

This brochure is to confirm our understanding of the terms of our engagement and the nature and limitations of the services we provide.

#### Purpose, Scope and Output of the Engagement

This firm will provide services, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB). The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

Documentation will be prepared for distribution to you for the agreed purpose. There is no assumption of responsibility for any reliance on our report by any person or entity other than you. The report shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our report may include a disclaimer to this effect.

#### Period of Engagement

This engagement will start upon acceptance of the terms of engagement by the Client in line with this brochure. We will not deal with earlier periods unless the Client specifically asks us to do so and we agree.

#### Responsibilities

In conducting this engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent.

We wish to draw your attention to our firm's system of quality control which has been established and maintained in accordance with the relevant APESB standard. As a result, our files may 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 accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you.

We may collect Personal Information about your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we may, as part of our responsibilities as a member in public practice, take steps and actions are set out in section 225 of the code, "responding to non-compliance with laws and regulations". These include but are not limited to the following. During the course of our engagement, if we identify or suspect that non-compliance with laws or regulations has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance with which may be fundamental to the operating aspects of your business, and your ability to continue its business or to avoid material penalty, we will discuss the matter with the appropriate level of management, those charged with the governance or the internal auditor, as appropriate, to enable you to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance or deter the commission of the non-compliance where it is not yet occurred. We will consider whether to communicate the non-compliance or suspected non-compliance with the external auditor, unless prohibited by law or regulation. We will also consider, based on the materiality and/or significance of the matter, whether further action is needed in the

public interest. Further action may include disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so or withdrawing from the engagement and the professional relationship where permitted by law or regulation. Where appropriate we will inform you of our intention to disclose the matter to an appropriate authority before disclosing the matter. However, if we have reason to believe that the actual or intended conduct would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public, we may immediately disclose the matter to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation.

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

You are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. You are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to you is only an opinion based on our knowledge of your particular circumstances. You or your staff are responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. You have obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is the Client's responsibility to keep those records for five (5) years.

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 four (4) 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.

#### Fees

The fee arrangement is based on the expected amount of time and the level of staff required to complete the services as agreed. The fee is *excluding* miscellaneous expenses which are incurred to complete the engagement. This fee arrangement will be subject to change if the following circumstances should occur:

- You have purchased or sold assets;
- You have financed or refinanced;
- You have restructured your business or your internal accounting systems;
- We are required to prepare on your behalf specific taxation elections or rulings;
- Your accounting records are incomplete or unreconciled.
- You have made enquiries or requested advice or specific services throughout the year outside of the documents prepared included in the compliance scope of work.

We will invoice you on a time cost basis either at the time the additional work is provided or on the final invoice for this engagement.

Our preferred payment method is by electronic means.

#### Ownership of Documents

All original documents obtained from the client arising from the engagement shall remain the property of the client. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

Our engagement will result in the production of various legal documents and reports. Ownership of these documents will vest in you. All other work papers and supporting documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

#### Confirmation of Terms

Acceptance of our services in conjunction with this information brochure indicates that you understand and accept the arrangements. This letter will be effective for future years unless we advise you of any change.