

ACCOUNTING SERVICES GUIDE

This Accounting Services Guide (ASG) is designed to assist you in understanding the different types of services we offer.

The ASG contains information about:

- What services we can provide to you;
- How we and any other relevant persons are remunerated; and
- Our General Terms & Conditions.



Accounting Services

Financial Statements

Where this firm has been engaged to prepare the annual financial statements of your business to facilitate the preparation of an income tax return, this service includes:

- Preparation of:
 - An Income Statement (profit and loss)
 - A Balance Sheet
 - Notes for the above accounts
 - A declaration in which you confirm the accuracy of the financial statements and the solvency of the entity
- Assistance with recording specific transactions in the general ledger as requested
- Reconciling your accounting data for the end of the financial year
- Reconciling wages and GST (Goods and Services Tax) obligations
- Reviewing assets and keeping an updated asset register, including calculating depreciation and amortization where necessary
- Reviewing liabilities and other obligations at the end of the year
- Completing data file reconciliation, including year-end journals, and finalizing files for the year

It is important to note that no independent audit will be carried out and as such, we will not be expressing any audit opinion or a review conclusion. Accordingly, they cannot be relied upon to disclose irregularities, including fraud, other legal acts and errors. If an audit is required, it would be subject to a specific audit engagement letter.

Interim Financial Statements

On your request, we will prepare periodic profit and loss statements and balance sheet reports (compared to budget forecasts if applicable).

Income Tax Returns

- Review of your financial information and records to ensure accuracy and quality
- Preparation of your Income Tax Return
- Preparation of Tax Reconciliations
- Preparation of templates and schedules to assist with the collation of information (if required)
- Lodgement of the Income Tax Return with the Australian Taxation Office (ATO)
- Review of the Notice of Assessment to ensure correct tax calculation
- Forwarding of notices from the ATO

Activity Statements

- Preparation of Business Activity Statements for the applicable period/s
- Preparation of Instalment Activity Statements for the applicable period/s
- Calculations of instalment amount
- Lodgement of activity statements with the Australian Taxation Office (ATO)
- Communication with the ATO on any queries or issues that may arise

It is possible, that when the financial statements are prepared, some discrepancies will exist between the information disclosed in the BAS and in the annual financial statements. Should any discrepancies arise, we will discuss the need to correct either the BAS and/or financial accounts and will notify you in writing of any adjustments that are required.

Fringe Benefits Tax Return

- Review or calculation of FBT liability
- Preparation and lodgement of an FBT return and any necessary schedules (if required)

- Advice on FBT issues
- Calculation of Reportable Fringe Benefits Tax Amounts that are to be included on the annual payment summaries for your employees

Superannuation Fund - Accounting

Should you have a self-managed superannuation fund and engage us to attend to the compliance work for you, this assignment will involve:

- Preparation of the annual financial statements, including members' statements
- Arranging to have the financial statements of the superannuation fund audited for the purposes of the *Superannuation Industry Supervision Act* (the SIS Act)
- Preparation of Member Contributions Statements
- Annual review of superannuation funding requirements

Corporate Compliance

If appointed as your ASIC Registered Agent, we will:

- Change your registered office address to our office address for notices (unless otherwise agreed)
- Review and issue the Annual Company Statement and associated documentation
- Attend to Company Register & Corporations Law compliance
- Corporate secretarial services
- Lodgement of ASIC forms as needed
- Liaising with ASIC where necessary

It is your obligation to advise us of any changes in particulars to your Company. At the time of your company's annual anniversary, we will electronically send you the documents needed for signing along with the invoice for ASIC. It is your responsibility to ensure that the ASIC invoice is paid directly to ASIC by the required due date and that the relevant documentation is signed and returned.

Bookkeeping Services

We offer a comprehensive range of bookkeeping services to satisfy your specific needs, which can be added as part of your accounting package or as a stand-alone service for \$145 + GST per hour. Our bookkeepers have experience with a range of popular software packages, including Xero, MYOB and QuickBooks.

Services offered include:

- Payroll preparation
- Reconciling bank and credit card statements
- Importing transactions and setting up data feeds for future use
- Reconciling accounts receivable and accounts payable
- Sending debtor reminders
- Updating data feeds in your accounting software files
- Providing troubleshooting and support

Other Services and Advice

We offer advice and assistance in a number of other areas including:

- Management Consulting
- Long Service Leave Corporation lodgements
- Land Tax
- Workers Compensation
- Contractor Taxable Payment Annual Reports
- ATO Liaison & Dispute Resolution
- Payroll Tax (State)
- Audit of Financial Statements or Trust Accounts
- Cashflow & Business Plans

- Rural Subsidies & Assistance Schemes
- Business Valuation & Acquisition
- Profit Performance Monitoring
- Expert Reports
- Structuring advice
- Tax advice

Fees

Our services will be billed as work progresses and are based on the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out-of-pocket expenses. There will be a number of people within our team who will care for various parts of your file which include our professional time, processing, bookkeeping and administration. These fees will be charged at their respective rates plus GST, which are reviewed annually.

Partners	\$552.00 per hour
Accountant Managers	Ranging from \$252.00 to \$300.00 per hour
Accountants & Bookkeepers	Ranging from \$180.00 to \$204.00 per hour
Administration & other	Ranging from \$180.00 to \$216.00 per hour

General Terms and Conditions

Purpose, Scope and Output of the Engagement

HQB Accountants Auditors Advisors will provide accounting services that will be conducted under the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

Our firm is a registered tax agent with the Tax Practitioners Board: [Click here to view our registration.](#)

We will endeavour to prepare your work within four weeks of receiving all required information, including this accepted agreement. Please get in touch with us to discuss turnaround time if you need this engagement completed sooner. Whilst we will try our best to meet your lodgement deadline, we will not be liable for any late lodgement penalties where you provide complete information less than four weeks before your lodgement date.

In providing these services, it is agreed that we will not undertake any independent audit of the prepared financial statements or income tax returns prepared. Our role will be limited to assisting in compiling the financial statements and preparing the relevant tax returns based on the information and records you provided. The financial statements prepared will contain an appropriate disclaimer that identifies the extent and limitations of our role. We are entitled to rely on the records provided as being both accurate and complete.

While our engagement does not include the audit of your financial statements or income tax returns, we are required by the *Tax Agents Services Act 2009* to satisfy ourselves as to the reasonableness of the information and claims made in your income tax returns. The legislation provides the basis for this and may require us to make further enquiries with you from time to time about your taxation returns. Where possible, we will endeavour to identify the necessary information in advance. To ensure the efficient completion of your work, you agree to make available all information as is reasonably required for us to

complete the various engagements agreed upon.

Some of your agreed work is subject to specific lodgement dates. We aim to ensure that all of your work is completed in time to meet these lodgement dates. This relies on receiving your information within a reasonable period before those due dates (our recommendation is not less than 30 days) and having timely answers to any queries raised. We will agree on a work program with you each year, including the dates for receiving your information and our completion date.

Occasionally, you may request that we undertake additional work for you other than what is described in this engagement agreement. This will represent a separate engagement for which we will issue you a separate engagement agreement.

A separate engagement letter will be issued for any audit engagements specific to that entity.

AFSL disclaimers

For us to comply with the new AFSL regime, you will note disclaimers in our written documents that are required to ensure that you are on notice that an AFSL does not cover our advice and services.

Period of Engagement

This engagement takes effect on the date of signing and is valid until replaced by a subsequent agreement. We will not deal with earlier periods unless you specifically ask us to, and we agree.

We may cancel this agreement at any time before the period end by giving written notice to you. We shall not be liable for any loss or damage whatsoever arising from such cancellation.

In the event that you cancel this agreement before the period end, we reserve the right to invoice for any services provided to the date of termination.

Your obligations & rights

- The *Tax Agents Services Act 2009* requires us to advise you of your rights and obligations while acting for you on taxation matters. Concerning the taxation services provided:
- You are subject to the self-assessment system for all your income tax returns. The Commissioner is entitled to rely on any statements made in your income tax returns. Where those statements are later found to be incorrect, the Commissioner may amend your income tax assessments, and, in addition to any tax assessed, you may also be liable for penalties and interest charges.
- You must keep proper records that will substantiate the taxation returns prepared and which will satisfy the substantiation requirements of the Income Tax Assessment Act. Failure to maintain such documents could result in disallowed claims, additional tax imposed, and the imposition of penalty or general interest charges.
- You are responsible for the accuracy and completeness of the particulars and information required to comply with the various taxation laws. We will use this information supplied in the preparation of your returns.

Your rights as a taxpayer include the following:

- The right to seek a private ruling;
- The right to object to an assessment by the Commissioner;
- The right to appeal against an adverse decision by the Commissioner.
- Certain time limitations may exist for you to exercise these rights.

Should you wish to exercise these rights at any time, you should contact us so that we can provide you with the relevant time frames and to discuss any additional requirements which may exist.

Fees

The scope of our engagement is the preparation and completion matters detailed in this agreement. Any agreed fee applies only to services and advice provided within the scope of our engagement. Where applicable, this fee includes the checking and forwarding of original assessments and original payment notices received from the Australian Taxation Office and ancillary telephone and email communications to clarify any aspect of the work we have undertaken as part of this engagement.

However, if the situation arises during this engagement where we discover other matters not apparent when preparing this agreement, we will cease work, contact you and agree to an amended fee for those additional services.

Please note that any correspondence from the Australian Taxation Office that does not relate to initial assessments or original payment notices will be charged as additional services.

Disbursements & Subscriptions

Disbursements will be charged for legal expenses, couriers, research data, online costs and any statutory fee incurred on your behalf.

Where relevant, your Xero subscription will be charged separately and in addition to any other service provided. Additional direct debit forms will be required before subscribing to the file. As the Subscriber for your Xero Business Edition, we will always give you full access to your Xero subscription, including if the business relationship between us terminates or there is a dispute. If you transfer your business to a new accountant, you must provide us with the name and email address of your chosen new Xero Subscriber so we can transfer your Xero subscription. We are bound by the Xero Partner Code of Conduct. This Code contains dispute resolution procedures and how your access to the Xero subscription will be maintained in the event of a dispute (including relating to non-payment of our fees) between you and us.

Payment Terms & Debt Collection Policy

Our available methods of payment are:

- Cash
- Cheque
- Direct Deposit
- Credit Card*

*HQB are charged 1.45% on all credit card transactions for Merchant Service Fees. Our policy is that if you wish to use your credit card to settle our account (and in accordance with current business trends) we will charge a processing fee of 1.45%.

Our payment terms state that all invoices must be paid within 14 days from the date of the invoice. If you are unable to settle your account in full, please contact our office to make an alternative arrangement.

If you do not settle your account within payment terms, it will result in the following:

- Compound interest will be charged at 1% per calendar month
- Our complimentary services for an ATO review/audit will be revoked
- No further work will be undertaken until the account is paid in full, at which point, no work shall be carried out without pre-payment on account
- Your account will potentially be listed with an Australian Credit Reporting Agency. If listed, the

default will be visible on your credit file for five years. This default may adversely affect your ability to gain credit from other suppliers in the future.

- If the overdue invoice(s) are then referred to a debt collection agency and/or law firm for collection and we are charged commission and/or disbursements and/or legal fees; you agree that you will be liable to pay as a liquidated debt to us any commission, disbursements and legal fees payable by us.

Security and Charge

You acknowledge that these terms constitute a security agreement for the purposes of the *Personal Property Securities Act 2009* (PPSA).

In consideration of HQB Accountants Auditors Advisors providing these services, you:

- Charge all rights, title and interest (whether joint or several) in any land, realty or other assets capable of being charged, owned by you either now or in the future, to secure your obligations under these terms (including, but not limited to, the payment of any money).
- Indemnify HQB Accountants Auditors Advisors from and against all costs and disbursements (including legal costs) incurred in exercising our rights under this clause.
- Waive your right to receive notices under sections 95, 118, 121(4), 130, 132(3)(d) and 132(4) of the PPSA.
- Waive your right as a grantor and/or a debtor under sections 142 and 143 of the PPSA.
- Waive your right to receive a verification statement in accordance with section 157 of the PPSA.
- Agree that sections 96, 115 and 125 of the PPSA do not apply to this security agreement.

Director's Indemnity

If the entity invoiced by us for our services cannot discharge its liabilities, then the entity's Directors or Trustees agree to indemnify us for any such liability personally.

ASIC & Corporate

Where applicable, HQB Accountants Auditors Advisors confirms they have not provided financial or taxation advice concerning the requested company changes for any ASIC or Corporate related affairs. We recommend you consult an appropriate professional for specific advice tailored to your situation. While care has been taken in preparing the associated documents, no liability is accepted by HQB Accountants Auditors Advisors, its related entities, agents and employees for any loss arising from reliance on this document.

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 Councils' [website](#).

HQB Complimentary Services For ATO Review/Audit

Since 1986, HQB have provided complimentary services for an ATO review/audit as part of our quality control. This service is designed to cover HQB clients for what could be thousands of dollars in our professional fees incurred from an ATO review/audit of returns that we prepared and lodged on your behalf.

The process involves preparing you prior to the reviewer/auditor's attendance, holding interviews at the HQB office, and HQB staff being present at all interview times to assist you.

Why do we provide this support?

The marketplace does offer insurance policies to cover some accounting costs in respect of an ATO review/audit. We do not endorse this approach as it means the insurance company can determine what

level of work is undertaken to attend to the review/audit.

We believe that the best approach for an ATO review/audit is to treat it as a matter both you (the client) and HQB are invested in achieving the best outcome for you, and HQB. We do this by providing a no cost service to supplement the work we undertook in preparing your return.

To qualify for HQB's complimentary services for an ATO review/audit:

- The review/audit relates to a return prepared and lodged by HQB;
- You supplied us with the necessary and correct information we requested to prepare your return; and
- You paid our fees within usual trading terms.

Providing the above conditions are met, HQB will not charge you for the time we spend attending to your ATO review/audit. We do not cover any ATO interest or penalties.

Confidentiality & Privacy

The conduct of this engagement, in accordance with the standards and ethical requirements of Chartered Accountants Australia and New Zealand (CAANZ), means that information acquired by us in the course of the engagement is subject to strict confidentiality requirements.

By providing your personal information to us you acknowledge that this information, including your tax file number, may be shared with our staff, directors, employees, consultants or contractors who are used in the course of providing services to you. That information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

To ensure the quality services provided by the practice, CAANZ require that a review be undertaken approximately every 5 years. This entails an approved person (Quality Reviewer) having access to the practice's files to review compliance with professional standards. Should your files be selected for a review we will seek your consent before making any files available for the review.

Who We Are Acting For

This agreement applies only to the individuals or entities specifically named within it. Where you would like us to act for anyone else, we will issue a separate engagement agreement to them.

We may be required to verify your identity for the purposes of the anti-money laundering laws. We may request from you such information as we require for these purposes and make searches of appropriate databases.

We will advise you and your spouse on the basis that you are a family unit with shared interests. We may deal with either of you and may discuss with either of you the affairs of the other. If you wish to change these arrangements, please let us know.

Who May Instruct Us

You confirm that you, and any other person you nominate from time to time (provided we have acknowledged such nomination), are authorised to give us instructions and information on behalf of all persons we are acting for and to receive our advice and documents on their behalf.

If we are acting for a business, and we receive conflicting advice, information or instructions from different persons, we may refer the matter to the board of directors, partners or proprietors (as applicable) and act only as requested by them.

Change in Control

The Client shall give the Firm not less than fourteen (14) days prior written notice of any proposed change of ownership of the Client and/or any other change in the Client's details (including but not limited to, changes in the Client's name, address, contact phone number/s, or business practice). The Client shall be liable for any loss incurred by the Firm as a result of the Client's failure to comply with this clause.

Ownership of Documents

We will prepare various working papers and notes consistent with our internal quality control system during our engagement. These working papers remain the property of our firm and will be retained by us to support any future queries on work completed. Source records provided by you to us to assist in the completion of your work will be returned to you after each engagement. Where appropriate, we may take copies to retain on your client file.

Irrespective of whether we retain ownership of any documentation, all risk for such documentation shall pass to you on delivery of the documentation.

Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for approval. We will endeavour to ensure that the returns are lodged by the due dates and will advise you when documentation should be provided to us to undertake the work. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any late lodgement penalties or interest charges you may incur.

Use of Cloud Computing Services

We use Cloud Computing Software to manage, process and function our client's work and business operations. These cloud computing systems store files on remote servers operated by third parties, including hosting providers in the United States of America and Singapore.

Storage of documents

We also use Cloud Based Data Storage with servers located in Australia and overseas to house your documents and facilitate the transfer of data files and other information from clients.

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 outsourced services, cloud-hosted software and outsourced data storage under the above conditions.

If you would like a copy of our complete Privacy Policy or any other information concerning the security of your personal information and data, please get in touch with us, and we will be happy to provide further details.

Electronic Communications

We will communicate with you electronically, including sending you Commercial Electronic Messages (as defined in the *SPAM Act 2003*). You consent to us sending Electronic Communications to you and agree to be included in our e-newsletter subscription and important topical broadcasts as they arise occasionally. If you wish to unsubscribe from HQB Accountants Auditors Advisors e-Newsletters, please follow the unsubscribe process by selecting 'unsubscribe' at the bottom of the email content.

Electronically transmitted information cannot be guaranteed to be secure or virus or error-free; consequently, such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. We will not be liable to you for any error, omission or loss of confidentiality arising from or in connection with the electronic communication of information.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in case of a dispute.

Use of AI Technologies

HQB may occasionally use secure artificial intelligence for the purpose of summarising meetings. We'll always ask for your consent first, which you can withdraw at any time. Any data collected will be handled in accordance with the *Privacy Act 1988* (Cth).

Complaints

We welcome feedback, either formally or informally, on our performance, and your engagement partner will always be pleased to hear any suggestions as to how our service can be improved. If you wish to make a complaint, please call or email our Office Manager at enquiries@hqb.com.au.

If the issue is not resolved to your satisfaction, you may lodge a complaint with the Tax Practitioners Board [here](#).

Risk Management and Client Due Diligence

HQB reserves the right, at its sole discretion, to manage its client relationships and service delivery in accordance with its internal risk appetite, legal obligations, and compliance requirements. Without limiting any other rights, we may:

- Decline to onboard new clients where, in our firm's assessment, the prospective client falls outside its risk appetite or presents a level of risk HQB is not prepared to accept.
- Suspend, limit, or cease providing services to existing clients where the client's circumstances, activities, or risk profile change such that they fall outside the firm's risk appetite.
- Refuse, suspend, or delay the provision of services where required client due diligence, identity verification, or other information requested by us is not provided, is incomplete, or cannot be satisfactorily verified.
- Modify, restrict, or apply additional controls to the services provided where we determine such measures are necessary to appropriately manage or mitigate risk.
- Report suspicious, unlawful, or potentially unlawful matters to relevant authorities, notwithstanding any confidentiality obligations owed to the client, and continue to do so even after a client relationship has been terminated or the client has been offboarded.

General

If we do not enforce any provision of these terms, it shall not be treated as a waiver of that provision, nor shall it affect our right to subsequently enforce that provision.

If any provision of these terms and conditions shall be invalid, void, illegal or unenforceable the validity, existence, legality and enforceability of the remaining provisions shall not be affected, prejudiced or impaired.

These terms shall be governed by the laws of New South Wales, the State in which HQB Accountants Auditors Advisors has its principal place of business, and are subject to the jurisdiction of the courts in that State.

Neither party shall be liable for any default due to any act of God, war, terrorism, strike, lock-out, industrial action, fire, flood, storm or other event beyond the reasonable control of either party.