



## MHA Accounting Services

Your Trusted Financial Accountant


CERTIFIED PRACTISING ACCOUNTANT

## MHA ACCOUNTING SERVICES

Certified Practising Accountant

 0452 206 953

 [info@mhaaccounting.com.au](mailto:info@mhaaccounting.com.au)

 38 Lockyer Place  
CRESTMEAD, QLD 4132

ABN: 51 661 028 477

### Engagement Terms and Conditions

This document together with the Engagement Terms & Conditions where applicable, any subsequent written communication with you, form the Contract between MHA Accounting Services (referred to as '**Company**', MHA Accounting 'We', 'Us' and 'Our, 'firm') and our client (referred to as "you" or "your"). The terms defined in the Engagement Terms & Conditions have the same meaning in these Terms and Conditions. The Terms and Conditions supplements the Engagement Terms & Conditions. In the absence of Engagement Terms & Conditions this Terms and Condition shall provide the terms and conditions in the Services provided by MHA Accounting Services. These Terms and Conditions constitute the entire terms of the Agreement, expressed or implied (the "**Agreement**") which is governed by the laws of Queensland, Australia. Engagement Terms & Conditions would be provided for large clients or SMSF clients and other clients as firm choose.

The provision of tax agent services is governed by the Tax Agent Services Act 2009 (TASA) and the accompanying regulations. Registered tax practitioners must comply with the requirements of the TASA. This includes a statutory Code of Professional Conduct which comprises ethical and professional standards that must be observed by registered tax practitioners.

The Tax Practitioners Board (TPB) is responsible for the registration and regulation of tax practitioners and ensuring their compliance with the TASA. As part of this role, the TPB maintains a register of registered, suspended and deregistered tax practitioners that enables the public to ensure they are engaging the services of a qualified professional. To check that we are registered with the TPB, search the TPB Register at [www.tpb.gov.au/public-register](http://www.tpb.gov.au/public-register) using either of the following details:

***MHA Accounting Services (Australia) Pty Ltd (ABN 51 661 028 477)***

***Tax Agent Number: 26226676***

In addition, under the taxation laws, taxpayers who engage registered tax agents are provided a "safe harbour" from certain penalties that may be imposed by the Australian Taxation Office (ATO). To qualify for safe harbour protection, taxpayers must provide their tax agent with "all relevant taxation information" to enable accurate statements to be provided to the ATO. This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement and may also affect other matters discussed below. You will find further discussion on the safe harbour protections in the accompanying document entitled Clients' rights and obligations under the taxation laws.

We recommend you read this engagement terms and conditions carefully and contact Mohammed Ali (Director of MHA Accounting Services) of our office if you have any queries or wish to discuss any aspect of it. If the terms of our engagement are acceptable, we ask that all persons sign the enclosed copy of this letter where indicated and return it to our office.

#### 1. Purpose and scope of engagement

Our engagement is to attend to the following tax compliance matters for the Group, as applicable:

- Prepare and lodge Business Activity Statements (BASs).
- Prepare annual financial statements.
- Prepare and lodge annual income tax returns.



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- Prepare and lodge annual FBT returns.
- Lodge Single Touch Payroll reports.
- Prepare and lodge annual returns for your self-managed superannuation fund (if applicable).
- Consultation and advisory services.
- Annual tax planning services.
- ASIC administration services.
- Other services including registrations with the ATO

Unless otherwise agreed, we will prepare the returns and statements on an ongoing basis, commencing with the returns and statements for the period following the period for which they were last finalised.

Each client in the Group engages us on the terms set out in this letter and is bound by those terms. Each Group client is jointly and severally liable to pay our accounts, regardless of which Group client the accounts are addressed to and which Group client received the benefit of the work performed.

If we are asked to act for a new or additional client of the Group, we may issue an updated Schedule of Clients which each existing Group client agrees will apply in place of any previous schedule. We will also require the new Group client to sign an acknowledgement of these terms of engagement.

Our services will be provided to you on a fee for service basis.

This letter relates only to the above-mentioned services and details the basis and terms of this engagement. Unless otherwise agreed, our engagement will be limited to the matters described in this letter. Work that is performed or disbursements that are incurred outside the scope of this letter will be the subject of additional charge.

Our engagement commences as soon as you return this letter, and it has been signed by you.

In addition to any other rights you might have, you can terminate this engagement at any time by telling us in writing. We also reserve the right to do so by providing you with 14 days' written notice. If either party terminates this engagement, the provisions of clause 2.5 of this letter will apply.

## 2. Basis and terms of engagement

Our engagement is to assist with the preparation of the financial statements, and the preparation and lodgment of the taxation returns for your Group. This includes the non-trading individual clients in your family (Individuals), as well as your trading entities (including individuals, corporate entities, partnerships, trustees and self-managed superannuation entities).

### 2.1 Accounting and record-keeping

In undertaking this engagement, you must ensure the following (where applicable):

- The bookkeeping and record-keeping tasks for all Entities is maintained on a regular basis. We recommend these tasks be attended to each week.
- Reconciliations for the bank accounts, debtors and creditors are performed at the end of each month for each of the Entities.
- A stocktake is performed during the last weekend in June for each entity that deals in trading stock.
- That the trial balance of each of the Entities be completed each year soon after the year end as much as practicable.



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In respect of the personal tax returns for Individuals, we require that all relevant information be collated and forwarded to our office each year. We shall detail more specific requirements in respect of the Individual tax returns later in this letter.

### 2.2 Taxation services

In engaging us to provide taxation services, it is important for you to understand the following:

- You are responsible for the accuracy and completeness of the particulars and information provided to us by you.
- Any advice we provide is only an opinion based on our knowledge of your particular circumstances.
- You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate returns.
- We cannot provide taxation services if we find that information on which those services are to be based includes false or misleading information, or material information is omitted, and you are not prepared to appropriately amend it to provide us with correct and complete information.

Before we lodge any returns on your behalf, we will forward the documents to you for approval. We will endeavour to ensure that the returns are lodged by the due dates and will advise you at the beginning of the financial year when documentation should be provided to us.

If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any late lodgment penalties or interest charges you may incur.

### 2.3 Compilation of financial statements

By engaging us to compile financial statements, you acknowledge that:

- the reliability, accuracy and completeness of the accounting records are your responsibility; and
- you have disclosed to us all material and relevant information.

You and your employees are responsible for the maintenance of the accounting systems and internal controls for all the Entities. That includes the keeping and maintenance of all required books of account. Our firm cannot be relied upon to disclose irregularities, such as fraud, and other illegal acts and errors that may occur with regard to such matters.

Our firm is not being engaged to conduct a statutory audit of the financial records of any of your Entities and we will not express an auditor's opinion as to the truth and fairness of the financial statements.

### 2.4 Obligation to correct false or misleading statements

We are prohibited by law from making a statement to the ATO, the TPB or another Australian government agency that we know or ought reasonably to know is false, incorrect, or misleading in a material particular, or omits any matter or thing without which the statement is misleading in a material respect.

We are also prohibited from preparing such a statement that we know or ought reasonably to know is likely to be made to the ATO, the TPB or another Australian government agency, or from permitting or directing someone else to make or prepare such a statement.

If we subsequently become aware that a statement we prepared and that was given to the ATO, the TPB or another Australian government agency was false, incorrect or misleading in a material particular at the time it was made, or that it omitted some matter or thing without which it is misleading in a material respect, we are required to take reasonable steps to correct the statement as soon as possible.



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Where we prepared the statement (or permitted or directed someone else to prepare the statement) on your behalf or on behalf of a client in your Company, we are required to advise you or the Company client that the statement should be corrected.

If you or your Company client do not correct the statement that we prepared or provide consent for us to correct the statement within a reasonable time, we are required under the TASA to notify the TPB, the ATO or other Australian government body (whichever is applicable) that the statement is misleading in a material particular or that it omitted some matter or thing without which the statement is misleading in a material respect.

### 2.5 Ownership of documents

The financial statements, 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 your property.

Any other documents brought into existence by us, including records of the tax agent services provided by or on behalf of our firm during this engagement (e.g., documentation of oral and written advice), general working papers, the general ledger and draft documents) will remain our property at all times. In accordance with our statutory obligations under the TASA, we will retain these records for at least five years after the relevant services were provided, even if our engagement is terminated.

Furthermore, if our services are terminated (by either party), each client separately agrees that we shall be entitled to retain all documents owned by that client (including all tax refunds that come into our possession) until payment in full of all outstanding fees from Company on any account.

Where copies of any documents released to you are required for our records, you will be charged for the cost of photocopying at our normal rates.

### 2.6 Additional services

The scope of our engagement is the preparation and lodgment of the accounting and taxation matters detailed above. Any agreed fee applies only to services and advice provided within the scope of our engagement. This fee includes checking and forwarding original assessments and payment notices that are received from the ATO and the Australian Securities & Investments Commission (ASIC).

Any additional services or advice that you request are outside the scope of this letter and are not included in this agreed fee. We will separately advise you of the scope and fee for those services, including any direct out of pocket expenses.

Please note in particular that any correspondence from the ATO or ASIC that does not relate to initial assessments or original payment notices, will be charged as additional services.

### 2.7 Fees and charges

Our services will be provided to you on a fee for service basis..

Unless otherwise stated in writing, any estimates which we provide to you of our anticipated fees, disbursements and charges for any work are only indicative of the amounts you can expect to be charged. Estimates are not quotes or caps and are not binding on us.

Where an estimate is given and the scope of the work changes, or if it becomes apparent that the work involves matters which were not taken into account in the estimate, we will endeavour to advise you and provide an amended estimate as soon as it is practicable to do so.

Unless otherwise agreed, our invoices will be issued after each job has been delivered to you or at the beginning of each month (if you are on fixed pricing plan) and are payable within 7 days of issue.

All professional fees for the services we provide you are based on the time and skill required to complete the



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agreed services and are charged at the hourly rates detailed below:

Position	Rate Per Hour
Director – Mohammed Ali	\$300+GST
Senior Accountant	\$250+GST
Accountant	\$200+GST

For work undertaken for periods of less than an hour, the rate shall be charged in 10-minute blocks or part thereof.

Our hourly rate is reviewed and adjusted based on Consumer Price Index (CPI) each financial year without notice. You can review our latest hourly rate on our website.

We may provide a fixed fee for the provision of specific services. If it becomes apparent to us, due to unforeseen circumstances, that the fixed fee is inadequate, we may notify you of a revised figure and seek your agreement to it.

If fees are not paid by the due date or there is regular behaviour of late payment of fees, we reserve the right to require upfront payment on future services. After 30 days of unpaid fees our team will ask that a payment plan is put in place for periodic payment. After 90 days of unpaid fees, we reserve the right to pass your debt to a Debt Collector. Costs associated with that appointment will be passed on to you.

We may also suspend our services or cease to act for you by giving written notice if payment of any fees is unduly delayed.

We intend to exercise these rights only where it is fair and reasonable to do so.

We may require you to deposit money into our bank account in anticipation of our fees and charges. If you fail to make a required bank deposit, we may suspend work or terminate this engagement. Each client in the Group authorises us to apply bank deposit moneys held on their behalf towards payment of fees and disbursements, and to meet our bill of costs which have been rendered and which have not been paid or disputed within 14 days after issue of the bill of costs.

Each client in the Group is jointly and severally liable to pay our fees in respect of all work performed for all clients in the Group. We may require that payment of our fees be guaranteed by one or more people who are associated with the Group but are not our clients themselves (for example, company directors). If you fail to provide the required guarantee, we may suspend work or terminate this engagement.

In consideration of MHA Accounting Services (Australia) Pty Ltd agreeing at my request to supply the client(s) named above in this engagement letter, with services, listed in this engagement we hereby guarantee and agree to be responsible to MHA Accounting Services (Australia) Pty Ltd for all fees for such services and any goods as MHA Accounting Services (Australia) Pty Ltd may supply to the client(s) named in this engagement letter and the other obligations of the client(s) named above. This guarantee is a continuing guarantee and my liability under it is not affected by you giving time or any other indulgence to any of the client(s) named in this engagement letter.

If we suspend work or terminate this engagement by reason of your failure to make a trust deposit or provide a guarantee as required, we will not be liable for any loss or damage suffered by Company as a result of the suspension or termination.

### **2.8 Goods and Services Tax (GST) – Professional fees and disbursements**

Our professional fees are inclusive of GST. If our services are provided to Entities that are registered for GST, then those Entities may be able to claim a GST input tax credit for the GST they pay on our services. However, this will not be the case if the services we provide are used by the recipient in making an input taxed supply or otherwise for a non-creditable purpose. In this situation, the GST associated with our professional fees cannot



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be claimed as an input tax credit.

If your matter involves a mixture of taxable, GST-free and input taxed supplies, we will not apportion our professional fees between these categories of supply unless you have expressly requested us to do so.

Please note that if you make such a request after the commencement of any particular matter, it may not be possible for us to subsequently apportion professional fees that were incurred prior to receiving your request. If you need separate advice on whether you will receive the benefit of a GST input tax credit for the GST paid to us, then please contact us.

### **2.8.1 Disbursements**

In addition to our professional fees, you will be responsible for payment of expenses which we incur on your behalf, together with the GST that we pay in relation to such expenses, as set out below.

Certain government charges and fees included in some matters undertaken in the scope of our engagement are effectively GST-free to the applicant but will attract the 10% GST if paid by this firm and then passed on to you as part of our services. Accordingly, for certain disbursements in this category, namely:

- ASIC fees;
- new company and trust deed orders; and
- other specific disbursements notified from time to time,

we will act as your agents in incurring those disbursements. You will therefore technically be primarily liable to pay the account to the supplier. Under this agency relationship, you will receive the benefit of any concessional GST treatment of any part of the disbursement.

Where GST is payable on some or all of a supply acquired by us as your agent, we will forward you the Tax Invoice and you will be able to claim the input tax credits directly if you are GST-registered (or are required to be GST-registered) and are entitled to claim the input tax credits.

For disbursements incurred in this manner, we may in some cases require that you provide us with separate cheques for the relevant amounts to be paid directly to the relevant government body or supplier.

For all other disbursements (e.g., couriers, searches, photocopying, etc.), the treatment will be the same as for professional fees – i.e., we will incur the costs at first instance and invoice them to you after making allowance for any GST input tax credits received by us on the acquisition. These invoices will include GST for which you may be entitled to claim an input tax credit

### **2.9 Confidentiality**

We will keep information acquired as a result of this engagement confidential and will not disclose confidential information relating to your Company without permission, unless there is a legal duty to do so. We will also not use any information acquired as a result of this engagement for our own personal advantage or for the advantage of a third party.

We may also need to disclose information relating to one client's affairs to other clients in the Group to assist in performing our work, to persons responsible for the governance of an entity to comply with professional standards, to the relevant parties in order to protect our professional interests in legal proceedings, to a professional or regulatory body in response to an inquiry or investigation, to the relevant parties in order to comply with technical and professional standards (including ethics requirements), or to a professional body of which we are a member, in relation to a quality review program undertaken by that body. Each client in the Group hereby authorises us to do so when we consider it appropriate to further our performance of work for the Group, or when requested by the relevant party.



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### 2.10 Utilising outsourced services

From time to time, our firm may use “outsourced services” (which may include “Cloud Computing”) to perform some of the services we are engaged to perform for you.

The list of third party service providers currently used by our firm, to whom client information will or may be disclosed, are as follows:

- AHRK Outsourcing Services, Hyderabad, India

We will notify you of any change to this list from time to time.

Each client in the Group hereby authorises us to disclose information relating to that client’s affairs to such third party service providers as we may choose to engage to perform such work.

Where we outsource services to third party providers, we are nevertheless responsible for the conduct and activities of those providers and for the delivery of the services we are engaged to perform for you.

### 2.11 Use of “Cloud Computing” (that is not an outsourced service)

From time to time, our firm may utilise “Cloud Computing” in the performance of services under this engagement which is not an “outsourced service”.

The list of “cloud computing” service provider(s) currently used by our firm in the provision of services which is not an outsourced service, to whom client information will or may be disclosed, is as follows:

- Xero Software
- Xero Practice Management Software
- Microsoft Office
- Suite Files
- Now Infinity
- BGL

We will notify you of any change to this list from time to time.

Each client in the Group hereby authorises us to disclose information relating to those clients’ affairs to such “Cloud Computing” service providers as we may choose to engage.

### 2.12 Non-compliance with Laws and Regulations (NOCLAR)

During the performance of our work under this engagement, we may detect conduct or a transaction that is considered to constitute NOCLAR, which has a material effect on any documents or information that might be required to be provided to a regulatory authority (RA), such as the ATO.

If we detect any NOCLAR, we may have a professional requirement to make a disclosure to a RA. We will follow a formal process which will include advising you of our concerns and, if necessary, seeking legal advice. If we do seek legal advice, we reserve the right to ask you to pay or reimburse us for our reasonable costs.

If we are required to make a disclosure to a RA, you agree to forever release us from any claim for costs or losses you incur in responding to or dealing with anything that arises from our disclosure.

### 2.13 Losses from unauthorised cyber-activity

We will take all reasonable precautions to ensure that any electronic data that contains your private information



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is securely stored and that any email transmissions are protected and are not able to be intercepted by third parties. However, we cannot be held liable for any loss that you might incur as a consequence of any third party intervention that accesses, procures or copies any data that contains your private information from any medium or device we use to store or transmit such information.

In the event that, despite our firm having taken reasonable precautions to securely store your private information, you suffer any losses arising from unauthorised cyber-activity, you agree to forever release us from any claim for your losses.

### 2.14 Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between any of the individuals and entities in your Group that are covered by this engagement letter) or in our relationship with you (including members of your Group) and another client of this firm.

Where conflicts are identified which cannot be managed in a way that protects the interests of you or any members of your Group, then we may 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.

### 2.15 Complaints

If you have a complaint about our services, we ask that you contact Mohammed Ali (Director of MHA Accounting Services) at [mohammed@mhaaccounting.com.au](mailto:mohammed@mhaaccounting.com.au) of our office. We will work with you to help resolve your complaint as quickly as possible.

If we cannot resolve the issue or you are not satisfied with how your complaint is being handled by us or with the outcome, you may be able to escalate the matter to the TPB. Complaints to the TPB must be made in writing using its online form, which is available at [myprofile.tpb.gov.au/complaints/](http://myprofile.tpb.gov.au/complaints/)

Not all complaints can be acted on by the TPB. For example, if your complaint is about fees, you will be asked to contact Consumer Affairs or the Office of Fair Trading in your State or Territory. However, the TPB may be able to assist if the fee complaint is associated with inappropriate conduct by our firm.

Further details about making complaints to the TPB are available at [www.tpb.gov.au/complaints](http://www.tpb.gov.au/complaints)

### 2.16 Professional Indemnity Insurance

Our firm maintains adequate professional indemnity insurance cover and that our policy complies with the minimum requirements of the Tax Practitioners Board (TPB). Details of our professional indemnity insurance arrangements are as follows:

- MHA Accounting Services holds a professional indemnity insurance policy that meets the minimum requirements set out in the TPB's explanatory paper TPB(EP) 03/2010

### 2.17 Limitation of liability

Our firm's liability may be limited by a scheme approved under Professional Standards legislation and applicable regulations of the Professional Body.

## 3. Details of services to be provided

We now outline the basis of our engagement in the context of the specific services to be provided.

It should be noted at the outset that, as a general proposition, we rely upon our clients to provide us with accurate and timely information to enable us to properly perform our engagement obligations. Consequently, any rectifying work performed by us on the basis of incorrect or late information will be work which is outside the scope of this engagement and will be charged as additional services.



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### 3.1 **BAS returns**

As the BAS returns are prepared monthly/quarterly and lodged during the financial year, it is not possible for this firm to review the correctness of the underlying financial information as part of the preparation of the BAS return. This is because we are engaged to prepare the annual accounts, and these are prepared after the conclusion of the financial year.

Therefore, for the BAS returns, we will rely on and process the financial information provided to us without any review of the primary source documents. In doing that, we will make the following assumptions:

- The financial information provided to us is accurate.
- The financial information correctly states the GST position. For example, all input tax credits and GST payable amounts have been correctly recorded in the general ledger. If you are unsure of the correct position or require advice regarding this, we are able to provide this as work which is outside the scope of this letter and charged as additional services.
- You have the necessary supporting documentation to satisfy the ATO for GST purposes. Again, if you are unsure of the ATO requirements or require advice regarding these documents, we are able to provide this as work which is outside the scope of this letter and charged as additional services.
- You hold valid tax invoices and adjustment notes for all expenditure incurred by you in respect of which an input tax credit is being claimed. Substantial penalties apply for an incorrectly prepared BAS. If you have any queries in respect to this, please contact our office for assistance.

However, it is possible that when the financial accounts are prepared, some discrepancies will exist between the information disclosed in the BAS returns and in the annual financial statements. Should any discrepancies arise, we will discuss the need to correct the BAS returns and/or financial accounts. This will involve work which is outside the scope of this engagement and will be charged as additional services.

### 3.2 **Financial accounts**

Our firm has been engaged to prepare the annual financial accounts of the Company. This service includes the preparation of:

- a profit and loss statement;
- a balance sheet; and
- notes for the above accounts.

This service includes maintenance of the chart of accounts for the general ledgers of your Entities, and telephone support should you require any assistance as to how to record specific transactions in the general ledger. This service also includes the preparation and lodgment of any standard reports that are required to be furnished to ASIC. However, this service does not include the preparation of one-off accounts for presentation to your financiers for additional finance and the like.

### 3.3 **Income tax returns**

Our firm has been engaged to prepare and lodge income tax returns for your Company.

However, we will not be responsible for reviewing or verifying any financial records or statements provided to us, either via manual cashbooks or prepared on accounting software such as MYOB or Quickbooks. Correct coding or classification of accounts is outside the scope of this engagement. If assistance is required on how to correctly code, or to review how you currently do so, please discuss this with us. This will entail work which is outside the scope of this engagement and will be charged as additional services.



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Also please ensure that you have all source documentation available to allow our firm to analyse the income tax implications of any transaction, if we request to see it. Whilst we will not as a matter of course be looking at these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious.

It is also expected that, in respect of individual income tax returns, each person will have the necessary documents so as to comply with the substantiation provisions of the Income Tax Assessment Act 1997. We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as required by the legislation.

We will not, however, be checking that the requirements of the substantiation provisions have been satisfied. This means that we will not be reviewing your log book or any calculations or information you provide us with, such as a rental property schedule either prepared by you on a spreadsheet or by a property manager. If you require assistance in completing a log book or preparing any calculations, or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of this engagement and will be charged as additional services.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns. These will be provided free of charge.

The fee for this service does not cover any inquiries made to us, or investigations involving us, conducted by the ATO. Substantial penalties apply for an incorrectly prepared income tax return. If you have any queries in respect to this, please contact our office for assistance.

Each client in the Group agrees that we can bank into our trust account, tax refund amounts received on their behalf and that we can deduct from those amounts any fees owed to us either by that client or by any other client in the Group.

### **3.4 Fringe Benefits Tax (FBT) returns (not applicable to your company as it is not register for FBT)**

Our firm has been engaged to prepare and lodge the FBT returns for your Entities. Please note that, because of the impact of GST, it is not possible to prepare an FBT return from the information contained in the general ledger. It is necessary to revert to the source documentation to allow our firm to analyse the FBT implications of any transaction.

Our fee for this service includes the following:

- Advice on how to collate the information necessary to prepare the annual FBT return.
- An annual review of the methods available to reduce the FBT expense on the annual FBT return.
- Telephone advice on basic FBT issues.
- The calculation of Reportable Fringe Benefits Amounts that may be required to be included on the annual income statements or payment summaries for your employees (including family members employed in the business of any Entity).

### **3.5 Single Touch Payroll (STP) reports**

As the payroll and STP are lodged by yourself, our duty is to prepare BAS / IAS on periodic basis and ensure that STP lodged with ATO matches with the BAS.

We will only provide a lodgement service. We make no representations about the accuracy of the information submitted, the due date or whether it is received by the ATO. Our firm is not being engaged to perform, or check the accuracy of, payroll calculations associated with the STP reports. You and your employees are responsible for correctly preparing and processing each pay event, and for maintaining the necessary supporting



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Your Trusted Financial Accountant


CERTIFIED PRACTISING ACCOUNTANT

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documentation.

You and your employees are also responsible for calculating and remitting your PAYG withholding and Superannuation Guarantee liabilities with respect to each employee, for each relevant pay event.

### 3.6 *Superannuation-related financial advice*

If our firm is engaged to attend to the income tax compliance work for your self-managed superannuation fund (SMSF). This assignment will involve the following:

- Preparation of the SMSF's accounts for the purposes of the Superannuation Industry (Supervision) Act 1993 (the SIS Act).
- Preparation and lodgement of the SMSF annual return. It is important to note that, as part of the regulatory framework for SMSFs, an annual audit of the fund must be undertaken and provided to the trustees of the fund before the SMSF annual return is lodged. Therefore, trustees of the fund must ensure that they provide the fund accounting records no later than 31 October each year to allow these tasks to be completed.

With respect to the annual audit of the SMSF referred to above:

We can make arrangements for the audit to be undertaken by an external party whereby you will be billed directly and liable for all costs associated with the completion of the audit\*; or

In addition to the basic financial information required to complete these requirements, it is expected that the source documentation will be available to allow us to analyse the implications of any superannuation-related transaction.

You should also note that SMSF's deeds should be annually reviewed by a superannuation specialist to ensure they continue to comply with the requirements of the SIS Act. Our engagement does not extend to the provision of such legal advice and our fee does not include this service. We are happy to recommend the services of a superannuation specialist for this task.

This service does not cover any inquiries or investigations by the ATO.

### 3.7 *Superannuation-related financial advice*

We do not hold an Australian Financial Services Licence and are not an authorised representative of such a licence holder. As a result, we are generally prohibited from providing you with any advice, recommendation or opinion that is intended to influence you in making any decision in relation to superannuation (including whether to establish, contribute to or draw benefits from a superannuation fund, or any investment decision by an superannuation trustee), or that could reasonably be regarded as being intended to have such an influence (Financial Advice).

However, we are able to provide you with superannuation advice that is of a factual nature only (e.g., to explain how superannuation rules would apply to you and what options are available to you).

Where you request us to undertake superannuation-related work (e.g., to arrange for the establishment of a self-managed superannuation fund), we will be obliged to perform that work in accordance with your instructions, even if we believe those instructions may not be in your best interest.

Where you request Financial Advice concerning superannuation, we will endeavour to assist you in obtaining that advice from an appropriately licensed advisor. Depending on the circumstances, this may involve us outsourcing the provision of the Financial Advice (in which case we would seek your prior authorisation) or referring you to a licenced provider directly.



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### 3.8 Business advisory services

Our Business advisory services encompass a broad range of tax advice, accounting guidance and commercial analysis that the practice can provide including, but not limited to the following areas:

- Tax structuring advice
- Tax advice eg. Personal tax advice (eg. Capital gains tax, main residence exemption, Foreign resident capital gains withholding tax advice, PSI vs PSB, Part IVA etc.),
- Project managing arrangements with a legal team around trust deeds, legal agreements, legal arrangements, stamp duty, payroll tax, trust loss provisions or other such areas
- Project managing relationships with book-keepers and third parties for cloud software implementation, accounting transactions, flow of funds guidance
- Reviewing improvements around the accounting process, flow of funds and working with book-keepers to assess the best way forward for the client's business
- Small Business Restructures in conjunction with tax legal advisor
- Generic advice around employer obligations, tax obligations etc.
- Consultation support for accounting due diligence, budget preparation
- Consultation on how fringe benefits tax will impact expenditure incurred on behalf of employees/associates

This represents a non-exhaustive list of support services that may be required

### 3.9 Annual Tax Planning Services

We provide annual tax planning strategies services advising the client entities to minimize their tax debt by legitimate tax planning strategies.

### 3.10 ASIC Secretarial Services

If you appoint our firm as your ASIC agents, this service includes:

- Receiving Annual ASIC Company Statement from ASIC
- Review the correctness of company details.
- Prepare associated documents and provide to the client to review and sign.
- Provide to the client to arrange payment to ASIC

### 3.11 Other services

Other Services may include the following and there are separate charges for each of these services:

- Annual preparation of Trust distribution minutes
- TFN, ABN Application
- Tax registration with ATO
- New Entity set up (including consultation and written guidance to ensure you understand)
- Analysis of dividend distributions and preparation of dividend distribution statements and minutes
- Preparation of Taxable Payment Annual Report
- Preparation of MFR report for QBCC purposes



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#### 4. **Agent nomination process – Client-to-agent linking**

The ATO has introduced a new process that requires all taxpayers with an Australian Business Number (excluding sole traders) to undertake certain steps to nominate a registered tax or BAS agent.

This process is referred to as 'Client-to-agent linking' ('CAL') and, importantly, it must be completed by the taxpayer seeking to nominate an agent. It cannot be done by agents on behalf of their clients.

We have determined that each of the following clients in your Group will need to undertake this process to nominate our firm as their registered tax agent

The client has other group entities which are not actively trading; hence the client has engaged us only for the above entities' purposes.

Please notify us as soon as the nomination process is completed by each client in your Group. We will then have 28 days to connect to the client on the ATO's systems. Please note that we cannot perform any work for a client who has not successfully completed the client-to-agent linking nomination process.

You will find further information and details of the steps that each of the above clients will need to take to nominate our firm in the document, Client-to-agent linking proforma, which accompanies this letter.

#### 5. **Authorisation of ATO digital communication preferences**

Each client in the Group set out in the accompanying Schedule of Clients agrees to have the following ATO communication types sent digitally to our registered tax agent, being MHA Accounting Services where applicable:

- Income tax\*.
- Superannuation\*.
- Debt\*.
- Employer and business obligations\*.

We hereby authorise MHA Accounting Services to change or withdraw our preferred address for service of ATO communications.

We declare that the information supplied by us to MHA Accounting Services for the setting or updating of these communication preferences is true and correct.

#### 6. **Other matters that may be relevant to your decision**

Registered tax practitioners must advise prospective and current clients of any matters that may significantly influence the decision to engage or continue to engage them to provide tax agent services.

Please be aware of the following matters that may be relevant to your decision or the decision of a client in your Group to engage, re-engage or continue engaging our firm to provide tax agent services:

- Mohammed Ali is the sole practitioner with 1 employee who work on Casual basis and seek help from outsourcing services from India as and when needed.
- Our office is a home- office set up with a dedicated room to meet with the client at 38 Lockyer Place, Crestmead, QLD 4132.

#### 7. **Confirmation of engagement**

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this letter to ensure that you are satisfied with the scope of our engagement. Please contact us if you have any queries about this letter.

If you are satisfied with the terms of this letter, please have all persons sign and date both copies of this letter in



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the places indicated. One copy should be forwarded to us as evidence of your acceptance of the terms of our engagement. You should retain the other copy as your evidence of our engagement.

We note again that we are unable to perform any work for you until we receive the signed letter and have been successfully nominated as agent via the ATO's client-to-agent linking process by specified clients in your Group.

We thank you for the opportunity to provide accounting and taxation services to your Company and we look forward to developing a close accounting relationship with you for many years to come.

Yours sincerely,

MHA Accounting Services  
Director