

1 July 2022

Dear Fay & Redman Client,

Engagement of our services

We are pleased to accept the appointment as your accountants and tax agents and now set out our understanding of the scope and terms of this engagement.

We will be responsible for the following (where applicable):

1. Preparation of the Annual Financial Accounts, including the Detailed Operating Statement, Detailed Statement of Financial Position and Members Statements.
2. Preparation of Annual Return.
3. Preparation of Minutes etc. to comply with statutory requirements.
4. Review and assist in preparation of your BAS/GST, PAYGW and PAYGI obligations to the ATO if necessary.
5. Engagement of Auditor on behalf of the fund.
6. Other advice as requested from time to time.

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.

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).

We understand that an audit of the Financial Accounts is required, and therefore we will not be expressing an opinion as to the truth and fairness of those statements. However, we will inform you of any such matters that come to our attention.

To help us prepare your Financial Accounts and Income Tax Returns, you will need to provide us the following:

1. Copies of your Activity Statements/Instalment Notices that were reported to ATO.
2. Any loan documentations.
3. Copies of Bank Statements.
4. Details of assets purchased/investments made.
5. Other items as requested from time to time.

Responsibilities

You or your staff will be responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. You also acknowledge that it's your responsibility for the reliability, accuracy and completeness of the accounting records and that you have disclosed to us all material and relevant information.

Our involvement in this type of engagement will not disclose fraud, defalcations or other irregularities which may occur. However, any material weaknesses in the accounting or internal control systems which come to our notice will be drawn to your attention.

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.

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 we are 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.

Ownership of Documents

The final Financial Statements, Income Tax Returns and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be the property of you. Any other documents brought into existence by us including general journals, working papers, the general ledger, draft financial statements and copies of tax returns, will remain our property at all times.

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.

Fees

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses. Our charge out rates are as follows:

Principal (Partners)	\$363.00 per hour including GST
Senior Accountants	\$247.50 per hour including GST
Intermediate Accountants	\$176.00 per hour including GST
Administration Staff	\$95.00 per hour including GST
Bookkeeping services	\$82.50 per hour including GST

Any additional fee for an additional service not covered in the scope of this engagement will be the subject of a separate engagement letter under separate fee arrangements.

Accounts for services provided will be forwarded to you as work progresses. 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.

Our charge out rates 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.

Software Fees

Fay & Redman use Class software to record your superannuation transactions and to facilitate timely production of required reports. Class software is a cloud software product for which Fay & Redman are required to pay fees to the software provider for each superannuation fund that uses the software. The annual fee for each self-managed superannuation fund is \$250.00 per year plus GST. This fee will be invoiced to your super fund annually from 1 September 2019 at cost. Any increases in fees for this software will be reflected in annual invoices issued subsequent to 1 September 2019.

Period of Engagement

This engagement is effective for all services provided from 1 July 2022.

The terms and conditions of this engagement agreement will continue to be effective in future years in the event that you instruct us to undertake work on your behalf within the scope of this agreement, unless we advise you of any change in the terms hereof.

Please sign and return this letter to indicate that it is in accordance with your understanding of the arrangements.

If you would like to discuss any matters in relation to the terms of our engagement or the contents of this letter, please do not hesitate to contact us on (07) 5561 7154.

Yours faithfully,

James Fay CPA
Director

This letter is an offer to you to engage our services upon terms and conditions set out herein. If you accept this offer, you will be regarded as having entered into an agreement with us for provision of our services on those terms and conditions. Your acceptance of the offer is constituted by any of the following: -

- (a) Signing and returning of the Letter of Engagement to us; or
- (b) Giving us instructions after receiving the letter; or
- (c) Contacting us and advising us of your acceptance.

We would ask that you sign this original letter and return it to us. Please retain a copy of this letter for your records.

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Acknowledged By Client

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Acknowledged By Client

Date

Date