

Standard Engagement Terms and Conditions

as at 27 January 2021

Introduction

This document sets out the terms and conditions when engaging Henderson Edelstein, Chartered Accountants for professional services. These terms and conditions have been put in place to protect your interests as a client and our interests both commercially and as members of Chartered Accountants Australia and New Zealand. If you have any questions in relation to the contents of this document, please contact our office.

Entity

Henderson Edelstein is the trading name of People & Partners Pty Ltd ABN 34 607 866 508.

GENERAL

Acceptance

Before we accept a professional engagement:

- we satisfy ourselves in relation to the reputation of every prospective client to ensure that they are compatible with our values. This may include seeking a professional reference from your current or former advisor.
- we assess threats to our fundamental principles that may arise from the potential engagement and, if those threats are significant and unavoidable, we will disqualify ourselves from acting on the engagement. Such risks include conflicts of interest.
- we satisfy ourselves that we have the necessary expertise and resources to perform the services covered by the engagement.

Ongoing review of clients

As part of our quality assurance procedures, we regularly review clients to ensure that our original assessments remain correct.

Factors that we consider include:

- whether there are any conflicts of interest or other threats to our fundamental principles;
- whether we have the skills and the resources to continue with the engagement;
- the commerciality of the engagement.

It is a condition of our engagement that you will notify us if you become aware of any potential conflicts of interest. Examples of events which could potentially give rise to a conflict of interest during an engagement are changes to your business circumstances or events affecting your family (e.g. Partnership dissolution, death, marriage breakdown or an involvement in a legal action). Where there are changes to the scope of an engagement, we may reconsider the terms of our engagement and make new arrangements with you.

Record keeping

You must provide us with all information that you reasonably expect will be necessary to allow us to perform work contemplated under our engagement within a timely manner or as requested. This includes providing timely, accurate and complete responses to our questions relating to the returns.

We analyse information provided in respect of engagements but will not attest to the underlying accuracy or completeness of information you provide to us unless specifically engaged to do so and the services are subject to a separate assurance engagement letter. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees.

You are also required to advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services. Specifically, you are obliged to notify when you become aware that any information you have provided to us is inaccurate, incomplete or misleading. We take no responsibility to the extent that our work is inaccurate, incomplete or misleading because it is based on inaccurate, incomplete or misleading information being provided to us.

By accepting the terms of this letter, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure and record keeping.

Fees

Our services will be provided to you on a fee-for-service basis based on the following factors:

- the clarity of the instructions you provide in relation to the matter;
- subsequent changes to the scope of the engagement;
- the risk we accept in undertaking the engagement;
- the level of expertise required to complete the engagement

You will be advised of the rates of personnel in our engagement letter. These rates may change from time to time to reflect the changes in personnel or their seniority.

We may charge you for any additional costs or disbursements we incur in relation to your matter, including the following:

- (a) Travel costs; and
- (b) Couriers.

In some engagements, we may be required to engage experts or other professionals for specific services. We will always seek your approval prior to engaging such a person.

All fees, charges and disbursements will be billed with GST disclosed separately. GST is payable by you at the same time as you pay our costs.

Our policy is to issue fees on a regular basis where the time costs on an engagement are material. This is generally monthly. Payment is due on all invoices in twenty eight (28) days of invoice date. We reserve the right to suspend work on an engagement where fees are outstanding beyond our trading terms. If your account is passed on for collection, all costs including debt collection, commission, solicitor's fees and any out of pocket expenses will be added to your liability.

Subcontractors

Our firm may from time to time use the services of third party contractors to perform some of the services we are engaged to perform for you. Each client in the Group hereby authorises us to disclose information relating to that client's affairs to all such third party contractors as we may choose to engage to perform such work. Where we use the services of third party contractors, we are nevertheless responsible for the conduct and activities of those contractors and for the delivery of the services we are engaged to perform for you.

From time to time our firm and our third party contractors may engage external IT service providers (including in relation to 'cloud computing' services) in the performance of services under this engagement. Each client in the Group hereby authorises us and our third party contractors to disclose information relating to those clients' affairs to all such external IT service providers as we or our third party contractors may choose to engage.

Confidentiality

We will not disclose any information relating to your affairs to any third party without your consent, unless required by law.

We may request that your information be made available to outside reviewers under the Chartered Accountants Australia and New Zealand quality review program. You are not obliged to agree to such access though we believe it is generally in clients' interest to do so.

You may provide us with permission to disclose your confidential information in certain circumstances, or place conditions on the disclosure of certain confidential information. If you do so, we will have permission to disclose the relevant information accordingly, in the performance of our services, unless you instruct us otherwise in writing.

Storage of personal information

As our firm uses cloud based solutions and therefore this data may be stored overseas in jurisdictions with similar privacy laws to Australia. By signing this engagement letter you acknowledge and agree that your personal information may be stored overseas.

Public interest

When we accept an engagement, we undertake to act in your best interests in respect of that engagement. However, the duty to act in your best interests is subject to an overriding obligation to act in the public interest and to comply with the law even if that requires us to act in a manner that is contrary to your interests. For example, if we are compelled to swear an oath in relation to your affairs, we will tell the truth even though that may have an adverse affect on you or your interests.

Ownership of documents

All original documents obtained from you arising from this engagement will remain your property. However, we retain the right to make and hold copies of the original documents for our records.

Our engagement will result in the production of income tax returns, financial statements and other reports in both paper and electronic form. We retain the right to hold copies of all documents produced by us for the purposes of quality assurance and for substantiation needs. For all other purposes, ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain our property.

We have a policy of exploring a legal right of lien over any of your documents in our possession in the event of a dispute.

Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Council – www.professionalstandardscouncil.gov.au.

SPECIFIC SERVICES

Taxation Services

Henderson Edelstein is registered under the *Tax Agents Services Act 2009*, registration number 78 069 015.

Preparation of tax returns

We will prepare tax returns based on information provided to us by you. Those returns will be compiled from records and information supplied. You are required by law to maintain full and accurate records relating to your tax affairs.

The *Taxation Administration Act 1953* contains specific provisions that may provide you with "safe harbours" from administrative penalties for incorrect or late lodgment of returns if, amongst other things, you give us "all relevant taxation information" in a timely manner. Accordingly, it is to your advantage that all relevant information is disclosed to 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 we have discharged our obligations to you.

Tax opinions

As with all providers of taxation services, when we are required to form a tax related opinion, that opinion will be based on:

- the circumstances as we understand them;
- the law as it stands at the date of the advice;
- case decisions available at that time;
- the Commissioner's published opinions in relation to the interpretation of the relevant law and on how that law is administered.

Any opinion so provided is not beyond challenge by the Commissioner. Once issued, our opinion will not be updated except under a separate engagement. Greater certainty can be obtained as to how the Commissioner will interpret the law in the same circumstances by applying for a private ruling from the Australian Taxation Office. We can advise you on the advantages and disadvantages and, if required, prepare an application for a private ruling.

Accounting services

Unless otherwise agreed, where we have been engaged to prepare the financial accounts, those accounts will be prepared as special purpose accounting statements in accordance with the purpose for which they are drafted.

Accounting policies adopted in special purpose financial reports are set out in the Notes to the accounts. Those policies do not necessarily comply with applicable Australian accounting standards.

Audit and assurance services

We will not express an audit or assurance opinion in relation to any report unless that service is specifically covered by a separate audit or assurance engagement letter.

Superannuation

We attend to the compliance work for your superannuation fund but do not audit the superannuation fund. This assignment will involve:

- Preparation of the annual financial accounts, including members' statements;
- Preparation of income tax return for the fund
- Preparation of documentation relating to trustee meetings and resolutions, establishment of a pension, commutation of a pension etc

We collate an audit file for an independent auditor to form an opinion on the financial report and operations of the Fund. The audit is performed under a separate and specific engagement. For convenience, the audit fee is incorporated into our fee for the compliance work.

ASIC

Henderson Edelstein is registered to act for clients in respect of their interactions with the Australian Securities & Investments Commission.

We reserve the right to charge for providing registered office services for our clients.

We also attend to secretarial work such as drafting directors' and shareholders' resolutions in relation to statutory compliance affairs of the company. We do not make decisions on behalf of the companies and play no part in the management of the companies.

Changes in company, director and shareholder details are subject to strict reporting deadlines. You will be required to provide this firm with all relevant information to complete the required ASIC forms before the due date. This firm will not be liable for late lodgement fines.

Jurisdiction

These terms and conditions will be governed by and construed in accordance with the laws of New South Wales Australia, and any disputes relating to these terms and conditions will be subject to the exclusive jurisdiction of the courts of New South Wales.