

1 July 2022

Dear Fay & Redman Client,

Tax File Number:

Engagement of our services

Thank you for your instruction to attend to your taxation requirements. We set out below our understanding of the scope and terms of our engagement.

Purpose and scope of engagement

Our engagement is to prepare and lodge your annual income tax returns commencing from the year of the return to which this document is attached. The terms and conditions of this engagement agreement will continue to be effective in future years in the event that you instruct us to prepare your future tax returns, unless we advise you of any change in the terms hereof.

This work will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB) including the Code of Ethics for Professional Accountants (the Code).

As agreed, our services will be provided to you on a fee for service basis based on the following hourly rates for members of our firm.

Principal (Partners)	\$363.00 per hour including GST
Senior Accountants	\$247.50 per hour including GST
Intermediate Staff	\$176.00 per hour including GST
Administration Staff	\$ 95.00 per hour including GST

Our charge out rate are subject to change and any changes to these rates will be posted on our website at www.fayandredman.com.au at least one (1) month prior to those changes taking effect.

This document relates only to the abovementioned service and details the basis and terms of this engagement. If we are requested to provide other specific service(s) they will be the subject of a separate engagement letter and thus a separate fee. Please note, any correspondence from the Australian Taxation Office that does not relate to initial assessments or original payment notices will be treated as additional services.

Payment of any account is required to be made within 21 days, unless special alternative arrangements are made with us prior to the due date. Payments received outside our stated trading terms may incur an interest charge at the rate of ten percent (10%) per annum.

Documentation

In addition to the basic financial information required to complete the tax return, it is expected that the source documentation will be available to allow this firm to analyse the income tax implications of any transaction.

It is also expected that, in respect of your income tax return, you will comply with the substantiation provisions of the Income Tax Assessment Act.

We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation.

The fee for this service does not cover any inquiries or investigations conducted by the Australian Taxation Office.

Ownership of documents

The tax returns which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents, will remain our property at all times. If our services are terminated, we shall be entitled to retain all documents that we have prepared or hold until payment in full of all outstanding fees.

Responsibility

Please be aware that:

- (a) You are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services and this responsibility rests with you;
- (b) Any advice given to you is only an opinion based on our knowledge of your particular circumstances; and
- (c) A taxpayer has obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns.

Any information acquired by us in the course of our 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 CPA Australia 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. The same strict confidentiality requirements apply under this program as apply to us.

Before we lodge any tax returns on your behalf, we will forward them to you for approval and signing. We will endeavour to ensure that the returns are lodged by the due dates and will confirm to you at the beginning of the financial year when documentation should be provided to us. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any lodgement penalties you may incur.

INCOME TAX RETURN PREPARATION, SELF ASSESSMENT AND RECORD RETENTION

A taxpayer is responsible under self-assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to 5 years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

Failure to keep appropriate records on tax claims may involve imposition of penalties and interest, including not maintaining the appropriate records and documents for up to 5 years. Where those assessments submitted are later found to be incorrect, the Commissioner may amend your income tax assessments. In addition to any tax assessed, you may be liable for penalties and interest.

Involvement of Others

Where, as part of our engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

Outsourced Services

We do have Outsourcing arrangements with professional accounting firms in India and the Philippines whom we hire from time to time when busy.

Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described. Where the outsourced service requires the disclosure of personal information to an overseas recipient a consequence of your consent is that Fay & Redman Pty Ltd will be required to take reasonable steps to ensure that the Australian Privacy Principles are complied with by the overseas recipients of the Personal Information.

Lien on Documents

In relation to any subsequent termination of our services, you are advised that we shall be entitled to retain all documents belonging to you and any related parties we act for until payment is received in full for all outstanding fees.

Confirmation of Engagement

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this letter to ensure that you are satisfied with the scope of our engagement.

If you do not sign this document, nor contact us with changes to the engagement, yet continue to provide us with information and instructions regarding your affairs, the terms and information provided in this document will bind you and Fay & Redman Pty Ltd.

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Acknowledged By Client

Date.....