

## Terms of Engagement

Client:

*[To be referred to as: the Client]*

IRD Number:

Firm:

**Lay Dodd Partners Limited**

This document is to confirm *Lay Dodd Partners Limited's* understanding of the terms of our engagement and the nature and extent of the services we will provide. Unless otherwise agreed between us in writing this letter records the entire agreement between us in relation to *Lay Dodd Partners Limited's* engagement. The terms recorded in this letter will remain in force until varied by *Lay Dodd Partners Limited* in writing to you, or until cancelled by either of us by notice in writing to the other.

These arrangements will continue in effect from year to year unless varied in writing.

*The client* accepts the responsibility for ensuring that all relevant records and information are at the offices of *Lay Dodd Partners Limited* or as otherwise agreed in reasonable and sufficient time for processing to be completed by *Lay Dodd Partners Limited* before any statutory or other deadline.

Where the services of an external consultant are required, involving the disclosure of confidential client information, *the client's* prior consent will be obtained by *Lay Dodd Partners Limited*.

*The client* accepts that *Lay Dodd Partners Limited* shall have the right to exercise a possessory lien over any records in their possession relating to any outstanding fee.

On the basis of the information you provide, we will compile a set of financial statements incorporating a Statement of Financial Position, a Statement of Financial Performance and Movement in Equity and a Schedule of Property, Plant and Equipment and we will prepare the taxation return.

This is neither an audit or review engagement and accordingly no assurances will be expressed by Lay Dodd Partners Limited.

The applicable reporting framework or basis of accounting will be disclosed as part of the financial information, together with any departures.

There is a requirement for general purpose financial statements to be prepared in accordance with generally accepted accounting practice in New Zealand. If compliance with generally accepted accounting practice does not result in a true and fair view of the financial information, additional explanations will be required to achieve that result.

The management of *the client* is responsible for the accuracy and completeness of the accounting records and other information supplied to Lay Dodd Partners Limited, and for the reliability, accuracy and completeness of the financial information compiled on the basis of those records and information.

The information to be supplied and any other information that Lay Dodd Partners Limited consider necessary to complete the engagement will be supplied on a timely basis.

The engagement cannot be relied upon to disclose internal control weaknesses, errors, illegal acts, or other irregularities e.g. fraud or non-compliance with laws and regulations applicable to the entity.

It is not intended that the engagement of *Lay Dodd Partners Limited* for the compilation of financial statements be relied upon to prevent or detect fraud or error.

If requested by *the client*, *Lay Dodd Partners Limited* will prepare and file on time for *the client* Income tax returns and election notices for *the client* and associated persons, GST returns, FBT returns, Employee Deduction forms, payment of PAYE etc deductions, overdue IRD returns, Statistics NZ forms etc.

*Lay Dodd Partners Limited* may provide to *the client* general business and/or tax advisory services as required.

*Lay Dodd Partners Limited* may provide monthly / periodic management financial accounts, regular preparation of cash flows forecasts with analysis as required.

*Lay Dodd Partners Limited* will not audit, review, or carry out any other checks on the accuracy or completeness of the information *the client* provides.

*Lay Dodd Partners Limited* will inform the appropriate level of management of *the client* or those charged with the governance of *the client* as appropriate, of any matters that come to *Lay Dodd Partners Limited's* attention in the course of performing the compilation engagement which cause *Lay Dodd Partners Limited* to believe or suspect that errors or misstatements, illegal acts or other irregularities exist, either in relation to the entity or the financial information that is the subject of the engagement.

The intended use and distribution of the information once compiled, including expected use of the information by third parties, is to *the client* and its bank or financier.

The form of the report to be issued regarding the financial information compiled is a set of Financial Statements as outlined above with accompanying notes and if applicable an Annual Report.

The frequency of reports to be issued regarding the financial information compiled is annually unless otherwise requested.

The independence of *Lay Dodd Partners Limited* is not a requirement for an engagement to compile financial information.

Access to *the client's* records and information in *Lay Dodd Partners Limited's* possession which support *Lay Dodd Partners Limited's* working papers relating to *the client's* affairs may be required by the Institute for the purposes of the Institute's quality assurance function. (36k)

Working papers prepared by *Lay Dodd Partners Limited* in relation to the assignment are *Lay Dodd Partners Limited's* property. (36l)

The following disclaimer statement will appear on the compiled information:

*Lay Dodd Partners Limited* has compiled the financial information in accordance with *SSE-2 Compilation of Financial Information* of the New Zealand Institute of Chartered Accountants based on information provided to us which has not been subject to an audit or review in respect of either of the information provided or the financial information which is provided from it. Accordingly neither *Lay Dodd Partners Limited* nor any of its employees accept any responsibility for the reliability, accuracy or completeness of the compiled information nor do we accept any liability of any kind, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

*The client* accepts that the above disclaimer by *Lay Dodd Partners Limited* forms part of the financial statements and is to remain attached to all copies of the financial statements distributed to third parties.

*The client* may use *Lay Dodd Partners Limited's* office address as the mailing address for correspondence from the Inland Revenue Department, in which event *Lay Dodd Partners Limited* will send copies of any letters etc received, and recommendations for the reply if appropriate.

*The client* may use *Lay Dodd Partners Limited's* office address as the mailing address for assessments from the Inland Revenue Department, in which event *Lay Dodd Partners Limited* will check the accuracy of the assessments and advise *the client* of the amounts and dates of tax payments.

By signing this letter *the client* authorises the tax agent, *Peter Clarke* trading as *Lay Dodd Partners Limited*:

- to act as its tax agent with the Inland Revenue Department for all tax types except Child Support and associated entities;
- to have access to all relevant tax records and to be able to obtain information as required from the Inland Revenue Department for all channels, including electronic.

Under *Peter Clarke* trading as *Lay Dodd Partners Limited* tax agency *the client* will receive an 'Extension of Time' for filing tax returns, provided that tax returns have been filed on time in prior years. The client acknowledges and accepts responsibility for the content of its tax returns.

*The client* authorises *Lay Dodd Partners Limited* to act as its agent for ACC levy purposes for all associated entities. This authorisation allows *Lay Dodd Partners Limited* to query and change information on *the client's* ACC levy account(s) through ACC staff, and through ACC Online Services. This authority will also allow *Lay Dodd Partners Limited's* main representative discretion to delegate access to *the client's* ACC information to other members of *Lay Dodd Partners Limited*. Other delegated members of *Lay Dodd Partners Limited* will also be able to query and change information on *the client's* ACC levy account.

The conduct of this engagement is in accordance with the professional standards, Rules, and Code of Ethics of the New Zealand Institute of Chartered Accountants. Information obtained in the course of this engagement is subject to confidentiality requirements in addition to *Lay Dodd Partners Limited's* obligations under the Privacy Act 1993. *Lay Dodd Partners Limited* will not disclose that information to other parties without *the client's* express consent, except as required by law or professional obligations.

*Lay Dodd Partners Limited* will not be responsible or liable if information needed to carry out its tasks properly is withheld or concealed or wrongly represented to it.

Fees are due 14 working days after completion of the assignment unless an installment arrangement is in place.

If fees are overdue *Lay Dodd Partners Limited* may, at its option:

- Decline to carry out further work until the fees are paid or arrangements are made for its payment
- Charge a late payment fee at a rate of 1.5% per month compounded from the due date to the actual date of payment.
- Place any outstanding account in the hands of its solicitors or a debt-collection agency for collection. In those circumstances *the client* and each of the signatories to this form consent to *Lay Dodd Partners Limited* providing its solicitors or debt-collection agency with such details relating to the client and the signatories as may be necessary to collect such outstanding account. All fees and Court costs will be added to the amount owing and will be recoverable from the client and/or the signatories.

*Lay Dodd Partners Limited* shall be entitled to exercise a general lien over all the books, records, related documents and such other chattels that may come into its possession for the purposes of performing professional services until all outstanding fees have been paid.

In the event that a disagreement arises between *the client* and *Lay Dodd Partners Limited* over fees the parties agree to use the Fees Resolution Service of the New Zealand Institute of Chartered Accountants to resolve the matter.

*Lay Dodd Partners Limited* will store the records that it holds on *the client*'s behalf for a period of seven years after the appropriate balance date. At the end of that period *Lay Dodd Partners Limited* will notify *the client* and unless the latter requests their return they will be destroyed using a secure document destruction service.

*The client* authorises *Lay Dodd Partners Limited* to seek information it requires for the performance of its assignments from *the client's* solicitors, bankers, and finance companies.

*Lay Dodd Partners Limited* reserves the right to remove the name of *the client* from its Inland Revenue Department 'Agency List' if it fails to provide the information required to enable the completion of its tax returns by due date.

It is a condition and precedent to any liability that any claim against *Lay Dodd Partners Limited* must be made and notified within one year of the date the performance of the work specified in this agreement. Any liability will be limited to 3 times the amount invoiced in respect of any assignment (GST and disbursements excluded) or the sum of \$5000 whichever is the lesser.

Signed for and on behalf of:

Signed for and on behalf of:  
Peter Clarke, Director  
Lay Dodd Partners Limited

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Signature

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Signature

Designation:

Date:

Date: