

# Terms of Engagement

These are the Terms of Engagement ("Terms"). 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.

## PURPOSE, SCOPE AND OUTPUT OF ENGAGEMENT

Our firm will provide Accounting and other professional 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 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 will inform you of any such matters that come to our attention.

## RESPONSIBILITY FOR YOUR WORK

Over the years our firm has established a cost-effective structure, incorporating a Team of Professional Accountants and Assistants to provide you with an economical service.

When dealing with your affairs many general administration and basic accounting problems may be handled by the team, which will allow Partners to be available for telephone advice, consulting and other more complex issues.

The Partners are ultimately in charge of your affairs and responsible for all of the matters relating to your file.

The team attends to certain functions relating to your affairs. This is done to afford you the most cost-effective service possible. Of course, all work attended to by team is supervised and reviewed by Partners or Senior Managers. The team who assists in providing you with your Professional Accounting Service is set out on the final page of this agreement together with indicative charge rates.

## RELATIVE RESPONSIBILITIES AND CONFIDENTIALITY

The conduct of this engagement will be carried out in accordance with the standards and ethical requirements of Chartered Accountants Australia and New Zealand, which means that information acquired by us in the course of the engagement is subject to strict confidentiality requirements. We will not disclose any information relating to your affairs to any third party without your consent, unless required by law.

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.

Our files may, however, be subject to review as part of the quality control review program of Chartered Accountants Australia and New Zealand, who monitor compliance with professional standards by its members. We advise that by signing this agreement you acknowledge that, if requested, our files relating to this engagement may be made available under this program. Should this occur, we will advise you prior to releasing any files.

We may on occasion use external contractors and/or third parties to undertake some of the work on your file and they may have access to your information.

This will only be done if strict confidentiality agreements are entered into between us and the associated entities to prevent any unauthorised use of this information.

We may also provide your information to our associated entities for services that we believe will be of value to you. Once again, this will only be done if strict confidentiality agreements are entered into between us and the associated entities to prevent any unauthorised use of this information.

## THIRD PARTY RESPONSIBILITIES

We may utilise outsourced services providers and cloud computing service providers including;

- Xero, based in Victoria, is a cloud-based accounting software program. Cloud data stored in the United States.
- FYI Docs, based in South Australia, is a cloud-based document management system.
- BGL Corporate Solutions, based in Victoria, is an accounting and corporate compliance system. Cloud data stored in Australia and Singapore.
- Backoffis, based in India, is an external Accountant utilised to outsource general accounting, data processing and other work under instruction by HW One Pty Ltd and reviewed by HW One Pty Ltd accountants.
- MYOB, based in New South Wales, is a multinational corporation that provides tax, accounting and other business services software.
- CCH, based in New South Wales, ACT and Victoria, is a provider of software and information services for tax, accounting, and audit workers.
- Microsoft, based in the United States, provides cloud storage. Cloud data is stored in ASIA and the United States.
- Dropbox, based in the United States, provides cloud data storage with the cloud data being stored in the United States.

To perform services, we may provide these third parties with access to your data to the extent this is required to perform the services. Your data will be stored in servers physically located in Australia (unless otherwise specified above) and in accordance with the security practices of the third-party service providers and Privacy Policy.

## OTHER RECOMMENDATIONS OF CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND

Chartered Accountants Australia and New Zealand has determined minimum standards with regard to service and, in accordance with those recommendations, our practice:

- a) uses properly trained and supervised staff to maintain quality standards and ensures that all qualified staff undertake a minimum of 40 hours of continuing professional education each year;
- b) maintains professional independence at all times;
- c) establishes and operates satisfactory quality control procedures;
- d) bases our fees on the chargeable time of each staff member.
- e) records all time so as to enable you to be aware of the extent of the work performed for you; and
- f) will, if requested, provide an estimate of our billing prior to the commencement of an engagement.

# Terms of Engagement

## YOUR OBLIGATIONS AND RIGHTS

We are required to advise you of your rights and obligations where we are acting for you on taxation matters. In relation to the taxation services provided:

- It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work contemplated under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of you by us within a reasonable timeframe. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees. We will not verify the underlying accuracy or completeness of information you provide to us.
- 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, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our advice 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 agreement, 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.
- The Taxation Administration Act 1953 contains specific provisions that may provide you with 'safe harbours' from administrative penalties for incorrect or late lodgement of Returns if, amongst other things, you give us 'all relevant taxation information' 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 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.
- You are also required to advise us if you become aware of any conflict of interest or potential conflict of interest. Generally, a conflict of interest is any event which may result in us becoming unable to remain objective in the performance of our services to you. Some examples of events which could give rise to a conflict of interest or potential conflict of interest during this engagement are changes to your business circumstances, events affecting your family (e.g. death and/or marriage breakdown) or a legal action commencing against you.
- 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 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 timeframes and to discuss any additional requirements which may exist.

## OUR OBLIGATION

We have a duty to act in your best interests. However, the duty to act in your best interests is subject to an overriding obligation to comply with the law, even if that may require us to act in a manner that may be contrary to your interests. For example, we could not lodge an income tax return for you that we knew to be false in a material respect.

We also have an obligation to ensure that we manage conflicts of interest as they arise. In this regard, we have arrangements in place to ensure that we manage potential or actual conflicts of interest.

The effective operation of these arrangements depends, in part, on you complying with your obligation to disclose any potential conflicts of interest to us.

Unless otherwise stated, this opinion is based on the Australian Tax Law in force at the date of the provision of the advice and/or services.

It is your responsibility to seek updated advice if you intend to rely on our advice at a later stage, due to frequent changes made to Australian Tax Law.

## OWNERSHIP OF DOCUMENTS

All original documents obtained from you arising from this engagement will 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 Income Tax Returns and Financial Statements. 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 between us. We have also established dispute resolution processes, details of which are available on request.

## LIMITATION OF LIABILITY

Our liability may be limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Council at

<http://www.psc.gov.au/>

# Terms of Engagement

## REVIEW AND PREPARATION OF FINANCIAL STATEMENTS

As and when required throughout the year we will review your records and where applicable process certain data to enable the preparation of Interim and End of Year Financial Statements. The Financial Statements will be based on the information you provide to us and other information that our office accesses. As a result:

- You and your employees are responsible for the maintenance of the accounting systems and internal controls for your business entities. That includes the keeping and maintenance of all required books of account.
- Our firm is not being engaged to conduct a statutory audit of the financial records of any of your business entities and we will not express an Auditor's opinion as to the truth and fairness of the Financial Statements (unless otherwise specifically requested to do so).
- Our reports will be prepared for distribution to proprietors for the purpose noted above. We disclaim any assumption of responsibility for any reliance on our report to any person other than the proprietor and for any purpose other than for which it was prepared. Our reports will contain a "Compilation Report" to this effect.

## PREPARATION & LODGEMENT OF INCOME TAX RETURNS

We will prepare and lodge all Income Tax Returns based on the Financial Statements prepared, as well as information you provide to us in relation to your business and personal tax affairs.

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 your Income Tax Returns.

The Legislation provides the basis for this and may require us to make further enquiries with you from time to time in relation to your Taxation Returns. Where possible, we will endeavour to identify the information that will be required in advance.

We are entitled to rely on the records provided as being both accurate and complete.

We will have your Income Tax Returns lodged on time, as required by the Australian Taxation Office, providing we are in receipt of all information to prepare your Returns no later than three months prior to the due date for lodgement. This avoids the delays that generally occur in our Firm just prior to lodgement dates.

We will take all possible steps to have your Returns lodged on time, however we offer no guarantee unless we have received the information within the abovementioned timeframe.

We also advise that we are legally prevented from electronically lodging your Income Tax Returns until such time as we receive a signed Declaration back in our office to do so.

When Returns are left to the last minute, due to time constraints it may not be possible to have them forwarded to you for signature and a signed Declaration back in our office to enable lodgement by the due date.

## CORPORATE AFFAIRS MATTERS

There are various requirements of the Australian Securities & Investments Commission (ASIC) that have to be adhered to in relation to Companies that you may be involved with.

This includes notifying ASIC of various changes to the details of Directors and Shareholders, preparation and lodgement of Annual Company Statements etc.

We will prepare and lodge the appropriate documents in relation to matters that affect your company as soon as practical after being provided with the information. These will be forwarded to you for signature prior to lodgement. Many of these documents must be lodged within a short period of time after the change occurs.

In this regard, documents not returned to our office by the due date will incur additional lodgement fees and/or additional processing fees. You will be advised of relevant due dates for lodgement.

The Corporate Affairs Division of our practice utilises an electronic recording system to keep track of all company data. It is not possible to maintain the integrity of this system if documents are lodged by other means. We are still required to input the details of a change into our electronic system. In this regard, we must be informed of any changes or matters that may affect your companies.

## BUSINESS ACTIVITY STATEMENTS AND INSTALMENT ACTIVITY STATEMENTS

Should we be instructed by you, we will prepare and lodge the appropriate BAS and IAS as and when required on a quarterly or monthly basis as soon as practical after being provided with the information to do so. At present, the deadline for lodgement of these documents is the 28th day after the end of each quarter (for quarterly lodgers). However, as Tax Agents, we are given a further four (4) week extension, but this must be lodged through our Tax Agent system.

If we are not provided with the information by the 14th day of the particular lodgement month, we will not be able to guarantee that we will have the above Statements lodged on time. This is due to the extraordinary level of work imposed by the Australian Taxation Office on our Firm during the two weeks prior to lodgement dates.

If the information is provided later than the 14th day of the said month, we will endeavour to have the documents lodged by the due date, however we offer no guarantees, and penalties for late lodgement may be imposed (subject to extensions that may be provided by the Australian Taxation Office from time to time).

## FRINGE BENEFIT TAX MATTERS

Should we be instructed by you, we will prepare and lodge the appropriate Fringe Benefits Tax Returns and advise you of your appropriate liability.

In some cases, we will calculate the private use component of various expense payments and advise you how this amount should be reimbursed to the business to minimise your Fringe Benefits Tax liability.

In March each year we will forward you details of the information we will require to enable the above to be undertaken. At this time we will advise you of the date that we require the information, to enable the work to be carried out in a timely and efficient manner.

## SPECIFIC MATTERS TO BE RESEARCHED

From time to time you may request advice from us which may not be able to be provided immediately, due to the issues and facts to be considered.

# Terms of Engagement

With the multitude of Taxation Laws which we must now consider including general Income Tax, Fringe Benefits Tax, Capital Gains Tax, Goods & Services Tax as well as other non-taxation issues such as Superannuation, WorkCover etc, some questions you may ask may seem simple, however due to all of the above, it may not be possible to provide you with an immediate answer.

More and more we are required to research and thoroughly consider all of your particular facts as they relate to the above Legislation, which not only takes time, but also involves the use of our Professional Team and external Consultants.

In these circumstances, the time taken by our team to research and provide you with the appropriate response will be recorded through our Work In Progress System.

We will endeavour to provide you with an immediate and quick answer where appropriate, however to ensure that you receive a professional service and accurate advice a more detailed investigation into the facts may be required.

In addition, many questions may seem basic or similar to previous requests for advice, however every case generally has a different factor to be considered to the previous case and, as a result, may have a different outcome which warrants the additional research.

## **AUTHORITY TO ACT ON YOUR BEHALF WITH THE ATO**

There are a number of functions we are required to carry out on your behalf with the Australian Taxation Office and in particular the following accounts for you and your associated entities.

- Income Tax Account
- Integrated Client Account
- BAS Roles

The Australian Taxation Office have advised that if we hold a signed Authority from clients to act on their behalf, then we can make various changes as they arise and lodge the required documents without the need for your signature each and every time, for instance change of addresses. Once you authorise our firm to act on your behalf (by signing this Engagement Agreement), we will undertake these functions until otherwise directed by you.

## **OTHER AREAS OF LAW**

Naturally, there are numerous other Federal and State Legislations that may affect you, such as Payroll Tax, QBCC licensing matters (for clients in the building industry) and WorkCover. We will attend to lodging documents in relation to the above as requested. However, as we do not deal with these matters every day, our advice on these matters will be limited to an "as requested" basis.

We are not permitted by law to advise in relation to legal matters (other than Taxation Law) such as Stamp Duty. We can provide general information as to the applicability of Stamp Duty Laws, if required, however we will refer you to your Legal Advisors for this advice.

If requested by you, we will endeavour to advise you of other areas of Law that may affect various transactions you undertake. If we are not able to provide you with advice, we can refer you to a suitably qualified professional, from whom you can seek the appropriate advice.

## **TELEPHONE & EMAIL ADVICE**

Telephone and email communications and advice are recorded in writing on your file for quality assurance and professional indemnity insurance purposes.

We encourage you to telephone or email us for advice on matters of concern. However simple, the advice may save you significant time and money.

Our fees are based on time, which includes telephone calls and email correspondence. Time spent by our team in relation to these matters will be recorded on your WIP and may be billed to you at the discretion of the partner in charge.

## **PRINCIPLES OF DETERMINING FEE LEVELS**

Chartered Accountants Australia and New Zealand recommends that its members conform to prescribed guidelines in determining fee levels.

Chartered Accountants Australia and New Zealand does not issue a standard scale of professional fees due to the diversity of services offered by Chartered Accountants and the degree of skill attached to those services. Additionally, the Institute does not intervene between an Accountant and client on the question of professional fees charged.

However, Chartered Accountants Australia and New Zealand has issued guidelines for establishing fee levels to ensure that, on the one hand you are fairly charged and, on the other, that our firm is remunerated appropriately for the services we perform for you.

The charge-out rates applied to the time incurred take account of staff salaries, direct costs associated with providing the service, and indirect costs associated with operating our practice. These rates are reviewed on a periodic basis.

Special services, such as review and investigation assignments, management advisory services, and the need to provide these services with little or no prior notice, requires us to ensure we have the available staff with the necessary qualifications to handle all challenges that we may face.

With ever changing taxation and other laws, we are required to undertake significant education and training programs to ensure that we have the ability to provide you with the right advice. On many occasions (due to the ever-changing laws), it is a necessity that specialist research will be undertaken on particular matters that pertain to your file. A clear record of this time is maintained.

The manner in which we monitor the work carried out for you is based on the time we spend in relation to your affairs.

This is the same as many other professionals charge for the services they provide. The time is recorded in 'Time Records' we keep for you and when the job is completed, we use this as a guide to determine your fees. While we are required to record all time, it does not mean we will bill you for that time.

To ensure an equitable remuneration to our Firm for the services we provide, an efficient record is maintained of time spent on your file.

We do not necessarily bill you for all the time that is allocated to your file, but the recording system does provide us with a guide as to the amount

# Terms of Engagement

of time we have utilised in providing you with the highest quality service possible.

## ISSUING OF FEES

From time to time, we will issue invoices to you for the work that is carried out.

It may be appropriate to issue you with monthly or quarterly billings, which will assist in your cashflow management, rather than receiving one invoice at the end of each year. It is our intention to bill on a regular basis or when your work in progress reaches \$1,000.

We will also invoice you for specific projects that may be carried out, as and when these projects are completed, or throughout the project if they are for an extended period of time.

## RESPONSIBILITY FOR PAYMENT OF ACCOUNTS

This Engagement Agreement sets out the conditions of the engagement between ourselves and yourself personally. Some of your affairs may relate to a business that is operated via one or more other entities, however the issuing of fees and the carrying out of the work is undertaken on your behalf.

It is appropriate for accounts to be paid by an associated business entity, however responsibility for unpaid accounts will be addressed to yourself personally.

If at any time you have a problem with your account and are unable to resolve the matter with our Account Administrator, please feel free to contact me personally.

## TRUST ACCOUNT

We maintain a separate trust account for dealing with all money and property received from you or on your behalf, except for amounts received from you in payment of our fees. We may apply these funds in payment of our bill with your written authorisation.

## DESTRUCTION OF RECORDS

Under the current Corporations Law, you are required to retain your company records for a minimum of seven years.

After this seven-year period our office will confidentially dispose of these old files, being workpapers and correspondence files.

If you would like your records returned to you in this regard, please notify our office when returning your acceptance.

## REFERRALS

Our firm may refer you to an external service provider in circumstances where we believe them to be a good fit for you. In no way do we do this with the expectation of referrals or work from the provider in return.

There are associated entities that we may enter into a joint venture agreement with, for which we would receive a share of the profit. As of May 2021, the directors of HW One being Brendan Podevin and Cameron Wilson commenced holding, through their related entities, a minority equity interest in a financial planning firm Wealth Architects South Pty Ltd trading as Wealth Architects.

HW One does not receive any referral fee from Wealth Architects for referrals we make however we do receive a profit share from this business based on our minority equity interest.

Some service providers may refer clients to our firm or pay us a referral fee or commission. If any such fees or commissions are received from said provider, this will be fully disclosed to you.

Please note that it is always your choice when considering if the provider is suitable for your needs.

## ENTITIES PROVIDING SERVICE

"HW One" trades through a Partnership of Trusts. The Partnership may change from time to time throughout the year with admission or departure of equity Partners.

Full details of our Legal Structure (including the current Partners as at date of this agreement) are as follows.

Structure of HW One:

HW One Partnership is a partnership between the following Trusts:

BPIP Trust	(Trustee – HW One Pty Ltd)
CWIP Trust	(Trustee – HW One Pty Ltd)
PMIPHW Trust	(Trustee – HW One Pty Ltd)
RCIPHW Trust	(Trustee – HW One Pty Ltd)

HW One Pty Ltd	ACN: 846 378 564
HW One Partnership	ABN: 11 548 492 741

## TEAM OF PROFESSIONALS – INDICATIVE CHARGE RATES (EX. GST)

Principal/Director	\$400 - \$440
Senior Associate / Advisor	\$300 - \$400
Manager / Senior Accountant	\$200 - \$300
Accountant/Graduate	\$120 - \$200
Administration Support	\$90 - \$120



# Terms of Engagement

## CONFIRMATION OF ENGAGEMENT

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this agreement to ensure you are satisfied with the scope of our engagement. Please contact us if you have any questions about this agreement.

Once you are satisfied with the terms of our engagement, would you please sign and date this agreement.


As mentioned above, if you do not return this Engagement Agreement signed, nor contact us with changes to the engagement, yet continue to provide us with information and instructions regarding your financial affairs, the terms and information provided in this agreement will bind us both.

We thank you for the opportunity to provide accounting and taxation services to you and your business and we look forward to continuing our close working relationship with you for many years to come. This engagement document will be effective for current and future years unless we issue an amended one to you.

I/We acknowledge that I have read and understand the terms of the engagement and hereby accept them for the following entities for the financial year ended 30 June 2023

- The Kelly Green & Co Super Fund No 2

  
\_\_\_\_\_  
Signature  
Peter Green  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Signature  
Loretta Green  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Signature  
Beverley Kelly  
\_\_\_\_\_  
Print Name

Dated the 6 day of December, 2023