

Larsen, Patterson & Willson Limited

t/as LPW Accounting

M Northcote Office Park, Unit 11, 80 Grey Street, P O Box 28,
PALMERSTON NORTH 4440
P 06 357 5793, F 06 357 5773, E office@lpw.co.nz, W www.lpw.co.nz



Terms of Engagement

Primary Assignment

We will compile financial statements in accordance with Service Engagement Standard No. 2 – Compilation of Financial Information (SES-2) issued by Chartered Accountants Australia and New Zealand.

The financial information will be prepared on a special purpose basis and will be disclosed within the financial statements and referred to in our compilation report.

The financial statements/report will be compiled from information provided by you. We will not audit, review, or otherwise attempt to verify the accuracy or completeness of such information.

Conditions and responsibilities

It is understood and agreed that:

- You will provide us with accurate and complete information necessary to compile the financial statements;
- You accept responsibility for all records and information supplied to us and you accept responsibility for any failure to supply us with all relevant records and information;
- You accept responsibility for the content of your tax return(s);
- You accept responsibility for the payment of all income taxes
- It is your responsibility to ensure the footers on the financial statements and reference to us as accountants are not deleted from the statements or from our 'report' and 'disclaimer'; and
- Uninformed readers could be misled unless they are aware of the possible limitations of the financial statements and our limited involvement.

Extent of Services

We do not accept any responsibility for the accuracy and completeness of the accounting records and other information you supply to us or for the reliability, accuracy and completeness of the financial information compiled based on those records and information. We also do not accept any responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies within your organisation. In addition, you are solely responsible to users of the financial information we compile.

The information you are to supply and any other information that we consider necessary to complete the engagement must be provided on a timely basis in order that the engagement can be completed on a timely basis.

Our engagement does not include the investigation or discovery of internal control weaknesses, errors, illegal acts or other irregularities, including without limitation, fraud, or non-compliance with laws or regulations. However, we will inform you of any such matters which come to our attention during the course of our engagement.

If, for any reason, we are unable to complete the compilation of your financial statements, or we consider the information to be misleading, we may refer to such matters within our compilation report or we may determine, at our sole discretion, not to issue a report.

Retention of records

We will store accounting records that we hold on your behalf for a period of 7 years after the applicable balance date. At the end of that period, unless you write requesting they be forwarded to you, the records will be destroyed using a secure document destruction method.

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Independence

If we are aware that we are not independent of the entities listed above this fact will be stated in our report. However, we will not conduct a comprehensive review to determine whether we are, or are not, independent of the entities listed above.

Use and distribution of the financial information

We understand that the intended use and distribution of the financial statements is for the purposes of completing your tax return, so if this should change you must notify us immediately. We will not accept any responsibility to any person, other than you, for the contents of the financial information.

Resources utilised

We advise that we utilise a range of staff and independent contractors to undertake your work.

Information and disclosure

The conduct of this engagement is in accordance with the professional standards, rules and ethical requirements of the Chartered Accountants Australia and New Zealand.

However, as members of the Chartered Accountants Australia and 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, its reviewers and/or its disciplinary bodies our files and work papers 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, its reviewers and/or its disciplinary bodies. We assure you that the same ethical standards regarding confidentiality that we adhere to apply equally to the Institute's reviewers.

Fees

Our fees are normally based on hours worked charged at rates appropriate to the work performed and the levels of expertise required.

In the unfortunate circumstance that a disagreement arises between us over our fees, if the matter cannot be resolved amicably by discussion (which is the preferred option) then we both agree to use the Fees Resolution Service of the Chartered Accountants Australia and New Zealand to resolve the matter. Details of this Service are available from the Institute. You should be aware that, like all providers of services, we are entitled to retain possession of your records that have been used in relation to this engagement until outstanding fees are settled.

Limitation of liability

The entities listed above agrees that in no circumstances shall the maximum liability of Larsen, Patterson & Willson Limited (including partners or directors) to the entities listed above for any loss arising in connection with this engagement exceed the fees paid by the above-named clients to Larsen, Patterson & Willson Limited for this engagement.

You agree to indemnify and hold harmless this firm, its partners or directors, employees, and agents from and against any and all costs, expenses, losses, claims, demands, actions, suits, or proceedings paid, incurred, or suffered by, or made or initiated against, any of them by any third party arising out of, or in connection with, this engagement.

You agree and accept that Larsen, Patterson & Willson Limited will only accept liability to yourselves for advice provided in writing.

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Ownership of work papers

We claim a lien over all books and records in our possession until all work has been performed and all fees rendered have been paid. Work papers that we create will remain our property.

Authority to obtain information from financial institutions

Our work may involve the collection of personal information relevant or incidental to the engagement. Any such information will be held at our offices and will be retained for as long as may be relevant to the engagement, and, except where otherwise noted in this letter, will only be used or disclosed for purposes related to the engagement. Individuals concerned will be able to contact us to access information held concerning them and, if necessary, seek correction to that information. By signing this engagement letter, you confirm we have authority to communicate with and obtain information from any third party (including the Inland Revenue Department) if the information sought is relevant to our engagement.

Accident Compensation Corporation

You authorise our organisation to act as your agent for ACC levy purposes and also for all associated entities. This authorisation allows our organisation to query and change information on your ACC levy account(s) through ACC staff, and through ACC Online Services. This authority will also allow our organisations' main representative discretion to delegate access to your ACC information to other members of our organisation including our contractors. Other delegated members of our organisation will also be able to query and change information on your ACC levy account.

You also authorise us to act on behalf of yourself and other taxpayers identified as associated with this engagement.

Insurance

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

Pre-analysed accounting information for our acceptance

We are prepared to accept, without verifying or checking the material in any way, coded, preanalysed, and summarised accounting information from you that will assist us in the preparation of your financial statements. You should note that the responsibility for the accuracy and completeness of this information remains with you.

Registered Office – Companies Office

We shall prepare annual company minutes as required on completion of annual financial statements, and if instructed by you maintain statutory records, and be responsible for the preparation and lodgement of all returns with Companies Office.

Authority to Link

You give us authorisation to link the persons and entities named in this document to our IRD agency list and access all tax types.

Confirmation of Terms

Please sign this letter to indicate that it is in accordance with your understanding of the arrangements. This letter will be effective for future years unless we advise you of any change.

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ACKNOWLEDGEMENT

I, the undersigned, confirm the professional services outlined in the above letter are acceptable to my/our requirements, and hereby accept the terms of Larsen Patterson & Willson Limited's engagement.

Print Full Name	Signature	Date
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Title (at least one Director must sign on behalf of a company)	Name of Company / Trust / Partnership / Other Entity
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