

Dear Client,

Terms of Engagement

This letter is to confirm our understanding of the terms of our engagement and the nature and limitations of the services we will provide.

Objectives and Scope of the Engagement

This firm will provide accounting and/or taxation services which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), and the Tax Agent Services Act 2009.

The scope of our engagement will include all or some of the following:

- (a) Preparation and lodgement of income tax return(s)
- (b) Preparation of special purpose financial reports.

The extent of our procedures and services will be limited exclusively for this purpose. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

Professional Standards in Relation to Taxation Services

As required by Accounting Professional and Ethical Standard APES 220 – Taxation Services we make the following statement regarding taxation services:

- The responsibility for the accuracy and completeness of the particulars and information provided by you rests with you;
- Any advice given to you in the course of the above services is only an opinion based on our knowledge of your particular circumstances; and
- As a taxpayer, you have obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns.

Conflict of Interest

Prior to entering into the engagement and during the engagement we will attempt to ensure there is no conflict of interest.

You must immediately advise us if, during the engagement, you become aware of any conflict of interest or potential conflict of interest or there is a change of circumstances which may result in a conflict.

If a conflict of interest does arise during the engagement, we will take appropriate steps to resolve the conflict as agreed by all parties involved and permitted by law.

Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Council's website <http://www.professionalstandardscouncil.gov.au>.

Your Responsibilities

You are responsible for the accuracy and completeness of the details and information you provide to us and the disclosure of all material and relevant information. This includes informing us of any change in your circumstances and advising us of any subsequent event which may affect the accuracy and completeness of the information provided.

We may ask questions of you regarding the information provided. You are responsible for providing accurate and complete responses to our questions within a reasonable time. This should not be taken as meaning that we will verify the accuracy and completeness of the information provided.

The taxation law provides you with "safe harbours" from penalties for incorrect or late tax returns if you provide "all relevant taxation information" to us in a timely manner. Failure to discharge the responsibilities described above may mean that you are not eligible for that "safe harbour" protection.

A taxpayer is responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

Our Responsibilities

Information acquired by us in the course of this engagement is subject to strict confidentiality requirements and we will not disclose that information to other parties except as required or allowed by law, or with your written consent.

We will advise you of your rights, obligations and options available to you under taxation laws. We may also provide you with advice on the application of taxation laws, including any possible penalties and other consequences to enable you to make an informed decision of the course of action that may be taken.

Taxation laws change frequently. All advice will be based on the current law at the time the advice is provided. It is your responsibility to obtain updated advice in relation to actual or proposed transactions entered into at a later time.

We will act in your best interests at all times, subject to the overriding requirement that we must comply with the law. For example, we would be unable to lodge a tax return for you that we knew contained a false or misleading statement.

Our firm's quality control procedures have been established and maintained in accordance with APES 320 – Quality Control for Firms and, as a result, our files may be subject to review under the CPA Australia quality control review program. By accepting our engagement, you acknowledge that, if requested, our files relating to this engagement will be made available under this program. We will advise you if this occurs.

Our Expectations

By accepting to complete the services requested, Kovski Accounting expects that its clients will:

1. Maintain their records appropriately so we can rely on the documentation and information provided to it;
2. Not withhold information relevant to the services being provided;
3. Read all documents, emails, brochures, letters, reports, etc forwarded to them by us;
4. Respond to all of our requests in a timely manner;
5. Raise any issues that may occur with us immediately so that they can be resolved as soon as possible;
6. Agree to pay all invoices as they become due;
7. Understand that we process our work on a first-in-first-out basis where possible, and as such a job may not be started for a period of time after receipt by us; and
8. Accept that we will not accept responsibility for any penalties and/or interest resulting from the late submission of any form, document, etc where we have acted reasonably when compared to industry standards.

Involvement of other specialist firms

Where, as part of our engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

Outsourced Services

We do not use any outsourced services in overseas locations when conducting client assignments.

Cloud Hosted Software

We use cloud based practice management, tax, and accounting software that contains your personal and financial information (for more details regarding the our use of cloud hosted software please visit www.kovskiaccounting.com.au/home/about-us/privacy-policy/) . The database containing this information may be located overseas and it may be replicated to other locations. The suppliers of this software have privacy policies that are consistent with the Australian Privacy Principles.

Data Storage

We use data storage located overseas but it may be replicated to other locations. The providers of this storage have privacy policies that are consistent with the Australian Privacy Principles.

Accepting our services as part of this engagement agreement indicates your acceptance of the use of outsourced services, cloud hosted software and outsourced data storage under the conditions outlined above.

If you would like a copy of our complete Privacy Policy visit www.kovskiaccounting.com.au/home/about-us/privacy-policy/

Fees

We will endeavour to provide you with a fee estimate for our service. If a fee estimate is provided it is given in good faith but is not contractually binding.

Our website www.kovskiaccounting.com.au provides some details regarding our pricing.

Where fees have not been agreed on upon our engagement, our fees will reflect the time we spend on your matter.

The actual fees and rates charged by us reflect the seniority, expertise and experience of the persons involved, as well as factors such as the time frame in which this work is to be carried out, the particular nature of the retainer and the complexity and risks of the matter. The maximum hourly rate for the services of a partner is \$250 per hour exclusive of GST.

This fee arrangement will be subject to change if your instructions change or other circumstances come to our attention which necessitate us contacting you to discuss a revision of these fees.

Ownership of Documents

All original documents obtained from you in respect to this engagement shall remain your property; however we reserve the right to make copies of the original documents for our records.

Ownership of the tax returns produced as part of this engagement will vest in you. All other documentation produced by us in respect of the engagement will remain the property of our firm.

In the event of a dispute, the firm has a policy of exploring a legal right of lien over any client documents in our possession.

Trust Account

We maintain a separate audited trust account for dealing with all money and property received from you or on your behalf (for example, tax refunds paid by electronic transfer), except for amounts received from you in payment from our fees. We may request your written authorisation to apply funds in that trust account in payment of our fees.

If you have any queries in relation to this please contact Aleksandar Kulavkovski either via phone or email.

Kind Regards

Kovski Accounting

Name: _____

Position: _____

Enclosed: Engagement confirmation

To Kovski Accounting

I have read your engagement letter and acknowledge the details of the engagement.

Signed: _____

Dated: _____

Name: _____