



WestNet Tax Accounting Limited

123 Glendale Road
 PO Box 20 064
 Glen Eden, Auckland 0602
 Phone 818 3702 Fax 818 3076
 Email liz@westnettax.co.nz
margot@westnettax.co.nz
amanda@westnettax.co.nz

Name:

The Accountants and Tax Agents Institute of New Zealand (ATAINZ) recommend we record and communicate the nature of the work that we do for you as well as our terms of business.

We want to establish a close, professional relationship with you, and don't want to send you a boring, legal letter. So we have set out the basics below and put the detail in an appendix. Please check that what we have set down here agrees with your understanding and then sign on page 2 in the space provided.

Who Does What?

	We do ✓	You do ✓
Financial and Tax		
Wages		
PAYE returns		
GST returns		
FBT returns		
RWT returns		
Annual accounts	✓	
Income tax returns for the entities named above	✓	
Provision of our income tax payment reminder service	✓	
Company		
Company directors' and shareholders' resolutions as required for annual accounts and taxation returns		
Provision of registered office of your company		
Filing of your annual company return with the Registrar of Companies		
Initial administration review of your company records and annual review thereafter		
Other Services		
ACC administration		
Payment of your supplier accounts		

Basis of fees

Our fees are based on the time it takes us to do the work and the experience and qualifications of the people involved. Our more experienced people will deal with more complex and high value work – naturally at a higher hourly rate.

Authority to Act

You authorise us to act as tax agent for the tax types associated with your business entity indicated above in the 'We do' column. Please sign the enclosed authorities to act. Make sure that authorities are signed by a director/trustee/partner as appropriate or the individual concerned. For minors, a parent should sign.

In signing this letter you also agree to authorise us to communicate with your bankers, solicitors, finance companies and all government agencies to obtain the information required to complete our work for you.

Guarantee

You are the judge of our performance. If you think the fee is excessive for the work done or if you are dissatisfied with our work we invite you to contact any partner of the firm, who will investigate without cost to you and suggest a remedy.

Please indicate your acceptance of this proposal by checking that the services as listed above match your understanding and then signing the enclosed copy of this letter and returning it to us.

Yours sincerely

Margot Govers

The services and terms set out above and referred to in the attached appendix are as agreed.

Signed: _____

Date: _____

Signed: _____

Date: _____

For and behalf of:

Appendix 1

1. What we will do

- 1.1 We will use our professional skills to do the work you have requested based on information supplied by you. Where required by legislation or requested by you, annual accounts will be prepared in compliance with the minimum requirements of the Tax Administration (Financial Statements) Order 2014. We will also provide additional information that we believe will be useful to the users of the financial statements.
- 1.2 Periodic accounts for management are not governed by legislation and will be prepared on the basis requested by management.
- 1.3 The general basis of accounting used to compile the accounts will be described in the notes to the financial statements together with any significant departures from that basis. Significant departures will also be referred to in our compilation report (see 1.5 below).
- 1.4 We will inform you of any suspicions of omissions or irregularities that come to our notice.
- 1.5 We will provide a compilation report on all annual accounts that include a balance sheet. An example of a typical report, not specific to your circumstances, can be obtained on request.
- 1.6 We retain legal ownership of working papers prepared by us. We are entitled to retain possession of your records which have been used in relation to this engagement until all outstanding fees are settled.
- 1.7 We set a limit on our liability to you for negligence or any other reason at ten times the annual accounting fee.
- 1.8 We will collect personal information about you, including, but not limited to, your name, contact details, IRD number, company numbers (if applicable) in order to prepare your annual accounts and taxation returns and any other work you engage us to do. We keep this information safe by using password-protected data storage software and require all staff to use two factor authentication. You have a right to ask for a copy of the personal information that we hold about you, and to ask us to correct it if you think it is wrong. If you'd like a copy of your information, or you would like us to correct it, please contact us at admin@westnettax.co.nz. We keep people's information for at least seven years. After this time any physical files not requiring to be kept are destroyed by using a third party data destruction service. Electronic files are not destroyed.
- 1.9 We will explain or redraft any element of these terms to ensure that you understand them and think they are reasonable.

2. What we will NOT do

- 2.1 We will not conduct an audit or any other independent verification work.
- 2.2 Consequently we will not express any kind of opinion on the accuracy of the material we compile or its suitability for any purpose.
- 2.3 We will not necessarily establish or maintain independence. It is not a professional requirement to be independent before carrying out compilation work of this nature. However, any other relationship will be described in our compilation report.
- 2.4 We will not take active steps to identify weaknesses in your internal accounting system, errors, illegal acts or other irregularities, for example, fraud or non-compliance with laws and regulations. However, should we become suspicious of any irregularities we will report it to you (see 1.4 above).
- 2.5 We will not accept liability in negligence or for any other reason to anyone but you and your enterprises listed at the head of the main letter. A disclaimer to this effect will be included in our compilation report.

3. What you will do

- 3.1 You will deliver accurate, complete information needed to compile the accounts and returns promptly at the times agreed. We will provide a checklist to assist in identifying the information we require.
- 3.2 You remain responsible for the reliability, accuracy and completeness of the financial information compiled, including tax returns. You have delegated certain tasks to us, as tabled in the main letter, and we are responsible for carrying out those tasks in a professional manner. You cannot abrogate the ultimate responsibility for ensuring that the financial information is compiled properly.
- 3.3 You will inform us if the information we compile is intended to be disclosed to any person or body and how they are expected to use it. This does not apply to:
 - 3.3.1. the directors, shareholders, partners, trustees or equivalent office holders of your enterprises as listed at the head of the main letter, and
 - 3.3.2. the Inland Revenue Department.
- 3.4 You confirm that we have authority to communicate with and obtain information from any third party if the information sought is relevant to our work.
- 3.5 You agree that ATAINZ may have access to the records and information we hold that support our working papers. This is an essential part of ATAINZ's quality assurance function. The likelihood that any particular engagement is selected is very small. All ATAINZ employees and contractors are required to maintain the strictest confidentiality.
- 3.6 If you read through this document and notice this paragraph, let us know and we will deduct \$20 from our next fee.
- 3.7 You will pay our fees on time. Invoices for work done in a will be delivered from time to time and are due for payment within 10 working days. Should it be necessary for us to commence proceedings to collect any outstanding fees, the costs of collection will be charged to you accordingly. We may also charge interest at the rate of the prescribed interest rate (PIR) published from time to time by the Inland Revenue. For annual account clients, the invoice will be sent within 10 days of the calendar month after the job is completed. For Clients who we complete more work for during the year, we will bill in line with GST returns.
- 3.8 You will let us know if any of these terms are unclear or not what you think is reasonable and we will explain or redraft to make sure you are happy. See 1.8 above.

Appendix 2

Sample Compilation Report and Disclaimer

The following sample is typical of the Compilation Report and Disclaimer which will appear on the financial information we prepare.

COMPILATION REPORT

Scope

On the basis of information provided, we have compiled the financial statements of [Entity Name] for the [year/period] ended [Date Month Year].

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Directors are solely responsible for the information contained in the financial statements and have determined that the special purpose reporting used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

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

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with [Entity Name] other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.

[Signature of firm or individual partner]

WestNet Tax Accounting Ltd
Unit 5/123 Glendale Road
Glen Eden
Auckland 0602

[Date]