

## **Term of Engagement with ZZZ Accountants**

This firm will provide Accounting services, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), including the Code of Ethics for Professional Accountants (the Code) and with Company Act 1993 or Inland Revenue regulation. The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed.

Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we may, as part of our responsibilities take steps and actions as set out in Section 225 of the Code, "Responding to Non-Compliance with Laws and Regulations". These include but are not limited to the following. During the course of our engagement, if we identify or suspect that non-compliance with laws or regulations has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance with which may be fundamental to the operating aspects of your business, to your ability to continue your business or to avoid material penalty, we will discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate, to enable you to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance or deter the commission of the non-compliance where it has not yet occurred. We will consider whether to communicate the non-compliance or suspected non-compliance with your external auditor, unless prohibited by law or regulation. We will also consider, based on materiality and/or significance of the matter, whether further action is needed in the public interest. Further action may include disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so or withdrawing from the engagement and the professional relationship where permitted by law or regulation. Where appropriate we will inform you of our intention to disclose the matter to an appropriate authority before disclosing the matter. However, if we have reason to believe that the actual or intended conduct would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public, we may immediately disclose the matter to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation.

### **Period of Engagement:**

This engagement will start on today. The first period for which we will be responsible is Current Tax Year. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

### **Responsibilities:**

In conducting this engagement, information acquired by us in the course of the engagement, including any information relating to your affairs whether it belongs to you or not or is provided by you or not, is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law or regulations, or with your express consent unless, we determine that disclosure of the non-compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances.

We may collect Personal Information about you, 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 1993 NZ (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 purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

You are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. You 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. Any advice given to you is only an opinion based on our knowledge of your particular circumstances. You or your staff are responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. You have obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is your responsibility to keep those records for seven (7) years.

You are responsible for ensuring that your business activities are conducted in accordance with laws and regulations.

You are responsible for identifying and addressing any non-compliance by your business, by an individual charged with governance of the entity, by a member of management, or by other individuals working for or under the direction of you or your business.

#### Provision of tax return:

A taxpayer is responsible to keep full and proper records in order to facilitate the preparation of a correct return. Whilst Inland Revenue may accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. The Commissioner may challenge the position taken in a tax return unless the return has been previously assessed and four years have passed from the end of the year in which the notice of original assessment was issued. Furthermore, where the returns are fraudulent or wilfully misleading or omit income of a particular nature or from a particular source, there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

#### Outsourced Services:

Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described. Where the outsourced service requires the disclosure of personal information to an overseas recipient a consequence of your consent is that ZZZ Accountants will be required to take reasonable steps to ensure that the Privacy Act is complied with by the overseas recipients of the Personal Information.

#### Storage of Personal Information:

By signing this letter and accepting these services you acknowledge and agree that your personal information may be stored overseas.

#### Fees and Payment Terms:

The fee arrangement is based on the expected amount of time and the level of staff required to complete services as agreed. The fee is approximately \$100 (NZD) per hour plus GST, excluding miscellaneous expenses which are incurred to complete the engagement. The hourly rate breaks into unit price \$25 (NZD) plus GST per 15 minutes, more than 10 minutes charges as whole unit price \$25

(NZD) plus GST, less than 10 minutes free of charge. All invoices are due for payment on 20th of month following.

This fee arrangement will be subject to change if the following circumstances should occur: any significant changes in the engagement; any significant changes in the professional services to be provided or the terms of engagement; a recent change in client management or ownership; a significant change in the nature or size of the client's business; any significant changes to professional standards; any changes to legal or regulatory requirements.

#### Ownership of Documents:

All original documents obtained from you arising from the engagement shall remain your property. 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 identify the output documents of the engagement including, if applicable, electronic documents or files, which will be supplied to the client, such as income tax returns or financial statements. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute.