

Date

Client  
Address

Dear Client,

### **Letter of Engagement**

In order that we maintain the highest level of service to you, our client, we would like to set out our services, their nature and limitations and the terms of our engagement.

As a firm of Chartered Accountants it is a requirement of our membership of *Chartered Accountants Australia and New Zealand* that this letter of engagement is presented to you for your approval prior to the commencement of our services to you. Under the Tax Agents Services Act 2009, our mutual responsibilities are set out below.

We have also listed all the services that the Peter Vickers Business Group provides. We have indicated which of the services we believe that you want us to provide to you. Please tick any additional services that you require.

Peter Vickers and Associates Pty Ltd is an Authorised Representative of Peter Vickers Insurance Brokers Pty Ltd - ACN 074 294 081, Australian Financial Services Licence 229302. The advice we provide is general and as such we are not required to issue a Statement of Advice (SOA). We are however happy to provide a SOA, at an appropriate fee, should you request one.

**Our mission is “To help our clients to increase their wealth” and our aim is to provide our clients with the expert advice and range of services to succeed in this mission.**

#### **1. Purpose, Scope and Output of the Engagement**

We also set down a guideline of the fee that we intend to charge for this work. However please note that if the scope of the work that we are required to perform falls outside the scope mentioned below or other services are required then an extra fee will be charged. We will inform you of this before we commence the work. This fee has assumed that the records that you send us are similar in format to last year or as previously discussed. If this is not the case then there will be an extra fee.

Our confirmed fee (all amounts include GST) for this year is \$X based on the following services:

### **Preparation and Lodgement of Business Activity Statements and Periodic Accounts**

- We will prepare from information provided by you the required Business Activity Statements and lodge them electronically with the Australian Taxation Office (ATO).

By noting you as a client of ours with the ATO and lodging forms electronically, you will be entitled to various automatic extensions of time for lodgement.

We will prepare periodic financial statements for the following entities:

- Monthly:  
 Quarterly:  
 Half yearly:  
 And arrange a meeting to go through the financial statements and discuss issues arising from them.

### **Preparation and Lodgement of Income Tax Return**

We will prepare the following returns and place them on our lodgement list::

- Salary and Wage Return (basic)  
 Salary and Wage Return – Spouse and Partner

Individual Return – Investments/rent/capital gains

- Rental Property (with provision of year end summary)  
 Rental Property (without year end summary)  
 Investments  
 Capital Gains  
 Trust Distribution
- Company Tax Return

Placing the above returns on our lodgement list allows us to access information from the Australian Taxation Office via the Tax Agents Portal. We will prepare your income tax returns from information that you provide to us. We will check that any information that is contained on the Portal has been entered into your return to ensure that you have met the test of Reasonable Care in preparing your return. We will send the prepared returns to you for checking and signature together with a copy for your records and an estimate of the tax payable or refund due.

These returns are lodged electronically. Our address is noted as your postal address for services of notices. We will check your Notice of Assessment and then post it to you for payment. We will receive and check any PAYG instalments received from the ATO and send these to you for payment.

We will recalculate and lodge amendments for any PAYG instalments as requested by you.

### **Fringe Benefits Tax Return**

- We will prepare your annual fringe benefits tax return and lodge it electronically with the ATO.
- We will provide you with advice on record keeping and managing your fringe benefits.

### **Land Tax**

- We will receive your state based land tax Notice of Assessment, check the assessment, prepare any variations as required and forward it to you for payment.

### **Preparation of Financial Statements**

In line with the compilation report below, we will prepare your financial statement for the following entities:

- Non trading entity
- Small trading entity (less than \$400,000 turnover)
- Small trading entity (more than \$400,000 turnover)
- Medium trading entity
- Large trading entity

## **COMPILATION REPORT**

We have compiled the accompanying special purpose financial statements of the Client which comprise the balance sheet as at 30 June 2017, profit and loss statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

The specific purpose for which these special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the company that satisfies the information needs of the Client set out in Note 1.

### **The responsibility of the Client**

The Client is solely responsible for the information contained in the special purpose financial statements and has determined that the significant accounting policies as set out in Note 1 to the financial statements are appropriate to meet their needs.

### **Our responsibility**

On the basis of information provided by the Client, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Client provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were prepared exclusively for the Client. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Peter Vickers & Associates Pty Ltd  
ACN 003 466 813  
Lindfield

**General Purpose Financial Statements**

Fees for this work are invoiced in three instalments: on receipt of work, four weeks later, and after completion of work and acceptance by the client.

### **Advice on Structures, cash flow management, purchase or sale of business or investments**

As per our standard rates

### **Act as Registered Office and Corporate Affairs**

We will act as the registered office of your company and thus maintain the company's minute book electronically and corporate register on our computer system. We will act as your company's Registered Agent with the Australian Securities and Investments Commission (ASIC) and will receive your annual statement electronically from ASIC which we will then check, prepare the required minutes and send to you for signature and payment of the fees.

- If you do not wish us to act as your registered office or act as your ASIC agent then it will be necessary to charge a higher fee as there will be extra work ensuring that any minutes that we produce are entered in the minute book and that we have the correct shareholders and directors for any tax planning or company secretarial work that we are required to perform and for payment of dividends and Division 7A matters.
- Change of director, member, address etc

### **Set up a New Entity**

(Including fee to provider)

- New Company Purchase and set up
- SMSF Set Up
- New Trust (does not include stamp duty at \$500 in NSW)
  - Discretionary- Family
  - Unit

### **Bookkeeping Services**

- Our bookkeepers are not accountants and are not permitted to give advice. They are responsible for entering transactions into your accounting system. They are under your supervision, and thus we cannot be responsible for any errors that they may make. They are charged strictly on the time that they spend on the work and this will include travel time if the service is for less than a full day.

### **Payroll Service**

- We will maintain your payroll records on our computer payroll system
- We will prepare the annual PAYG summaries for your staff and then forward this information to the ATO
- We will calculate the superannuation payable every quarter
- We will calculate your payroll tax liability in various states and lodge the payment electronically as well as the annual reconciliation

### **Superannuation Funds**

- Self Managed Superannuation Fund (as a guide this is 1% of the assets of the fund with a minimum of \$2,500 incl GST).
- Pension Calculations – Minimum/Maximum
- Set up of Pension
- Update trust deed

## **Audit**

- We are able to offer audit and assurance services to you by either our Registered Company Auditors or our Self Managed Superannuation Fund auditors. A separate audit engagement letter will be provided to you for these services.

## **Marketing, Human Resources and I.T. Services**

Our Staff can provide you with the following services

**Marketing:** Provision of cost-effective on and offline marketing solutions to take your business to the next level.

This may include:

- Review of existing marketing activities and collateral and development/implementation of a marketing plan.
- Identification of target markets and development of prospect database.
- Copywriting for website, newsletters, e-news and articles.
- Production of promotional material – brochures, flyers and annual reports.
- Direct Marketing – using direct mail and email marketing.
- Advertising, using a combination of internet and print.
- Corporate hospitality events for clients and prospects.
- In-house seminars.
- Brand and corporate id reviewing current image, signage, stationery and brand position.

**Human Resources:** PVBG can provide full HR Consultancy Services including, but not limited to:

- Recruitment, Selection and Induction, including contracts of employment.
- Performance Management Remuneration Strategy Training.
- Development Audits of HR policies.
- Advice on best practice ensuring the employer keeps informed of changes in legislation.

**IT Services:** We provide a solutions driven IT consultancy which includes:

- Network solutions and support for home offices and small businesses.
- Internet and remote access, advice and configuration.
- Desktop support for hardware and software.
- Advice on appropriate software, installation of software, training and ongoing support.
- Installation and configuring of Windows Server, training and support,
- Provision of back up solutions and disaster recovery.

## **Insurance, Investment Services and Loans**

- Peter Vickers & Associates Pty Ltd is an authorized representative of Peter Vickers Investment Services, a division of Peter Vickers Insurance Brokers Pty Ltd. AFSL No. 229302. However, only authorised employees or contractors are permitted to give specific advice on “financial products”. You will receive a separate Financial Services Guide (FSG) for these services. Peter Vickers Insurance Brokers Pty Ltd may be remunerated by commission; details are contained in the FSG and any Statement of Advice that is required to be produced.
- Advice on Credit matters.

## **2. Disclaimer**

Our work will be prepared for distribution to the client for the purposes noted above. We disclaim any assumption of responsibility for any reliance on our work to any person other than the client, and for any purpose other than that for which it was prepared. Our work will contain a disclaimer to this effect.

## **3. Relative Responsibilities**

### **Your Responsibilities**

You have agreed to arrange for reasonable and timely access by us to the required people and documents and you are responsible for both the completeness and accuracy of the information supplied to us. We will not verify the underlying accuracy or completeness of the information you provide.

This includes providing accurate and complete responses to questions asked of you by us within a reasonable time frame.

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.

You have **agreed to check** all income tax returns, financial statements, as well as any other work prepared by us, and inform us of any errors or omissions. This step is an essential part of our quality control process.

You have agreed to provide feedback on the service you have received. This is critical as we are continually striving to improve our services to you.

### **Your Rights and Obligation**

You have certain rights under the taxation laws including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal against or object to a decision made by the Commissioner of Taxation. As relevant, we will provide further information to you concerning your rights under Australian taxation laws during the conduct of the engagement contemplated by this letter.

You also have certain obligations under the Australian taxation laws, such as the obligation to keep proper records and to lodge returns by the due date.

## **Our Responsibilities**

It is our duty to act in your best interests. However this is subject to an overriding obligation to comply with the law even if this may require us to act in a manner contrary to your interests.

We have an obligation to ensure that we manage conflicts of interest as they arise and 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.

## **Confidentiality**

The conduct of this engagement in accordance with the standards and ethical requirements of Chartered Accountants Australia and New Zealand and CPA Australia means that information acquired by us in the course of the engagement is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

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

## **4. Fees**

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

Our fees are payable within 7 days of issue of the invoice and interest will be charged after one month at ANZ Visa Card rates.

Any additional work will be charged at our current rates as follows:

(These rates are inclusive of GST)

<b><u>Level</u></b>	<b><u>Hourly Rate</u></b>
Bookkeeping/Payroll	\$82 - \$95
Accountant	\$120 - \$220
Senior Accountant	\$200 - \$275
Principal	\$462

The fees for any audit work performed by Peter Vickers, registered company auditor, or other staff members qualified to audit Self Managed Superannuation Funds will be invoiced by Peter Vickers & Associates Pty Ltd and will be payable to that company.



## **5. Governing Law and Jurisdiction**

This engagement letter and the contract arising from it and all aspects of our engagement by you and the performance of work for you are governed by the law of New South Wales and you agree to be bound by the laws of New South Wales. Both you and we irrevocably submit to the exclusive jurisdiction of the Courts of New South Wales, notwithstanding that your activities, or any part of the work we do or your acceptance of these terms of engagement may be or take place outside of New South Wales.

## **6. 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 Councils' website: <http://www.professionalstandardscouncil.gov.au>

## **7. Referrals**

If asked by us, you agree to refer clients to us of a similar standard and calibre to yourselves.

## **8. Confirmation of Terms**

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements. This letter will be effective for future years unless we advise you of any change.

As an additional complimentary service, we hold a series of seminars during the course of the year which are relevant to our clients. Invitations to these seminars will be sent to you by email and you will be notified of the dates in our quarterly newsletter.

Acknowledged by the client:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_