

ENGAGEMENT AGREEMENT PRINCIPLES AND GUIDELINES

This agreement is to be read in conjunction with 'Engagement Proposal and Fee Agreements' as attached. It forms the legal and ethical substance to the fee proposal and privacy policies as outlined. Should you have any queries or require further information relating to the matters as outlined herein or need to clarify anything further, please call the office on (02) 9008 3000.

Navwealth Group comprises Navwealth Accounting Pty Limited, Navwealth Bookkeeping Resources Pty Ltd and Navwealth Financial Group Pty Limited entities.

Preamble

In accordance with the professional requirements of CPA Australia Limited and the provisions of the *Tax Agents Services Act 2009* we are required to set out our understanding of the scope of the work which we will undertake upon our appointment as Accountants and Tax Agents for yourself and where relevant your associated entities.

Our specific aim is to ensure that you have a clear understanding of the nature and extent of the work to be undertaken. The attached *Scope of Works* specifically identifies the entities and the services that have been identified as part of the agreement. Wherever possible if the services supplied and/or the scope of works were to change we will provide a revised Engagement Proposal and Fee Agreements for your review and approval in writing.

Scope of Services

It is agreed that we will provide the services as outlined in the *Scope of Works*. Such services may include, but are not limited to, the following:

- Preparation of personal Income Tax Return(s)
- Preparation of Company Income Tax Return(s)
- Preparation of Superannuation Fund Income Tax Return(s)
- Checking and forwarding Notices of Assessments issued by the Australian Taxation Office.
- Attending to any matter raised by the Australian Taxation Office in respect of Income Tax Returns lodged by this office.
- Preparation of unaudited Financial Statements to accounts for all forms of entities including; companies, trusts, superannuation funds, partnerships and sole trader entities. This may also include, but not limited to, Profit & Loss Statements (Statement of Financial Performance) and Balance Sheet (Statement of Financial Position), based upon accounting records and other balance date information provided.
- Preparation of Business Activity Statement(s)
- Preparation of Instalment Activity Statement(s)
- Completing Workers' Compensation Renewal Declaration from salary & wages records provided.
- Preparation of PAYG (Withholding) Payment Summaries for issue to employees.
- Maintenance of Corporate Secretarial records including the preparation of Directors' & Members' Minutes, Registered Office activities including completing the

preparation of Corporations Act Forms and filing such forms with the Australian Securities & Investments Commission under the Electronic Protocol System.

- Checking the Annual Company Statement and preparing the Directors' Declaration and Resolution, as may be required.
- Preparation and lodgement of Fringe benefit Tax return(s)
- Preparation and lodgement of State pay-roll Tax Return(s)
- Preparation and lodgement of State Land Tax Return(s)
- Other matters/services that may be requested from time to time that have been scoped and agreed and that we are authorised to provide in accordance with the scope and requirements of CPA Australia Limited and or the *Tax Agents Services Act of 2009*.

In providing these services, it is agreed that we will not be undertaking any independent audit of the Financial Statements or Income Tax Returns prepared. Our role will be limited to the compilation of the Financial Statements and the preparation of the relevant Income Tax Returns based upon records and information provided. The Financial Statements prepared contain an appropriated disclaimer (Accountant's Statement) that identifies the extent and limitation of our role in the preparation of such documents. We state that we are entitled to rely on the records and information provided as being accurate and complete.

Whilst our engagement does not include any auditing of Financial Statements or Income Tax Return, 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 any Income Tax Returns we prepare. The legislation provides the basis for this and may require us to make further enquires with you from time to time in relation to any taxation return.

The *Income Tax Assessment Act 1936* provides that some of your agreed work is subject to specific lodgement dates. Where possible our objective is to ensure that all your work is completed in time to meet these lodgement deadlines. Of course, meeting the deadlines will be reliant upon us receiving your records within a reasonable time period prior to their due date and, having answers to any queries raised provided in a timely manner. We will agree to a work program with you each year including, where possible, dates for both the receipt of your records and their completion.

In the event that you request us to undertake additional work other than that which is set out in The Scope of Works, then a revised scope or additional work order will be issued. This will represent a separate engagement for which we will issue a separate Engagement document.

A separate Engagement Letter will be issued for any audit engagement work.

The scope of the works detailed with this Agreement will remain in force for this and future years unless noted otherwise or unless varied by either party and or updated (new engagement document) which will form the basis of a new engagement agreement.

Your Obligations and Rights

The *Tax Agents Services Act 2009* requires us to advise you of your rights and obligations where we are acting for you on taxation matters.

In relations to the taxation services generally:

- You are subject to the self-assessment system in relation to any prepared Income Tax Returns. The Commissioner is

NAVWEALTH GROUP

entitled to rely on the statements made in your Income Tax Returns. Where these statements are later found to be incorrect, the Commissioner may amend your original Income Tax Assessment apply additional tax, 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 requirement of the *Income Tax Assessment Act 1936*. Failure to keep such records could result in claims being disallowed, additional tax being imposed and the imposition of penalty and/or general interest charges.
- You are responsible for the accuracy and completeness of the particulars and information required to comply with the various tax laws. We will use this information in the preparation of your Income Tax Returns.
- Yours rights as a taxpayer include:
 - The right to seek a Private Ruling;
 - The right to object to an assessment made by the Commissioner;
 - The right to appeal against an adverse decision by the Commissioner.

Certain time limits 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 time frames and to discuss any additional requirements which may exist.

Confidentiality

We will at all times treat as confidential and maintain the confidentiality of all information and records that you provide to us. This information will only be disclosed to a third party where you provided specific authority for us to provide the information. *Where we are subject to a legal obligation to disclose the information requested, we will provide all reasonable efforts to give you more than 3 days' notice of such disclosure.*

The attached "Privacy Policy Document" outlines in detail the policies and procedures we will adopt in the collection, maintenance and disposal of personal information. *We request that you read and understand the document.*

From time to time during the preparation of your work, we may engage various staff and or contracted personnel, whom we consider appropriate for the completion of your work. These persons will have access to your accounting and taxation records only for the purpose of completing the accounting and taxation engagements agreed upon. In all cases these persons will be subject to supervision and control in accordance with the "CPA" Quality Control requirements.

Your work will be under the management of the persons as outlined in the *Engagement Proposal and Fee Agreements*. In accordance with this Firm's policy certain components of your work may be performed by members of staff, where their expertise can be utilised for direct benefit to either party. It is important that you know however, that all works be supervised and reviewed by a suitably qualified staff member and signed off by the manager/partner in charge of the job.

Fees & Terms of Settlement

Fees Policy

Our aim is to effect a mutually agreed fixed price agreement for all the services as supplied. The fees have been calculated on the basis of the complexity of the noted work assignment and the skills and expert ise of t he professional st aff member who will be required to complete the work assignment.

Fees will be reviewed annually on or after 1 July of each year. The current Fee Structure is in accordance with the schedule detailed hereunder- *Engagement Proposal and Fee Agreement*.

Where you require any additional work to be completed beyond that described in the *Scope of Works and Fixed Retainer/Agreement*, then this additional work will represent a separate engagement or a new (revised) engagement). At all times and in all material respects we will agree with you on the nature of the additional work to be performed and advise you of our proposed fixed fee for mutual agreement.

Terms of Settlement

Our fees will be issued in accordance with, and as mutually agreed to in the *Engagement Proposal and Fee Agreements*.

Where fee arrangements are agreed on a different basis, other than on the completion of your agreed work assignment, then the quantum and timing for payment of these fees will be governed by the *Engagement Proposal and Fee Agreements*.

Regardless of the agreed timing for scheduling of fees, our Terms of Trade are "Net fourteen (14) days" from the date of the issue of our invoice unless otherwise specified. If fees are not paid within our Terms of Trade, we reserve the right to:

- Levy a charge of 10% to cover the costs of recovery action.
- Decline to provide ongoing services until the account has been settled or satisfactory arrangements made in respect of the settlement of the outstanding account.
- Seek legal or other remedy to recover the agreed fee

By agreeing to an arrangement to pay fees by automatic direct debit you acknowledge that any transaction and merchant fees set by our payment gateway provider are on-charged to you at the time of the transaction and, in the event of any unsuccessful debit transactions we reserve the right to on-charge related chargeback fees. Full details of the fees and charges payable in relation to our payment gateway provider services can be provided to you upon request.

Other Matters

In the course of our engagement we will be required to prepare various work papers and notes consistent with our Internal Quality Control System. These work papers remain the property of the Practice and will be retained by us to support queries on work completed. Original source documents provided by you to assist in the processing of your work will be made available or returned to you at the completion of each engagement. Where appropriate we may take copies to retain on your client file. As already noted, this document covers both the current and future engagement assignments. When making reference to our agreed services and fees for these services, it is very important that you refer to the *Engagement Proposal and Fee Agreements* in order to understand the agreed work and fees for assignment

We look forward to working with you and providing ongoing Accounting, Business and Taxation Services.

We appreciate the trust you have placed in this Practice by appointing us as your Accountants and we look forward to a long and mutually beneficial working relationship.