



ACCOUNTING SUPERHEROES

ALEXANDRA Level 1, 65 Centennial Ave
PO Box 199, Alexandra 9340
T 03 448 6088 F 03 448 7504

CROMWELL Unit 8, CromTrade,
2 McNulty Rd, Cromwell
PO Box 199, Alexandra 9340
T 03 448 6088 F 03 448 7504

QUEENSTOWN Level 2, 45 Camp St
PO Box 1010, Queenstown 9348
T 03 441 3901 F 03 448 7504

E info@affleck.co.nz W www.affleck.co.nz

Dear Client,

The purpose of this letter is to confirm and set out the terms of our engagement to perform annual accounting services for you and outlines the nature and extent of the services we will provide.

Primary Assignment

Using information supplied by you, we will use our professional skills to compile annual financial statements and an income tax return for the period ended 31 March 2018. This work will be performed in accordance with the Service Engagement Standard (SES-2) issued by the Chartered Accountants Australia & New Zealand. We can provide a copy of these Standards at your request.

Annual accounts for companies will be prepared in accordance with the Financial Reporting Act 1993. Other than for exempt companies, these are general purpose reports and must be prepared in accordance with New Zealand Financial Reporting Standards (FRSs) and Statements of Standard Accounting Practice (SSAPs). If necessary, additional explanations will be added to ensure that a true and fair view is given.

Annual accounts for exempt companies may be prepared either in accordance with FRSs and SSAPs as described above, or in accordance with the simpler format of the Financial Reporting Order 1994. Any known departures will be disclosed within the financial statements and referred to in our compilation report that accompany the financial statements.

Other accounts will be prepared in accordance with any applicable legislation. For partnerships, trusts, sole traders and other entities where the format of accounts is not dictated by legislation, we will prepare special purpose annual financial statements according to the principles contained in the Income Tax Act 2007. Periodic accounts for management are not governed by legislation and will be prepared on the basis requested by management.

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.

In Appendix 1 to this letter we provide a copy of our compilation report reflecting these points which will be issued on completion of the engagement and will be attached to your financial statements.

We will prepare income tax returns on behalf of the associated parties as agreed from the financial information you have provided and from additional material and facts you provide in writing.

We will not audit, review or otherwise attempt to verify or provide assurance on the accuracy or completeness of such financial information and material provided. The outputs that are compiled for you cannot be relied upon to detect error or fraud.

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

Your Responsibilities

It is understood and agreed that you:

1. provide us with accurate and complete information necessary to compile the financial statements and income tax returns promptly;
2. accept responsibility for the accuracy and completeness of all records and information supplied to us and you accept responsibility for any failure to supply us with all relevant records and information;
3. remain responsible for the reliability, accuracy and completeness of the financial information compiled, including income tax returns;
4. note that each page of the financial statements must be read in conjunction with the notes to the financial statements and the accompanying statement of disclaimer;
5. acknowledge that the financial statements and income tax returns are compiled at your request, for your purposes only, and that Affleck O'Meara will not be liable for any losses, claims or demands by any third party;
6. acknowledge that the financial statements will be prepared in accordance with the New Zealand Financial Reporting Act 1993, the Financial Reporting Order 1994 and Financial Reporting Standards (FRSs) and Statements of Standard Accounting Practice (SSAPs) where applicable;
7. acknowledge that we may sign and file GST and Income Tax Returns as Agent on your behalf;
8. acknowledge that we may access, update and maintain information for the NZ Companies Office;
9. acknowledge that we may place you on our agency listing with ACC and provide an ACC refund service for you in accordance with Appendix 2;
10. will pay all invoices when due or as otherwise agreed with us. You acknowledge and agree that we are permitted to deduct any overdue fees owed to us from any GST or Income Tax refunds. To do this, we will deposit any refund cheques into our Trust account from which we will deduct our fees and then refund you the difference. You understand that you will be liable for collection/legal costs incurred on overdue accounts.
11. acknowledge that your acceptance of this compilation engagement letter provides us with the authority to obtain any further information from the Inland Revenue Department (IRD), or any other third party necessary through all channels, including electronic to complete the financial statements and tax return for you and to place your on our agency listing with the IRD for all tax types (except Child Support).

Limitations of our Assignment's Scope

Due to the limited scope of the work performed in a compilation, this engagement cannot be relied upon to prevent or detect fraud, irregularities or error. Therefore we wish to emphasise that control over and responsibility for the prevention and detection of fraud, irregularities and error must remain with management.

Information and Disclosure

The conduct of this engagement is in accordance with the professional standards, rules and ethical requirements of the Chartered Accountants Australia New Zealand. Information we obtain in the course of this engagement is subject to confidentiality requirements, in addition to our obligations under the Privacy Act 1993. We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations.

However, as members of the Chartered Accountants Australia New Zealand, we are subject to and bound by the disciplinary procedures and rules of the Institute, and our work and files are subject to the practice review rules of the Institute under which compliance with professional standards by members is monitored. These procedures and rules require us to disclose to the Institute, our files and workpapers including client information. By allowing us to undertake this engagement (whether or not you sign this letter), you acknowledge that, if requested, our files relating to this engagement will be made available to the Institute.

Ownership of Workpapers

Material that you provide to us remains yours and will be returned to you when the engagement is completed. Workpapers that we create remain our property.

Our Fees

Our fees of the engagement are due and payable by the 20th of the month following the date of the invoice unless otherwise noted.

If you are on a monthly fee arrangement, these reflect the on-going nature of accounting and tax service provision, and are not refundable if the engagement is terminated part-way through a financial year.

Retention of Records

We will store accounting records that we hold on your behalf for a period of seven years after the applicable balance date. At the end of that period the records will be destroyed using a secure document destruction service.

These Arrangements

The arrangements outlined in this letter will continue in effect from year to year unless amended or superseded by mutual agreement. We will however have to ask you to accept these arrangements on a year by year basis.

If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign this letter and return it to us.

We appreciate the opportunity of providing these services and we commit to providing you with quality service in an efficient and timely manner.

Best regards,
AFFLECK O'MEARA LTD



RICHIE O'MEARA
richie@affleck.co.nz

Accepted by:

Print Name: _____ Signature _____

For: (Please list names of all Individuals, Trusts, Companies etc under this agreement):

Appendix 1

Compilation Report and Disclaimer
Annual financial statements - compilation

For the year ended 31 March 2018

1. Scope

On the basis of information provided and in accordance with Service Engagement Standard No. 2: Compilation of Financial Information, we have compiled your financial statements for the period ended 31 March 2018.

These statements have been prepared in accordance with the accounting policies described in Note 1 to these financial statements.

2. Responsibilities

The Directors (you) are solely responsible for the information contained in these financial statements and have determined that the accounting policies used are appropriate to your needs and for the purpose that the financial statements were prepared.

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

3. No audit or review engagement undertaken

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

4. Independence

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

5. 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.

Appendix 2

Authority to Act for ACC Services

Authority – We hereby authorise Affleck O’Meara Ltd and its contracted ACC specialist service provider, Arrowform Limited (trading as Levyrefunds.co.nz), to act as my agents with ACC to access, change and/or correct any information held by ACC. I understand this authority will not allow any access to any of my ACC claims information.

I understand that this authority authorises my agents and their staff members to act on our behalf. This authority includes, but is not limited to, the below list.

- Access, receive or request any information related to my ACC account either directly online, by email, and by telephone, or as otherwise required.
- Correct and/or change any ACC levy information held with ACC on my behalf.
- Complete invoice reassessment requests with ACC on my behalf.
- Request refunds to be issued either by cheque to a nominated postal address, or by direct credit to a nominated bank account.

I understand that included in this authority, Affleck O’Meara Ltd can provide information as required to their contracted provider, Arrowform Limited, in order for them to perform their services in relation to ACC.

Fees and Refunds – I acknowledge and authorise the terms and condition for the collection of ACC refunds and payment of fees:

- a. Arrowform Limited will charge a service fee of 33% (GST inclusive), of the gross ACC refund obtained. I acknowledge that if there is no ACC refund due, no service fee will be charged.
- b. I acknowledge that Arrowform Limited will receive any ACC refunds due to me on my behalf and are authorised to bank this into their trust account, to deduct their service fee, and to issue a refund to me for the balance of remaining.
- c. I acknowledge that any gross ACC refund due as a result of an invoice reassessment requested by Arrowform Limited, which is offset by ACC against outstanding balances on my ACC account, will form the refund value for service fees, and an invoice will be issued as due for payment to Arrowform Limited.
- d. I acknowledge that Affleck O’Meara Ltd receives an administration fee from Arrowform Limited as payment for the administrative work undertaken of 8.25% of the gross ACC refund value.

Cancellation of Authority – I understand that this authority can be cancelled at any time by contacting ACC directly. Cancellation of the authority is not effective until received by ACC. I understand that I should also advise Affleck O’Meara Ltd of any such cancellation.

Privacy and Confidentiality – All information provided to Arrowform Limited by either ACC or Affleck O’Meara Ltd is strictly private and confidential information. Information collected is for the sole purpose of use with ACC to identify any ACC refund due to me, or any other service agreed by me. I understand that ACC may request my agent, Affleck O’Meara Ltd or Arrowform Limited to provide this authority at any time to ensure they are authorised to act on my behalf with ACC.

Declaration – I confirm that I have read and agree to the above provisions and authorities. Where this agreement is signed on behalf of an entity other than myself personally, I warrant that I have the requisite authority to sign this agreement.

Signed by: _____ on behalf of above named entities on page 3.

Signature: _____

Date: _____