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SERVICE AGREEMENT & ENGAGEMENT LETTER

Dear Client,

Thank you for instructing us to attend to your accounting and taxation requirements. This letter sets out the terms of our engagement. Please read it carefully, and ensure you understand the scope of our engagement.

If the terms of our engagement are acceptable, please sign and return a copy to our office. Please contact our office immediately if you do not understand any aspects of the terms of this engagement.

If you do not forward your signed copy of the engagement letter but continue to provide us with information and/or instructions regarding your financial affairs, the terms and information provided in this letter will bind us both.

We thank you for your custom to date and look forward to improving our services and continuing our work together.

Yours sincerely,

Diana Oakes

James Forbes

Terms of Engagement:

1. Scope:

1.1. The scope of our engagement may include:

- 1.1.1. Preparation and lodgement of Tax Returns;
- 1.1.2. Preparation and lodgement of Business Activity Statements;
- 1.1.3. Preparation and lodgement of Financial Reports;
- 1.1.4. ATO correspondence regarding taxation and administrative matters;
- 1.1.5. Preparation and lodgement of ASIC documents and administration (including ASIC Agent Services)
- 1.1.6. Accounting software training and support.
- 1.1.7. Other taxation, accounting and administrative tasks as required.

1.2. Detailed service list:

- 1.2.1. Accounting and taxation work for SMSF, Trusts, Companies, Partnerships and Individuals
- 1.2.2. Planning – Business and taxation planning
- 1.2.3. Budgets and Forecasting - Preparation of budgets and business forecasts as required.
- 1.2.4. Benchmarking analysis
- 1.2.5. TPAR - Prepare annual TPAR report if required
- 1.2.6. STP - Prepare annual STP finalisation and lodge to ATO
- 1.2.7. LSL - Long service corporation reporting if required
- 1.2.8. Payroll Tax - Payroll tax reporting if required.
- 1.2.9. Workers Compensation - Prepare annual renewal forms including actual and estimated wages
- 1.2.10. Forensic accounting
- 1.2.11. Retirement or succession planning
- 1.2.12. Private taxation ruling applications
- 1.2.13. Training - Accounting software and bookkeeping training
- 1.2.14. Accounting Software Maintenance - Customise accounting software forms and reports, roll over accounting software data file and other software maintenance.
- 1.2.15. Reconciliations where the bank, asset, or liability accounts, as provided by the client, do not balance (including GST reconciliations, payroll, superannuation, accounts payable, and accounts receivable)
- 1.2.16. Analysis - Review and analysis of accounting software data
- 1.2.17. Liaise with ATO, ASIC, banks, and other organisations on your behalf on day-to-day matters
- 1.2.18. Data entry - into accounting software systems.
- 1.2.19. Prepare amortisation schedules for assets purchased using finance
- 1.2.20. Prepare depreciation schedules for existing and new assets
- 1.2.21. Representation during reviews and audits (including tax, BAS, workers compensation, and payroll tax audits)

1.3. Our advice will cover Australian Income Tax and where relevant Goods & Services Tax. It will not cover any other taxes such as stamp duty, land tax or FBT.

1.4. The scope of our engagement will be limited to performance of the services listed above.

1.5. If the scope does not meet your requirements or you would like to discuss the scope with us further, please let us know.

- 1.6. We consider that we have the necessary expertise to perform the services covered by our engagement. However, any changes to the scope of our engagement may require us to reconsider the terms of our engagement and/or make new arrangements with you.
- 1.7. If you wish to change the scope of our instructions, please contact our office.
2. Specifically Excluded Services:
 - 2.1. Human resources, wages and payroll advice, including relevant awards and increases. We highly recommend clients maintain membership of an employer association and regularly review Fair Work information.
 - 2.2. Financial Advice – We do not provide financial advice. If you would like financial advice, we can refer you to some trusted, licenced advisors who may be able to assist.
3. Related Persons/Entities:
 - 3.1. You agree that this engagement letter will cover both yourself and any other person or entity that you direct us to act for.
 - 3.2. You agree to only direct us to act for a person and/or entity that you have the required authority to do so.
4. Period of Engagement:
 - 4.1. This engagement will start on the earlier of the following:
 - 4.1.1. Date this letter is signed; or
 - 4.1.2. Date instructions and/or further information is provided.
 - 4.2. This engagement will end upon both of the following occurring:
 - 4.2.1. Either party gives notice to end the engagement; and
 - 4.2.2. All fees payable to us are paid.
 - 4.3. This engagement document will be effective for future years unless we issue an amended one to you.
5. Your disclosure and record keeping obligations:
 - 5.1. You are required by law to keep full and accurate records relating to your tax affairs.
 - 5.2. Records are recommended to be retained for a minimum of 7 years.
 - 5.3. 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.
 - 5.4. We expect that information will be provided to our office in a summarised format that is easy to follow and does not require significant adjustments for errors.
 - 5.5. **Inaccurate, incomplete or late information could have a material effect on the provision of our services and/or our conclusions and may result in additional fees.**
 - 5.6. We will not verify the accuracy or completeness of information you provide to us.
 - 5.7. You are 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.
 - 5.8. You are required to advise us if you become aware of any conflict of interest or potential conflict of interest.
 - 5.9. You are required to advise us of any relationship changes (both business and personal) that may be relevant.

- 5.10. We take no responsibility to the extent that our advice is inaccurate, incomplete, or misleading where it is based on inaccurate, incomplete, or misleading information being provided to us.
- 5.11. 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.
6. Your rights and obligations under the taxation laws:
- 6.1. 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 or object against a decision made by the Commissioner.
- 6.2. As relevant, we will provide further information to you concerning your rights under the Australian taxation laws during the conduct of the engagement contemplated by this letter.
- 6.3. You also have certain obligations under the Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date.
7. Our obligation to comply with the law:
- 7.1. 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.
- 7.2. Unless otherwise stated, any opinion given is based on the Australian tax law in force and the practice of the Australian Taxation Office (the ATO).
- 7.3. Our advice and/or services will be based on Australian taxation 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. We note that Australian taxation laws are often subject to frequent change and our advice will not be updated unless specifically requested by you at the time of the change in law or announced change in law.
8. Australian Taxation Office (ATO) Matters:
- 8.1. You authorise our office to deal with the ATO on your behalf until you advise us otherwise.
- 8.2. We note that lodgement of BAS's and Tax returns (and other relevant documents) will require confirmation from yourself prior to lodgement, that the information is true and correct, and that we may lodge that particular document.
9. Australian Securities and Investments Commission (ASIC) Matters:
- 9.1. Where relevant, you authorise our office to add related companies to our registered ASIC Agent list, and deal with ASIC on your behalf until you advise us otherwise.
- 9.2. Once a company is added to our ASIC Agent list, future ASIC annual review documents will be sent from ASIC directly into our software CAS360. Once received our office will forward the annual review to you by email.
- 9.3. We note that lodgement of ASIC forms (in particular changing share ownership or director roles) will require confirmation from yourself prior to lodgement with ASIC.
- 9.4. We will charge an annual fee for each company we add to our ASIC agent list to cover the cost of software and time spent processing the annual review. Please see clause 11 for a list of fees.

10. Confidentiality:

- 10.1. We will not disclose any information relating to your affairs to any third party, unless required by law or in accordance with Clause 10.5.
- 10.2. You may provide us with permission to disclose your confidential information in certain circumstances, or place conditions on the disclosure of certain confidential information.
- 10.3. 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.
- 10.4. You authorise us to discuss your financial matters and the financial matters of any associated entity with your direct family members unless otherwise advised in writing.
- 10.5. Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of contracted and outsourced services as described. We only outsource to suitably qualified professionals to complete the work required. Any outsourcing is required to comply with privacy legislation, and reasonable steps are taken to maintain data security.

11. Fees:

11.1. Below is an indication of our fees as at 1st January 2022 for the following services (exc GST)

11.1.1.	Company Financials and Tax return	per hourly rate
11.1.2.	Trust Financials and Tax return	per hourly rate
11.1.3.	SMSF Administration	from \$390.16 per quarter
11.1.4.	Business Activity Statement	per hourly rate
11.1.5.	Consulting services	per hourly rate
11.1.6.	Annual Company Maintenance	\$100 per company
11.1.7.	Other ASIC changes/admin	per hourly rate
11.1.8.	Personal Tax return	
11.1.8.1.	Basic tax return	\$182.95
11.1.8.2.	Rental property schedule	\$93.65
11.1.8.3.	Capital gains schedule	\$93.65
11.1.8.4.	Other supplementary schedule	\$93.65
11.1.8.5.	On-site preparation fee	\$104.00
11.1.9.	Objection to ATO decision	per hourly rate
11.1.10.	Single Touch Payroll	per hourly rate
11.1.11.	Payroll Tax Reconciliation/Lodgement	per hourly rate
11.1.12.	Other non-standard items	per hourly rate
11.1.13.	Ad hoc Tasks and enquiries	per hourly rate
11.1.14.	Provision of software products	at RRP unless otherwise agreed.
11.1.15.	All other costs and disbursements	at cost

11.2. Any work carried out on an hourly rate basis will be charged at the following hourly rates (exc GST)

11.2.1.	Accountant	\$228.70 per hour
11.2.2.	Administrative Work	\$182.96 per hour
11.2.3.	Bookkeeping	\$182.96 per hour
11.2.4.	Reconciliation Work	\$182.96 per hour
11.2.5.	Software Support	\$182.96 per hour
11.2.6.	On-site call out fee	additional \$228.70 per on-site visit

- 11.3. These rates are subject to change.
- 11.4. Fees will increase on the 1st of January by CPI without further notice.
- 11.5. A tax invoice will be issued upon completion of the provision of the agreed services.
- 11.6. Late payment of invoice may incur additional fees and/or interest.
- 11.7. A past waiver or discount of a fee or charge does not waive or discount future fees and/or charges unless specifically agreed.

12. Payment of Fees:

- 12.1. If the entity invoiced by us for our services is unable or unwilling to discharge its liabilities to us, then you agree to personally indemnify us for any such liability.

13. Referral Arrangements:

- 13.1. We have entered various flexible referral arrangements with other entities, including Mortgage Brokers, Software providers, Quantity Surveyors, Financial Advisors and Lawyers.
- 13.2. None of these arrangements, generate any significant revenue for our business.
- 13.3. Financial Advisors – No referral fees are paid for referrals for financial advice.
- 13.4. Insurance – Referral fees for insurance are generally nil, or between 10-20%.
- 13.5. Lawyers – No referral fees are paid for referrals for legal advice.
- 13.6. Mortgage Brokers – No referral fees are paid for referrals to This Way Pty Ltd.
- 13.7. Software Providers – Typically we have access to wholesale pricing on various software products. We may on charge the cost of these products at or below RRP.
- 13.8. Other referral fees may exist or arise, however are expected to be relatively minor.

14. Limitation of Liability and Complaints Handling:

- 14.1. We go to great lengths to ensure satisfaction with our services.
- 14.2. If for any reason you feel you have not received the service expected, please contact us first and express your concerns. We will try hard to resolve any problems in the most considerate and direct manner.
- 14.3. Our liability may be limited by a scheme approved under Professional Standards Legislation. Further information on schemes are available from the Professional Standards Council – <https://www.psc.gov.au/>.

15. Tax Audit Insurance:

- 15.1. The fee paid to prepare and lodge a tax document with the ATO does not include responding to inquiries or investigations conducted by the ATO.
- 15.2. We recommend you consider purchasing tax audit insurance to cover our fees related to possible audits and reviews.

16. Ownership of documents:

- 16.1. All original documents obtained from you arising from this engagement will remain your property.
- 16.2. We reserve the right to make a reasonable number of copies of the original documents for our records.
- 16.3. All other documents produced by us in respect of this engagement will remain our property.
- 16.4. We retain legal right of lien over any of your documents in our possession in the event of a dispute between us.

17. Storage of Personal Information:

17.1. We make use of various software, including but not limited to Office 365, Zoom, Xero, Quickbooks Online, SF360, CAS360, Hubdoc, rightSignature, Adobe Sign, Hellosign, LodgeIT, Xero Practice Manager, MYOB, Acuity, and various others. Such services may provide cloud data storage and back up data storage in various global locations. By accepting our services, you acknowledge and agree that your personal information may be stored overseas and/or on cloud-based servers.

18. Your acceptance of these terms:

- 18.1. This letter sets out the basis on which we will act for you. Please sign the letter where indicated and return a copy of the signed letter to us to indicate your acceptance of its terms.
- 18.2. **If you do not forward your signed copy of the engagement letter but continue to provide us with information and/or instructions regarding your financial affairs, the terms and information provided in this letter will bind us both.**

Acknowledgement of terms of engagement:

I confirm that I understand and agree to your terms of engagement.

Signed