clients. It is your responsibility to show that you have brought all matters

to my/our attention if you want to take advantage of the safe harbours created under new regime.

PRIVACY & CONFIDENTIALITY

Our obligation to you

Dalcorp Accounting Services is compliant with the Privacy Act 1988 (Privacy Act). A copy of our privacy policy is available on request to our office (03) 5967 1312 or viewed on our website www.dalcorp.as.com.au

Team interaction

This engagement will be managed under Tax Agent No. 22115003. Please do not hesitate to contact any of the team on (03) 5967 1312 if you have any queries or require further assistance.

From time to time during the completion of your work, we may engage various staff and/or contract personnel who we consider appropriate for the completion of your work. These personnel will have access to your accounting and taxation records only for the purpose of completing the accounting and taxation engagements agreed. In all cases, these personnel will be subject to our supervision and control.

Third Party Information Disclosure

From time to time, we may be asked to provide copies of the financial statements, income tax returns or other information produced in the course of this engagement for the *entity(ies) or individuals* involved. If we are requested to provide this information (including to a third party such as a financial institution), any one person subject to this engagement can provide this authorisation. For example, if one person subject to this engagement requests information regarding the partnership *or other individuals* involved then we have authority to provide this information to them without seeking further authorisation. We may also need to disclose information relating to one client's affairs to other clients in the Group to assist in performing our work, to persons responsible for the governance of an entity to comply with accounting standards, or to a professional body of which we are a member in relation to a quality review program undertaken by that body. Each client in the Group hereby authorises us to do so when we consider it appropriate to further our performance of work for the Group, or when required by that professional body.

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During the course of this engagement we will collect personal information from the individuals involved in this engagement and others. We will treat as confidential and maintain the confidentiality of all information and records that you provide or disclose to us, and those produced in the course of completing an engagement. This information will only be disclosed to a third party where specific authority has been granted for us to provide this information, or where we are subject to a legal duty to disclose the information.

Data storage

We utilise third party software systems as part of our service delivery to you. Some of these systems store data on servers domiciled in Australian & United States of America. At all times, we have taken all reasonable measures to protect your privacy. Your data may be stored on dropbox Inc. which is housed in the United States of America and BGL Corporate Solutions Pty Ltd which is housed in Australia. By agreeing to these engagement terms and accepting our services you acknowledge and agree that your personal information may be stored overseas.

Your obligation to us

We may collect Personal Information about your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates, who we are and how we propose to use their personal information.

Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purposes/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

Treatment of tax refunds

Any tax refunds owing to the you or your business will be directed to your nominated bank account. The ATO will be advised of your nominated accounts for the payment of refunds.

FEES

If requested we can provide an estimated fee schedule for our services for the current financial year and subsequent years.

Our fees assume that the source material you provide to us is reliable and useable to complete the engagement. Where there is uncertainty regarding the source material, or the tax or accounting treatments used, then we will raise these issues with you. Rectification of these issues is not included in our fee estimates and will be invoiced in addition to our fee estimates.

General assistance and support with ad-hoc issues that you may face from time to time outside of an existing engagement that you instruct us to proceed with, will be charged at an hourly rate.

Where you require additional work to be completed beyond this engagement then this will represent a separate engagement. We will be happy to agree to the nature and fee level for this work with you in advance of commencing the work.

Tax Invoices will be issued progressively as work segments are completed under this engagement. The invoices are payable within 14 days.

RECORDS & WORKING PAPERS

In the course of our engagement we will prepare various working papers and notes consistent with our internal quality control system. These working papers remain the property of our firm and will be retained by us to support any future queries on work completed. Original source records provided by you to us to assist in the completion of your work will be returned to you at the completion of each engagement. Where appropriate, we may take copies to retain for our files.

QUALITY REVIEW

As a member of the Institute of Public Accountants, as Principal I am subject to periodic Professional Practice Quality Assurance reviews. Unless otherwise advised, you are consenting to your files being part of such a quality review. This review is of our client records and not of you as a client and you have full assurances that complete confidentiality will be maintained throughout.

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STANDARDS

You will be provided the highest standard of professional service. If for any reason you feel you have not received the service expected, please in the first instance, contact me/us to discuss.

Furthermore, as a member of the Institute of Public Accountants in Professional Practice, I am subject to the ethical and professional requirements of the Institute of Public Accountants and its Investigations and Disciplinary processes. These requirements cover issues such as a Code of Ethics, adherence to Accounting and Auditing Standards, requirements to undertake Continued Professional Education and to hold trust money in a Trust Account. Should there be an issue regarding my ethical or business practices, such matters may be referred to the Institute of Public Accountants for investigation. As a member of the Institute of Public Accountants I am also obliged to hold current Professional Indemnity insurance, and I warrant to you that my insurance cover is in accordance with the Institute of Public Accountants requirements. As a member of the Institute of Public Accountants in VIC I am also subject to the Professional Standards Legislation. My liability is capped under a scheme approved by the Professional Standards Legislation.

TERM OF THE ENGAGEMENT

These engagement term cover the current and future financial years unless there are any changes to our engagement terms or the nature of the engagement changes. We advise that our engagement terms are available on our website. Any future changes to these terms will not be advised in writing but will instead be uploaded on our website www.dalcorpas.com.au. In the case where the nature or scope of your engagement changes, we will issue you with a new engagement letter. The fees for successive years will be agreed with you in advance of work commencing.

We look forward to working with you and appreciate the trust you have placed in our firm by appointing us as your accountants. We look forward to a long and mutually beneficial working relationship.

DISCLAIMER – NON-PROVISION OF FINANCIAL ADVICE

The advice contained in this communication and engagement contains factual information and/or recommendations with regard to asset protection and

tax compliance. It is in this context that we also comment on purchasing any proposed business assets including plant and equipment, taking on new work contracts, acquiring real property or the restructuring of any legal business or investment entities.

Legal advice should always be sought in relation to legal documents and their impact on you prior to signing.

Dalcorp Accounting Services is not licensed to provide financial product advice under the Corporations Act 2001.

You should consider obtaining advice from an appropriately licensed or authorised financial adviser before you decide on a financial product, including investment in real property, selling shares, rolling over superannuation and any effects it may have on personal insurances.

On request we can provide you with the contact details of a financial planner who is licensed to provide such advice and whom we have a commissioned based referral arrangement with.

We make no assurance or recommendation as to the suitability for you to acquire business assets, property or shares, or as to their market valuations or suitability for your overall investment needs. It is our recommendation that you obtain professional valuations and asset inspections by a qualified 3rd party provider on any investment or asset acquisitions.

In executing the services under this engagement, we are not specifically providing any advice to induce you into the acquisition or expansion of any investment or asset purchases, or making guarantees as to successes or likely gains in relation to them, or to the successes and sustainability of business growth and profits, other than providing sound explanations based on factual evidence and outcomes.

ACKNOWLEDGMENT AND ACCEPTANCE

Any party signing our New Client Details form or any subsequent Authority to Proceed or Consent to Act attached to any current or future Fee Proposal letter, acknowledge that they have received these Engagement Terms and are bound by them.