

Client Name: .....

Date: .....

Address: .....

## STANDARD TERMS OF ENGAGEMENT & TERMS OF TRADE

### Terms of Engagement

This letter is to confirm our understanding of the terms of our engagement and the nature and extent of the services we will provide. Unless otherwise agreed between us in writing, this letter records the entire agreement between us in relation to our engagement. The terms recorded in this letter will remain in force until varied by us in writing to you, or until cancelled by either of us by notice in writing to the other.

#### General

With regard to the general aspects of the engagement, it is understood and agreed that:

1. The client accepts responsibility for all records and information supplied to UHY Haines Norton (Auckland) Limited (UHYHN) and for its completeness and accuracy. UHYHN does not accept responsibility for the maintenance of adequate accounting records or internal control structure in the client's organisation;
2. The client accepts responsibility for any failure to supply UHYHN with all relevant records and information;
3. The client accepts responsibility for ensuring that all relevant records and information are at the offices of UHYHN or as otherwise agreed in reasonable and sufficient time for processing to be completed by UHYHN before any statutory or other deadline;
4. Where the services of an external consultant are required, involving the disclosure of confidential client information, the client's prior consent will be obtained by UHYHN;
5. The client accepts that work papers, drafts, internal memoranda and similar documents prepared by UHYHN in connection with the engagement remain the property of UHYHN at all times;
6. The client accepts that UHYHN shall have the right to exercise a possessory lien over any records in their possession relating to any outstanding fee;
7. The arrangements outlined herein will continue in effect from year to year unless varied in writing.



### Financial Statements (Compilation)

1. Other than tax return schedules of income and expenditure, financial statements will be prepared in accordance with the Professional Engagement Standards and Guidelines as issued by New Zealand Institute of Chartered Accountants in conjunction with XRB. We will comply with either the Financial Reporting Act 2013, or other applicable statute, or if appropriate, other financial reporting frameworks such as Special Purpose financial reporting.
2. The client accepts responsibility for providing UHYHN with all information necessary to properly prepare the financial statements and present full disclosure of all required matters;
3. The client accepts responsibility for the accuracy and completeness of the assertions in the financial statements;
4. Our procedures will not include verification or validation procedures. No audit or review engagement will be performed and accordingly no assurance will be expressed;
5. Included in our compilation report will be a Disclaimer of Liability statement, similar to the following:

*As mentioned earlier in our report, we have compiled the financial information based on information provided to us, which has not been subject to an audit or review engagement. Accordingly, neither we, nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.*

6. The client accepts that, where included, a Disclaimer of Liability by UHYHN forms part of the financial statements and is to remain attached to all copies of the financial statements distributed to third parties;
7. It is not intended that the engagement of UHYHN for the Compilation of Financial Statements be relied upon to prevent or detect fraud and error and the client accepts sole responsibility for such detection and prevention.

### Tax and Compliance Services

If requested by the client, UHYHN will prepare and file, on time, the following returns:

1. Income tax returns and election notices for (taxpayer and/or associated persons).
2. GST returns.

Standard Terms Continued

4. Withholding Tax Returns
5. Monthly or twice-monthly IR345 Employee Deduction forms and payment of PAYE deductions.



6. Any overdue IRD returns as may be required.
7. Statistics New Zealand returns as required.

### Advisory Services

It is understood and agreed that UHYHN may provide general business advisory services and/or tax advisory services from time to time, as required or as requested by the client.

### Our Responsibilities

We will not audit, review or carry out any other checks on the accuracy or completeness of the information you provide. It is up to you to give us accurate and complete information to prepare the returns.

1. Your returns will include the following statement: “Prepared without review from information provided by the taxpayer”, along with our Firm name as the preparer of your returns.
2. You may use our office address as the mailing address for assessments and/or correspondence from Inland Revenue. If you do this, we will send you copies of any letters received, along with recommendations for your reply if necessary.
3. If you use our office address as the mailing address for assessments, we will check the assessments and let you know the amounts and due dates of tax installments. You are then responsible for paying the correct tax on time.
4. We will advise you about any amounts of tax to be paid and the due dates for payment.
5. If however, your business is on the GST Ratio method we will not advise you of the provisional tax due unless we prepare GST returns for your business.

### Your Responsibilities

1. You are responsible for what appears in your tax returns. This means you must ensure that the information you give us is accurate and complete, and meets all your obligations set out in the tax laws.
2. You must confirm that you have told us about all sources of income, that all your expense claims were incurred to earn income, and that you have all the supporting documents required by IRD.
3. If you are aware of any illegal or possibly illegal acts that may affect your tax returns, you must let us know full details of these.
4. If you choose to use your own address as the mailing address, we recommend that you immediately provide us with copies of any correspondence you receive from IRD. This is because there may be a



deadline for reply, and if it is not met proposed assessments or reassessments may be issued and you may lose the chance to challenge any issues.

5. You are responsible for paying any penalties and/or interest arising from late payments, errors and wrong estimates or from any other cause.
6. GST and provisional tax are now aligned so it is essential that you inform us immediately if any of the following events take place:
  - a. Your business becomes GST registered
  - b. Your business ceases to be GST registered
  - c. Your business uses the GST Ratio method
  - d. Your business ceases to be on the GST Ratio method
  - e. Your GST filing cycle changes – e.g. from 6 monthly to 2 monthly or vice versa from 6 monthly to 1 monthly or vice versa
  - f. Your income tax balance date changes.
7. If your business uses the GST Ratio method and you prepare your own GST returns you will need to inform us as soon as possible of the amount of provisional tax paid with your GST payment or settled by a GST refund.
8. You are responsible for ensuring that all cross-border related party transactions have been recorded on an arms-length market value basis and for holding adequate documentation in support of this pricing, as required by Income Tax legislation (Transfer Pricing Rules).

### Financial Advisory Services

The client may require or request financial advice from UHYHN from time to time.

Where applicable, UHYHN will apply the requirements of the Financial Advisory Engagement Standards FAES. It is the client's responsibility to provide UHYHN with full and accurate details of your financial position and circumstances. If that information is incomplete or inaccurate our financial advice may be incomplete or inaccurate. The client acknowledges that our advice is based on information provided to us by the client and/or other parties which may not be personally or independently verified by us. UHYHN is entitled to rely on such information and we are under no obligation to verify or investigate that information in any way. UHYHN will not be liable to the client or any other party under any circumstances where we rely on such information, nor for any direct loss, indirect loss or consequential loss that you suffer in respect of services supplied to you, except where any loss is caused by willful negligence or willful default.

### Tax Agency

By signing this document you authorise us to act as your tax agent with the Inland Revenue Department, for all tax types and for all your associated entities and you give us permission to have access to your tax records including electronic records stored by the Inland Revenue Department. Under our agency you will receive an



extension of time for filing your income tax returns, provided that your returns have been filed on time in prior years.

### Information and Disclosure

The conduct of this engagement is in accordance with the professional standards, rules and ethical requirements of Chartered Accountants Australia and New Zealand. Information we obtain in the course of this engagement “the information” is subject to confidentiality requirements, in addition to our obligations under the Privacy Act 1993. We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations.

By signing this Terms of Engagement document you give us your express consent to disclose the information to UHY Haines Norton staff, our International Affiliates (as referred to below), international and local subcontractors that we may engage from time to time, as we deem necessary, at our sole discretion, to complete the engagement.

As members of Chartered Accountants Australia and New Zealand (CAANZ), we are subject to and bound by the disciplinary procedures and rules of CAANZ, and our work and files are subject to the practice review rules of CAANZ under which compliance with professional standards by members is monitored. These procedures and rules require us to disclose to CAANZ, its reviewers and/or its disciplinary bodies our files and work papers including client information. By allowing us to undertake this engagement, you acknowledge that, if requested, our files relating to this engagement will be made available to CAANZ, its reviewers and/or its disciplinary bodies. We assure you that the same ethical standards regarding confidentiality that we adhere to apply equally to CAANZ reviewers.

You consent to UHYHN communicating with your existing or former accountant and you give permission for the existing or former accountant to discuss your affairs in order to assist UHYHN in making an informed decision whether or not to accept the engagement.

### Limitation of Liability

We will not be responsible or liable if information we need to carry out our tasks properly is withheld or concealed from us or wrongly represented to us. Any claim against us must be made and notified to us within one year of the date we complete the work set out in this agreement.

### Money We Hold for You

We may sometimes hold money on your behalf. It will be held in Trust in a non-interest bearing bank account held at the Bank of New Zealand Ltd, Henderson under the name of UHY Haines Norton Trust Account. This is completely separate from the Firm’s funds. Chartered Accountants Australia and New Zealand has strict rules about the way accountancy firms must handle their clients’ money, and we follow those rules.



### Statutory Records (Companies Only)

Unless agreed otherwise, UHYHN will prepare the Annual Return and Annual Minutes.

The client accepts the responsibility for advising UHYHN in writing of all relevant matters and information requiring disclosure such as a director's interest in a contract with the company or use of company information not otherwise available to him/her.

### International Affiliations

UHY Haines Norton (Auckland) Ltd is a member of two associations of independent accounting and consulting firms, the first being UHY (global association) whose organising body is Urbach Hacker Young International Ltd (a UK company) and the second being UHY Haines Norton (Australia/New Zealand association) whose organising body is Association Manager Pty Ltd (Australian company). We operate as a member of these associations, but are a separate legal entity, as are the other participating firms. Services are provided by us and not by either of these two associations.

The other members of these associations, together with their respective directors, partners, associates and employees, are not agents of our firm. Neither of these organisations or their respective member firms have the authority to enter into obligations on our behalf. During our dealings with you we may introduce you to another member firm, and if so you will need to enter into your own contractual arrangements directly with that firm. We do not accept any liability in respect of any work they may undertake for you. We have sole responsibility for work that we undertake for you and you agree that you will not bring any proceedings or make any claim whatsoever against Urbach Hacker Young International Ltd, Association Manager Pty Ltd or any of their respective member firms in relation to the work that we perform for you.

### Commissions

Through UHYHN's association with international affiliations or other working relationships with other parties UHY may receive or pay commissions or benefits for referrals, or cross referral(s) of clients. By signing this document you give us your express consent to these arrangements.

### Variation

Terms of engagement may vary from time to time depending on the nature of the engagement and/or the relationship UHYHN has with the client. Variation of the general Terms of Engagement and Terms of Trade may occur by mutual agreement. Such variations may be recorded as an addendum to this document.



## Terms of Trade

### Fees

UHY Haines Norton (Auckland) Limited (UHYHN) base fees on the time spent on your business matters and value of service provided. In determining a fee, we take into account:

1. The skill and knowledge required for the type of professional services involved;
2. The level of training and experience of the persons necessarily engaged in performing the professional services;
3. The time necessarily occupied by each person engaged in performing the professional services;
4. The degree of risk and responsibility that performing those services entails;
5. The importance of the matter to the client;
6. The complexity of the matter and the difficulty of the work involved;
7. The urgency and circumstances in which the professional services are performed.

We calculate and bill our fees regularly. Each fee invoice represents work completed by us on a particular matter or matters and the fee will be forwarded to you shortly after the work is completed.

Standard or fixed fee pricing may occur from time to time for certain products or services such as Company Formations, GST Registration, Software, Annual Returns, Tax Agency, bundled services such as Xero, etc. For further information on this please refer to the Partner responsible for your account.

If we are required (pursuant to subpoena or other legal process) to produce documents or attend court in relation to any services for judicial or administrative proceedings to which we are not a party, you shall reimburse us at standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in responding to such requests.

### Credit Terms

If the work is carried out for a limited liability company or other incorporated body, it is acknowledged that the work is being carried out at the request of those persons who sign this letter and **such persons accept responsibility and liability jointly and severally with the client and each other for the payment of the account.**

If the account is not received by due date, UHYHN shall be entitled to look to any or all of the parties signing this letter for payment without being obligated first to seek or enforce payment from the client itself.



If payment of any account is not received by the due date:

1. We may decline to continue further work until the account is paid or arrangements made for payment.
2. In accordance with normal commercial practice, we may charge a late payment penalty on any balance outstanding after due date at a rate of 1.5% per calendar month or part thereof compounded from due date to date of actual payment.
3. We reserve the right to place any outstanding account in the hands of our Solicitors or debt collection agency for collection by legal action if necessary. In those circumstances, the client and each of the signatories consent to UHYHN providing its solicitors or debt collection agency with such details relating to the client and the signatories as may be necessary to collect such outstanding account. In the event that the account is placed with our Solicitors or debt collection agency, all fees and/or Court costs incurred in recovery action will be added to the amount owing and will be recoverable from the client and/or the signatories.
4. **Right to Claim a General Lien over Books and Records.** It is agreed that UHYHN shall be entitled to exercise a general lien over all the books, records, related documents and other such chattels that may come into our possession for the purpose of performing professional services for you until all our costs and charges whatsoever for professional services of any nature to you have been fully paid.

### Ownership of Books, Records and Other Documents

It is agreed that ownership of all documents supplied by you to assist in the performance of professional services on your behalf shall remain your property. It is also agreed that all documents produced by UHYHN in the performance of these professional services shall remain our property. For the avoidance of doubt, it is agreed that we shall retain ownership of all workpapers and drafts created and used by UHYHN in the course of performing professional services for you.

### Payment

Payment to our bank account is due within 7 days following the date of the invoice and may be made by direct credit, eftpos, credit card, cheque, cash or FeeSmart (FeeSmart is a finance plan over 6 to 12 months).

If there are any issues concerning the amount of our fee, they must be communicated to us in writing **within 7 days** of the date of the invoice; otherwise it is agreed that the amount is due and payable.

Should you require further information or clarification, please telephone the Partner in UHYHN who is responsible for your business matters, or our Credit Controller, Yvonne Wood.



## Agreement

**Please sign and return this agreement.** Please take a copy for your records.

I/We agree to the above terms of engagement and terms of trade on behalf of myself/ourselves and all associated entities and warrant that I/we have authority to do so.

Name: ..... Signature: ..... Date: .....

Name: ..... Signature: ..... Date: .....

## Authority to Act as Tax Agent

The signatories below hereby consent to UHY Haines Norton (Auckland) Limited acting as their Tax Agent with the Inland Revenue Department for all tax types and consent to UHY Haines Norton (Auckland) Limited having access to all information held by the Inland Revenue Department.

## Family Members and Associated Entities:

IRD Number	Name	Signature	Date

