



TRUST

Your acceptance of our Terms of Engagement will be presumed unless advised otherwise.

TERMS OF ENGAGEMENT
Please note that each client will have their terms of engagement customised and personalised to their individual circumstances.

The purpose of this document is to confirm the understanding of our terms of engagement and forms the basis of our contract with you, in regard to performing accounting and administration services for the following entity/entities:

Trust name:

IRD number:

Acting for You

When we give you accounting advice, we will be relying on the information that you and sometimes other agencies provide to us. Our opinions are based on our best professional judgement. Your instructions will be carried out by a director, an accountant or client services administrator depending on the level of skill required for particular tasks.

Financial Statements and Reports

We will compile your interim financial reports and your annual financial statements from information provided from you. This is in accordance with Service Engagement Standard No 2 (SES-2) Compilation of Financial Information issued by the New Zealand Institute of Chartered Accountants (NZICA).

It is understood and agreed that:

- a) You will provide us with accurate and complete information necessary to compile such statements, and:
You will give us this information on a timely basis;
You are responsible for the accuracy and completeness of the assertions in the financial statements;
You accept responsibility for all records and information supplied to us;
You accept responsibility for any failure to supply us with all relevant records and information.
b) Brown & Associates Ltd will not undertake an audit or review engagement, unless specifically asked for, and accordingly no assurances will be expressed by us. Each page of the financial statements will be conspicuously marked as being audited if this has been performed, as to the Audit Statute.
c) Our disclaimer forms part of our financial statement – you will attach our disclaimer when distributing the financial statements to third parties.
d) The financial information will be prepared in accordance with generally accepted accounting practice in New Zealand, and this will be disclosed as part of the financial information. If this does not represent a true and fair view of the financial

information, this will be explained in the reports and any departures from this practice will be disclosed in the financial reports.

- e) Due to the limited scope of work performed in compilation, Brown & Associates Ltd cannot be relied upon to prevent or detect fraud, internal control weaknesses, errors, illegal acts or other irregularities. Of course, if anything of this nature comes to our attention during the preparation of financial information, we will inform you of this.
f) Brown & Associates Ltd will prepare the financial information and reports knowing that the intended use of these is for yourselves and IRD taxation purposes. You will need to advise us of any changes to the intended recipients of any financial reports. If you distribute the financial statements to any person without attaching to them our statement disclaiming liability, then you will indemnify us against all claims, actions, damages, liabilities, costs and expenses (including, but not limited to, reasonable legal costs and expenses) incurred by us and arising out of or in connection with any action, claim or proceeding brought by a third party in connection with the services provided by us to you.
g) Independence is not a requirement for a compilation engagement such as this. However the NZICA code of ethics requires us to act objectively and to be, or be seen to be, independent. If we are aware that our independence may be compromised for whatever reason, we will disclose this in the financial report.
h) Any working papers that we prepare while working on your information will remain the property of this practice. Access to your records and information held by us may be required by the NZICA as part of their quality assurance procedures.
i) For any financial statements or reports that we prepare, a Compilation Report and Disclaimer will be attached – this will be in the format specified in Appendix 1 to this document.

Timetable for Completion

We will provide you with an efficient and timely service, and a completion date can be discussed if required.

Our Fees

We will charge you a reasonable fee for the work we carry out, this will take into account a number of factors including the time spent on your work by us; any differences in hourly rates reflect the experience & specialisation of our professional staff. GST (if any) is payable by you on our fees & charges. Should it become necessary to provide services falling outside the agreed scope, we will advise you as soon as possible & will give you an estimate of the likely amount of the further costs.

Billing and Terms of Payment

We may send you an invoice for our fees and administration costs at the end of every month, while the work we do for you is continuing. Payment is due 20th of the following month of the date of our invoices.

To ensure we continue acting for you, it is essential that you pay your bills promptly. If a bill is not paid by the due date, and no contact has been made with this office to discuss alternative payment options, we will stop acting as your accountant. In the unlikely event that this happens, we will notify you that we intend to stop acting for you.

You will continue to be responsible for paying our fees for the work we have done for you and the expenses we have incurred.

Your personal guarantee is given for the payment of all invoices.

If your bill or part thereof remains unpaid more than 30 days after due date, we reserve the right to charge you interest.

Interest on overdue invoices shall accrue daily from the due date until the date of payment, at a rate of 1.5% per calendar month compounding monthly.

If you default in payment of any invoice when due, you agree to indemnify us from and against all costs and disbursements incurred by us in pursuing the debt including legal costs and our collection agency costs.

What to do if you have Concerns about our Work

We value our relationship with you. If at any time you have any concerns about our work, the costs, or a complaint, please contact our Practice Manager – Sue Brown or the director who is supervising the work.

If we cannot resolve your concern or complaint through meeting with the supervising director, a director not directly involved in the matter, will undertake a review, at no cost to you, and formally respond to you within 2 weeks.

You can end your relationship with Brown & Associates Ltd at any time. Please notify us in writing and we will then send you an invoice for fees and expenses up to the date of termination of the relationship.

We may terminate our relationship with you in any of the circumstances detailed in the NZICA rules of conduct and client care.

Commissions

As part of our services to you, or upon request for recommendations, we may recommend products or services for which we receive a commission. This may include, but is not limited to, accounting software packages and insurance products. We will only recommend products that we consider offer a benefit to your business, however you are welcome to obtain independent advice at any time.

Appendix 1

The following Compilation Report and Disclaimer will appear on the financial information we prepare.

COMPILATION REPORT AND DISCLAIMER TO

Scope

On the basis of information provided by you we have compiled, in accordance with Service Engagement Standard No. 2: Compilation

of Financial information and relevant professional standard and ethical requirements issued by the Council of the New Zealand Institute of Chartered Accountants, the financial statements have been prepared in accordance with the financial reporting framework described in the Notes to the financial statements.

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the financial reporting framework 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.

Independence

We have no involvement with this client, other than the preparation of financial statements and reports.

No audit or review engagement undertaken

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

Disclaimer of Liability

As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither I nor any of my employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person or losses incurred as a result of placing reliance on the compiled financial information.

Trust Minutes and Records

We will prepare of the minutes of the trustees' annual meeting in regard to the financial statements.

The trustees will be responsible for the Trust records, including details of trustees, beneficiaries and deeds completed.

Income Tax Returns

We will prepare income tax returns for trust.

We will assist you to understand the importance and risk of signing these income tax returns as being true and correct statutory records.

We will need you to complete an annual questionnaire to obtain all relevant information to assist in preparing your annual income tax returns. **It is your responsibility** to ensure the final tax returns are a **complete and accurate representation** of your income and financial position for the year.

We will also assist you with tax planning and discuss options with you, in order that you are able to make an informed decision so you may decide upon the proper course of action. Where you elect to use the estimation provisions in relation to any taxation payments, we will advise you of the effects of such an election. Any use of money interest charge due to incorrect estimation would be your responsibility.

Tax Assessments

Our service includes the following:

The use of our practice's address for the IRD to serve notices;

A tax advice letter informing you of the amounts and dates of tax due;

Checking your assessment notices and advising you of any legitimate amendments;

Checking penalties and/or use of money interest charges if made. We will check their accuracy and advise you of the amounts and dates due.

It will be your responsibility to ensure payments are made on time.

Penalty Tax Regime

The tax legislation imposes penalties and interest charges for tax short paid as a result of incorrect returns and late payments of tax. This legislation applies to all forms of tax: income tax, GST, FBT, PAYE, etc. Generally the rules require a taxpayer to either have taken reasonable care or to have an acceptable interpretation if the penalties are not to apply. By using Brown & Associates Ltd to prepare your returns, it could be said that you have taken the firm step towards that level of care, but it must be emphasised that your obligations will not be fully discharged unless you provide **all relevant** information to us.

We will provide guidance and assistance, so please do not hesitate to discuss any concerns you may have on this matter.

Department of Statistics Return

We will prepare Department of Statistics Returns as required.

Business Administration Services

Please circle if you would like Brown & Associates Ltd to prepare your:

- GST return
- FBT return
- RWT return
- PAYE return
- Cashflow (on demand)
- Payroll

You will provide us with accurate and complete information so as to enable us to compile such statements and returns.

Insurance

We confirm our understanding that the adequacy and extent of your insurance covers are regularly reviewed by brokers/insurance companies, and discussed with you by them, and that we are not responsible or liable for this function.

Authority to Disclose and Receive Information

You give us authority to act as your tax agency with the IRD for all tax types. To obtain information from IRD about all tax types (except Child Support). This includes obtaining information through all IRD media and communication channels.

You also authorise us to obtain from third parties, including your bankers, any information that we may require to assist us

Authority to Act

I, _____ being duly authorised by (Client name) give authority to Brown & Associates Accounting Group Limited to act on behalf of (Client name) for all tax types until further notice. Authority is given to obtain information from Inland Revenue about all tax types. This includes obtaining information through all Inland Revenue media and communication channels.

Date _____

On behalf of Trust - _____

Trustee(s)

Signature

Trustee Name

FURTHER TERMS & CONDITIONS

Your responsibilities

You must provide us with all information necessary for dealing with your affairs including information which we reasonably request, in sufficient time to enable our services to be completed before any applicable deadline. We will rely on such information being true, correct and complete and will not audit the information. You authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs. You must keep us informed on a timely basis of changes in your circumstances that may affect our services.

Qualifications on our services

To the extent our services involve the performance of services established by law, nothing in the engagement letter or these terms reduce our obligations under such law. You must not act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid. Our services are limited exclusively to those you have engaged us to perform. Unless otherwise specified in the engagement letter, our services cannot be relied upon to disclose irregularities and errors, including fraud and other illegal acts, in your affairs. [Neither an audit nor a review will be conducted and, accordingly, no assurance will be expressed.] Where our engagement is recurring, we may amend our engagement letter and these terms where we consider it is necessary or appropriate to do so. If you do not accept such amendments, you must notify us promptly in which case you may terminate our engagement in accordance with these terms and those amendments will not apply prior to such termination.

Reliance on advice

We will endeavour to record all advice on important matters in writing. Advice given verbally is not intended to be relied upon unless confirmed in writing. If we provide verbal advice (for example during a meeting or telephone conversation) that you wish to rely on, you must ask us to confirm the advice in writing.

Investment and financial advisory advice

We are prohibited from providing you with investment or financial advice regulated under the Financial Markets Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019.

Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between the various persons this engagement letter covers) or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests or you do not consent to the way in which we propose to manage the conflict then we will be unable to provide further services to some or all of the persons to whom this engagement applies. If this arises, we will inform you promptly. We may act for other clients whose interests are not the same as or are adverse to yours, subject to the obligations of conflicts of interest and confidentiality referred to above.

Professional obligations and confidentiality

We are required to comply with all applicable by-laws, rules, regulations, professional and ethical standards and guidelines of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Chartered Accountants (NZICA). These requirements include the NZICA Code of Ethics, which among other things contains confidentiality requirements. In accordance with these requirements, we will not disclose information we obtain in the course of this engagement to other parties, without your express consent, except as required by:

- Laws and regulations (for example, disclosures required under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (including to a third-party auditor) and as required by the Common Reporting Standard)
- Professional obligations including:
 - o The provisions of the NZICA Code of Ethics that apply if we become aware of actual or potential 'noncompliance with laws and regulations' (NOCLAR).
 - o Where any such non-compliance poses substantial harm (such as adverse consequences to investors, creditors, employees or the public), we may be required to disclose the matter to an appropriate level of management or those charged with governance and/or an appropriate authority.
 - o The provisions of the NZICA Rules and Professional Standards that subject us to practice review, trust account audits, investigations and disciplinary procedures. These rules require us to disclose to NZICA, its practice reviewers and/or its disciplinary bodies our files and workpapers including client information. In accepting this engagement you acknowledge that, if requested, our files related to this engagement, may be made available to NZICA, its practice reviewers and/or its disciplinary bodies. Employees and contractors of NZICA are also bound by confidentiality under contract and by the NZICA Code of Ethics.

Use of Contractors, Outsourced Services and Other Third-Party Providers

We may engage external service providers, located in New Zealand to provide services, software products, data and document storage/filing and applications. We may also engage external providers in the Philippines to provide services such as data processing and compilation of reports. We provide these third parties with access to your data to the extent this is required to perform the services. This requires information being accessed by our service providers in accordance with our Privacy Policy.

If we do engage contractors, outsourced service and/or third-party service providers, we remain responsible for the work they produce.

Acceptance of our services in conjunction with our terms of engagement indicates your acceptance of the use of outsourced services as described.

Any outsourced provider would constitute a person committed by Brown & Associates Accounting Group Limited.

Disclosure permissions

In accepting this engagement, you provide us with your express consent to disclose your information to:

- Our service providers or regulatory bodies to the extent required to perform our services in respect to this engagement;
- Our professional advisors or insurers to the extent required to protect our interests in respect to this engagement; and
- Our external peer reviewer to the extent required to review this engagement;

We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis we maintain in respect to your information.

We may retain your information if needed during and after our engagement to comply with our legal requirements or as part of our regular IT back-up and archiving practices and also for professional reasons (e.g. to perform the work under this engagement or to comply with our professional and ethical obligations). We will continue to hold such information confidentially. We may mention that you are a client for promotional purposes.

Privacy

We may collect, store, use and disclose your personal information for the purposes of providing the services described in the engagement letter to you and to comply with our obligations. We will comply with the Privacy Act 2020 when collecting, storing, using and sharing your personal information.

Limitation of liability

To the maximum extent permitted by law, our maximum aggregate liability (including of all our principals, directors and members) under or in connection with this engagement letter or its subject matter is limited to three times the average monthly fee. You agree not to bring any claim against any of our principals, directors, members or employees in their personal capacity.

To the maximum extent permitted by law, we are not liable to you for:

- Indirect, special or consequential losses or damages of any kind; or
- Liability arising due to the acts or omissions of any other person or circumstances outside our reasonable control, or your breach of these terms.

Limitation of third party rights

Our advice and information is for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the engagement letter that a specified third party may rely on our work.

Communication

You must advise of any changes to your contact details. We may send any communications to the last contact details you have provided. Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments. There is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties in any form of communication, whether electronic, postal or otherwise. We are not responsible for any such matters beyond our control.

Applicable Law

Our engagement is governed by New Zealand law. The New Zealand courts have non-exclusive jurisdiction in relation to any dispute between us.

Interpretation

If any provision of the engagement letter or these terms is void, that provision will be severed and the remainder will continue to apply. If there is any conflict between the engagement letter and these terms, these terms prevail.