

*Terms of Engagement*

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as annexed: (THE CLIENT)

**Firm: - Welsford Limited:**

The nature of the engagement is General Accounting & Tax Services

This is neither an audit or review engagement and accordingly no assurances will be expressed by Welsford Limited.

The applicable reporting framework or basis of accounting to be disclosed as part of the financial information, together with any departures is a compilation engagement.

There is a requirement for general purpose financial statements to be prepared in accordance with generally accepted accounting practice in New Zealand

If compliance with generally accepted accounting practice does not result in a true and fair view of the financial information, additional explanations will be required to achieve that result.

The management of *THE CLIENT* is responsible for the accuracy and completeness of the accounting records and other information supplied to *Welsford Limited*, and for the reliability, accuracy and completeness of the financial information compiled on the basis of those records and information.

The information to be supplied and any other information that *Welsford Limited* considers necessary to complete the engagement will be supplied on a timely basis.

The engagement cannot be relied upon to disclose internal control weaknesses, errors, illegal acts, or other irregularities e.g. fraud or non-compliance with laws and regulations applicable to the entity.

*Welsford Limited* will inform the appropriate level of management of *THE CLIENT* or those charged with the governance of *THE CLIENT* as appropriate, of any matters that come to *Welsford Limited's* attention in the course of performing the compilation engagement which cause *Welsford Limited* to believe or suspect that errors or misstatements, illegal acts or other irregularities exist, either in relation to the entity or the financial information that is the subject of the engagement.

The intended use and distribution of the information once compiled, including expected use of the information by third parties, is client bankers & Inland Revenue

The independence of the *Welsford Limited* is not a requirement for an engagement to compile financial information.

Access to *THE CLIENT's* records and information in *Welsford Limited's* possession which support *Welsford Limited's* working papers relating to *THE CLIENT's* affairs may be required by the Institute for the purposes of the Institute's quality assurance function.

Working papers prepared by *Welsford Limited* in relation to the assignment are *Welsford Limited's* property.

A Standard disclaimer statement will appear on the compiled information

The basis on which *Welsford Limited's* fees will be charged will be in line with past practice or an agreed fee.

Signed for and on behalf of *THE CLIENT* –

.....  
Signed for and on behalf of *Welsford Limited*

.....

This document is to confirm Welsford Limited's understanding of the terms of our engagement and the nature and extent of the services we will provide. Unless otherwise agreed between us in writing this letter records the entire agreement between us in relation to *my* engagement. The terms recorded in this letter will remain in force until varied or until cancelled by either of us by notice in writing to the other.

The arrangements outlined herein will continue in effect from year to year unless varied in writing.

Where the services of an external consultant are required, involving the disclosure of confidential the above client & associated parties as annexed information, *THE CLIENT's* prior consent will be obtained by *Welsford Limited*

*THE CLIENT* accepts that *Welsford Limited* shall have the right to exercise a possessory lien over any records in their possession relating to any outstanding fee.

Disclaimer. *Welsford Limited* has compiled the financial information in accordance with *SSE-2 Compilation of Financial Information* of the New Zealand Institute of Chartered Accountants based on information provided to us which has not been subject to an audit or review in respect of either of the information provided or the financial information which is provided from it. Accordingly neither *Welsford Limited* nor any of its employees accept any responsibility for the reliability, accuracy or completeness of the compiled information 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 the compiled financial information.

*THE CLIENT* accepts that the above disclaimer by *Welsford Limited* forms part of the financial statements and is to remain attached to all copies of the financial statements distributed to third parties.

It is not intended that the engagement of *Welsford Limited* for the compilation of financial statements be relied upon to prevent or detect fraud or error.

If requested by *THE CLIENT* *Welsford Limited* will prepare and file on time for *THE CLIENT*: Income tax returns and election notices for *THE CLIENT* and associated persons, GST returns, FBT returns, Employee Deduction forms, payment of PAYE etc deductions, overdue IRD returns, Statistics NZ forms etc.

*Welsford Limited* may provide to *THE CLIENT* general business and/or tax advisory services as required. *Welsford Limited* will not audit, review, or carry out any other checks on the accuracy or completeness of the information *THE CLIENT* provides.

By signing this letter *THE CLIENT* authorizes *Welsford Limited* and Martin Carmalt Welsford to act as its tax agent with the Inland Revenue Department for all tax types and associated entities. As tax agent *Welsford Limited* and Martin Carmalt Welsford will have access to all relevant tax records at the Inland Revenue Department

The conduct of this engagement is in accordance with the professional standards, Rules, and Code of Ethics of the New Zealand Institute of Chartered Accountants. Information obtained in the course of this engagement is subject to confidentiality requirements in addition to *Welsford Limited's* obligations under the Privacy Act 1993. *Welsford Limited* will not disclose that information to other parties without *THE CLIENT's* express consent, except as required by law or professional obligations.

*Welsford Limited* will not be responsible or liable if information needed to carry out its tasks properly is withheld or concealed or wrongly represented to it.

*THE CLIENT* authorizes *Welsford Limited* to seek information it requires for the performance of its assignments from *THE CLIENT's* solicitors, bankers, and finance companies.

THE CLIENT authorizes *Welsford Limited* to email the completed Financial Statements and tax returns to the following email address.

Email address: .....@.....

It is a condition and precedent to any liability that any claim against *Welsford Limited* must be made and notified within one year of the date the performance of the work specified in this agreement. Any liability will be limited to ten times the amount invoiced in respect of any assignment (GST and disbursements excluded) or the sum of \$150,000 whichever is the lesser.

**IRD Authority**

**To: INLAND REVENUE DEPARTMENT** from \_\_\_\_\_ this day of \_\_\_\_\_ 20\_\_

I/We declare that *Welsford Limited* and Martin Carmalt Welsford and staff has the authority to act on my/our behalf for all tax types (except child support) and they may obtain information from Inland Revenue through all channels.

This authority is in relation to the following taxpayers:

<u>Name</u>	<u>IRD#</u>
_____	____ - ____ - ____ - ____ - ____
_____	____ - ____ - ____ - ____ - ____
_____	____ - ____ - ____ - ____ - ____
_____	____ - ____ - ____ - ____ - ____

_____ Signed	_____ Name	_____ Date
_____ Signed	_____ Name	_____ Date
_____ Signed	_____ Name	_____ Date
_____ Signed	_____ Name	_____ Date