



# **LATERAL PARTNERS PTY LTD TERMS AND CONDITIONS**

## **STANDARD TERMS AND CONDITIONS RELATING TO PROFESSIONAL ENGAGEMENTS**

### **THIS AGREEMENT**

These Standard Terms and Conditions relating to professional engagements, are to be read in conjunction with our engagement letter should one be provided to you. They apply to all services that we perform for the parties that are described in the engagement letter (referred to as Services). The engagement letter (if any) and the Standard Terms and Conditions relating to professional engagements are called "this agreement". Where there is any inconsistency between the engagement letter and these Standard Terms and Conditions, the engagement letter will prevail. This agreement constitutes the entire agreement between the parties with respect to our work under this agreement and supersedes all prior agreements, proposals, oral and written representations and negotiations.

Each business entity and individual engage us on the terms set out in this agreement and are bound by those terms. The business entities and adult family members listed on our engagement letter are all jointly and severally liable to pay our accounts, regardless of which of the listed individuals or entities those accounts are addressed to, and regardless of who of the listed individuals or entities received the benefit of the work performed. In the absence of an engagement letter, an individual procuring our services is liable to pay our account. When an individual procures our services on behalf of a business entity, they acknowledge they are jointly and severally liable for our fees, and have obtained all required consents as required from other stakeholders of the business entity to enter into this agreement.

### **1. OUR OBLIGATIONS**

Lateral Partners will provide the Services set out in the engagement letter with competence, due care and diligence, however the quality of the Services will depend upon input from you.

We will be pleased to attend to the preparation of your financial statements and statutory returns in accordance with the relevant standards and ethical requirements of The Institute of Public Accountants in Australia and as required by the Income Tax Legislation.

Importantly, you play a major role in helping us deliver what you want. By providing the right information at the right time you will help us to help you prepare statutory returns that are accurate, complete and lodged within the prescribed period. This is necessary to avoid penalty tax and interest.

We shall attend regular management meetings as requested, to discuss and review the current results of your business.

We will also provide you with advice on tax planning issues prior to the end of the financial year.



## **2. NON-COMPLIANCE WITH LAWS AND REGULATIONS (NOCLAR)**

Our engagement cannot be relied upon to detect or discover irregularities including fraud, other illegal acts and errors which may exist in respect of your business, personal or financial affairs.

We may, as part of our responsibilities as a "Member in Public Practice", take steps and actions as set out in section 225 of APES 110 Code of Ethics for Professional Accountants (Responding to Non-Compliance with Laws and Regulations).

## **3. OWNERSHIPS OF DOCUMENTS**

The financial statements, statutory 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 general working papers, the general ledger and draft documents will remain our property at all times.

If our Services are terminated (by either party), we shall be entitled to retain all documents owned by you until payment in full of all outstanding fees. 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.

## **4. INTERNAL ACCOUNTING REQUIREMENTS**

We understand that your staff will be primarily responsible for your internal accounting requirements. This will include regular banking and payment, and the maintenance of a computerised general ledger.

We advise that we will be pleased to assist you as and when required, with any accounting or computer input questions as part of our Services to ensure that you have full control over the general ledger and reporting functions.

We consider that our role will effectively be limited to providing you with advice in relation to accounting and taxation matters and then utilising the finalised data from your system to ensure that it is presented in such a way as to satisfy accounting standards, corporations law and taxation legislation requirements.

In this regard, we would like to bring the following to your attention. The actual responsibility for the preparation of financial statements of a company and trust to show a true and fair view of the state of the company and trust affairs and of its results is imposed on the directors of the company and trustee company under the corporations law. Accordingly, we would see our role under this engagement as being one of assisting the directors of the company and trustee company to enable them to comply with their statutory obligations.

Severe penalties may be imposed on the directors of companies for non-compliance with the provisions of the corporations law.

In addition, changes in the law and interpretations may take place before our advice is acted upon or may be retrospective in effect. We accept no responsibility to inform you of changes in the law or interpretations affecting the advice we provided previously unless we have been engaged to do so and as stated in this engagement letter.



Further, our work and advice will be based solely on the information you provide, the circumstances made known to us and the assumptions set out in our correspondence. If there have been any changes in the information the directors originally provided to us, we rely on the directors bringing the changes to our attention.

You acknowledge and agree that it is not our responsibility to make, nor will we make, any commercial or business decisions for you. Our advice or opinion should not be the sole basis for any such decisions that you make. Before making any such decisions where our advice or opinion will be considered, you should consider: (a) the limitations on and scope of that advice or opinion; and (b) all commercial or other relevant factors that you and your professional advisers (other than us) are, or ought reasonably to be aware of, from sources other than us.

You must provide us with the opportunity to rectify our advice or opinion if you become aware that it does not conform to the scope of the Services in any material respect. If you fail to notify us in writing of any such nonconformity, we disclaim all responsibility for our advice or opinion failing to conform with the scope of the Services.

## **5. AUDIT REQUIREMENT**

We understand that an audit of the financial statements is not required and therefore we will not be expressing an opinion as to the truth and fairness of those financial statements. Therefore, we disclaim any assumption of responsibility for any reliance on our report to any person other than the directors and members of the abovenamed entity(ies). Our report will contain a disclaimer to this effect.

## **6. PREPARATION OF FINANCIAL STATEMENTS FOR YOUR BUSINESS ENTITIES**

On the basis of the information you provide, we will compile, in accordance with the Institute of Public Accountants Professional Standards (APS 9 "Statement on Compilation of Financial Reports" or any future replacement standard) a financial report for the specified entities.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which you provide, into a financial report. Our procedures will not include verification or validation procedures. No audit or review will be performed and accordingly no assurance will be expressed.

We will rely on you for both the completeness and accuracy of the information supplied to us, and this includes responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies. You are solely responsible to users of the special purpose financial report compiled by us.

Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist.



## **7. PREPARATION AND LODGEMENT OF INCOME TAX RETURNS FOR YOUR BUSINESS ENTITIES AND FAMILY**

We will be responsible for the preparation and lodgement of Income Tax Returns for individuals and entities required to lodge these returns, and if requested will review all assessments, instalment notices and correspondence with the Australian Taxation Office in respect of those returns.

Whilst every care will be taken to provide the highest standard of professional advice, you should be aware of the following:

1. Under the taxation law, responsibility for the accuracy and completeness of Income Tax Returns and other returns and statements made to the Australian Taxation Office, vests with the taxpayer or officers of the taxpayer entity.
2. Our taxation advice is necessarily an opinion only based on our knowledge of the particular circumstances. There are limitations attaching to such tax advice and our expression of opinion should not be taken as an assertion of fact. Consequently, such advice and Income Tax Returns are not beyond challenge.
3. Our advice will rely on our understanding of specific facts, which will be provided by you or associated entities. The accuracy and completeness of our advice is reliant on the accuracy and completeness of the underlying facts as provided.

This service does not cover any inquiries made by or investigations conducted by the Australian Taxation Office.

## **8. PREPARATION AND LODGEMENT OF SUPERANNUATION FUND FINANCIAL ACCOUNTS AND INCOME TAX RETURN**

We will be responsible for the preparation and lodgement of the financial accounts and income tax return for your superannuation fund.

This assignment will involve:

- Preparation of the superannuation fund's financial accounts for the purposes of the Superannuation Industry Supervision Act (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 September each year to allow these tasks to be completed.
- An audit being undertaken by Unison SMSF (or our preferred auditor at that time).

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

You should also note that the deeds of the fund 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.

Our fee does not include financial planning services for the investments of the superannuation fund or for any planning advice for your future retirement planning needs.

This service does not cover any inquiries made by or investigations conducted by the Australian Taxation Office.

## **9. PREPARATION AND LODGEMENT OF BAS RETURNS FOR YOUR BUSINESS ENTITIES**

As the BAS returns are prepared and lodged quarterly, it is not possible for this firm to review the correctness of the underlying financial information as part of the preparation of the quarterly 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 quarterly 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 specific 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 service outside of the scope of our engagement and to be charged as additional services.
- You have the necessary supporting documentation to satisfy the Australian Taxation Office for GST purposes. Again, if you are unsure of the Australian Taxation Office requirements or require advice regarding these documents, we are able to provide this service outside of the scope of our engagement and to be 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 questions 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 quarterly BAS returns and in the annual financial statements. Should any such discrepancies arise, we will discuss the need to correct either the BAS returns and/or financial accounts. These services will involve work outside of the scope of our engagement and will be charged as additional services.

This service does not cover any inquiries made by or investigations conducted by the Australian Taxation Office



## 10. SECRETARIAL SERVICES

We will attend to the preparation and lodgement of the appropriate annual and other statutory returns and as required, we will attend to the maintenance of your company registers on the basis of the information supplied by directors.

Company annual returns will need to be lodged each year with lodgement fees payable to the ASIC.

## 11. DELAYS

Lateral Partners will not be liable for any failure or delay in performing the Services if that failure or delay arises from anything beyond its control, including the untimely performance by you of your obligations, in which case Lateral Partners is entitled to review its fees and, if the delay is substantial, terminate this agreement.

## 12. FEE ACCOUNTS AND TERMS

Our fee accounts for professional services are rendered as and when substantial work is performed and often on an interim basis as opposed to at the completion of particular tasks. We require payment within 30 days of issue of our invoice. We reserve the right to perform no further work for you until all outstanding accounts are paid in full.

Annual compliance work consists of the following:

- Preparation of workpapers;
- Preparation of accounts;
- Preparation and lodgement of income tax returns;
- Preparation and lodgement of BAS returns.

It does not include among other things, the following:

- Auditing the financial statements;
- Tax planning;
- Finance advice;
- Consulting work;
- Disbursements;
- Review of income tax assessments and other Australian Taxation Office correspondence;
- Miscellaneous correspondence.

The fees do not include the goods and services tax (GST). Where GST applies, it will be charged in addition to the fees.

Fees can be paid by cheque, direct to our bank account or by credit card. Our bank account details for payment are:

**Account Name:** Lateral Partners Pty Ltd

**BSB:** 062000

**Account Number:** 1995 7159



(Please include client name and invoice number in narrations).

A processing fee applies to credit card payments and is currently 1.00% (Visa and Mastercard).

### **13. DISBURSEMENTS**

Disbursements represent out-of-pocket payments made by us on your behalf and may include such items as outsourcing, courier, postage, filing fees and other applicable costs.

Occasionally, we may contract with outside parties for services in connection with our professional engagement on your behalf. If we do, we may forward the invoice to you and request payment be made directly to the suppliers.

Where we incur disbursements on your behalf, we will charge you the GST inclusive amount of those expenses.

### **14. TERMINATION OF AGREEMENT**

You may choose to terminate our engagement by giving us written notice at any time. If you do so, you shall be obliged to pay our fees for work done and for other charges incurred up to the time of the termination. Subject to fulfilling our professional responsibilities, we may terminate our engagement at any time, including where you expect us to do something unlawful, by giving you reasonable notice or if our fees are not paid when due.

### **15. CONFIDENTIALITY**

The conduct of this engagement in accordance with the standards and ethical requirements of The Institute of Public Accountants in Australia, means that information acquired by us in the course of the engagement is subject to strict confidentiality requirements. We will not disclose that information to other parties except as required for by law or professional standards, or with your signed permission unless we determine that disclosure of the non-compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances.

### **16. PRIVACY**

During the course of our work, you may disclose personal information about yourself or others to us. This information will be used for the purpose of our engagement and will be gathered, maintained and secured in accordance with the requirements of the Privacy Act 1988 as amended. We may also disclose personal information to our related entities. A copy of our privacy policy is available on our website at [www.lateralpartners.com.au](http://www.lateralpartners.com.au).

### **17. INDEPENDENCE**

The Tax Agent Services Act requires Lateral Partners to act lawfully. Accordingly, we reserve the right to terminate an engagement if a client expects Lateral Partners to do something unlawful.



## **18. INTELLECTUAL PROPERTY RIGHTS**

Lateral Partners retains all copyright (and other intellectual property rights) in everything we develop (or are involved in developing) either before or during the course of an engagement, including systems, methodologies, software, know-how, all reports, written advice and other deliverables we provide to you.

All working papers prepared by Lateral Partners in connection with the engagement remain our property.

## **19. EMAIL**

You agree that we may communicate with you using electronic media. You acknowledge that electronic media is inherently insecure, may be intercepted, may not be delivered and may contain viruses. Neither of us is responsible for loss suffered in connection with the use of such electronic means.

## **20. INDEMNITY FOR LIABILITY TO THIRD PARTIES**

You agree to indemnify Lateral Partners against all liabilities, claims, costs and expenses collectively referred to as "LOSS" (including any GST payable by Lateral Partners on amounts paid by you under this indemnity), incurred by Lateral Partners in respect of any claim by a third party which is related to, arises out of, or is in any way associated with our engagement. However, the indemnity does not apply to any Loss in respect of any matters which are finally determined to have resulted from Lateral Partners negligent, wrongful or wilful acts or omissions. Liability is limited by a scheme approved under Professional Standards Legislation.

## **21. OUR LIABILITY**

### **General limitations**

Limitations on liability may be set out in our Engagement Letter.

Liability is limited in accordance with our professional standards obligations and monetary thresholds that we are insured for.

Our Personnel will not be liable to you in relation to any Loss suffered by you as a result of the Services provided, nor for any Loss suffered by any Third Party.

You must not bring any claim arising out of this Agreement against any of our Personnel personally.

Other than to the extent required under mandatory laws which cannot lawfully be excluded, restricted or modified (including the Competition and Consumer Act and applicable Fair Trading Laws):

- (i) all terms, conditions, warranties and consumer guarantees, whether statutory or otherwise, are excluded in relation to the Services; and





(ii) subject to limitations of liability and to the greatest extent allowed by law, our liability to you in relation to all Claims relating to the Agreement and the Services is limited, in our complete discretion, to either:

- (A) re-supplying or paying the cost of resupplying the Services;
- (B) a refund of the fees paid by you to us in relation to the Services; or
- (C) the proceeds of insurance received by us or payable by our insurers in relation to the relevant Claim (if any).

Our liability to you in relation to the Agreement and the Services (if any) is limited to that proportion of the Loss (including interest and costs) suffered by you, which is agreed between us or ascribed to us by a court allocating proportionate responsibility to us having regard to the extent of our responsibility for the loss or damage and the contribution to the loss or damage in question by you and any Third Party.

#### Professional Standards Legislation

Our liability is limited by schemes approved under professional standards legislation.

Lateral Partners, participates in the current Professional Standards Schemes for members of the Institute of Public Accountants (IPA).

A copy of the schemes can be obtained from us on request, or further information about the scheme can be obtained from the website of the Professional Standards Councils - <https://www.psc.gov.au/>.

#### **Excluded Loss**

To the extent permitted by law, we will not be liable to you nor any Third Party for any Excluded Loss.

#### **Third Party claims**

(a) You agree to indemnify us against Loss or Expenses incurred by us in relation to any Claim by a Third Party which relates to this Agreement, including a prosecution, inquiry or investigation by a governmental body or agency.

(b) The indemnity above does not apply to the extent the any Claim in relation to matters which are finally determined by a court or by agreement to have resulted solely and directly from our negligent or wilful acts or omissions.

#### **General indemnity**

You indemnify us and our Personnel on a full indemnity basis, in relation to any Claim which relates to this Agreement where you or persons for whom you are vicariously liable cause any of the Loss relating to such Claim.



## **22. SEVERABILITY**

We agree that each of the promises and undertakings given in this letter of engagement are independent from one another and severable.