



## **MEMORANDUM OF ENGAGEMENT**

This document outlines the terms of engagement under which we, **YOUNG READ WOUDBERG LTD** will provide Accounting, Taxation and related services to the client.

### **YOUNG READ WOUDBERG LTD undertake to:**

1. Maintain client confidentiality at all times.
2. Compile Financial Statements in accordance with Special Purpose reporting requirements or, where this is not possible, Generally Accepted Accounting Principles and the Compilation Engagement Standards and requirements of the Institute of Chartered Accountants of New Zealand.
3. File, with the Inland Revenue Department, Income Tax Returns related to this engagement. In doing so, we will also;
  - Maintain records of your obligations to pay income tax and other levies to the Inland Revenue Department and provide you with a report on your obligations.
  - Check Notices of Assessments and Statements of Account issued by the Inland Revenue Department.
  - Where required, obtain information from Inland Revenue Department either by telephone, internet, fax or info express, in person and all E services relating to your tax affairs.
4. Where specifically directed by you, we will;
  - Analyse and report on projects or business proposals as directed by you.
  - Complete and file, GST Returns related to this engagement as directed by you.
  - Provide Interim Financial Reports to assist you in the management of your business.
  - Provide the registered office and related Secretarial Services for the Company.

### **IN UNDERTAKING THESE SERVICES, it is acknowledged that:**

1. Our compilation services will not result in the expression of an Audit or Review opinion or provide any other form of assurance on the financial statements.
2. This engagement is not intended to be relied upon to prevent or detect fraud and error. The responsibility for such prevention and detection must remain with your management. We will provide a disclaimer to be attached to Financial Statements prepared by us.
3. We are authorised to communicate with bankers, solicitors, finance companies and the Inland Revenue Department to obtain such further information as we may require in order to carryout the above assignments.

### **The client undertakes to:**

1. Complete and return annual questionnaire.
2. Ensure that our compilation engagement report and/or disclaimers are attached to Financial Statements and reports if distributed to a third party.
3. Accept responsibility for;
  - Providing accurate and complete information necessary to compile such statements, reports and returns.
  - Tax arrears payments, interest, penalties or any other claim which may arise as a result of failure to supply us with all the relevant records and information.

### **LIMITATION OF LIABILITY**

The client and Young Read Woudberg Limited agree that where all or any of, the services provided are for business purposes the provisions of the Consumers Guarantee Act 1993 are excluded from those services. Furthermore, the client acknowledges the maximum liability of Young Read Woudberg Ltd for services rendered under this Memorandum of Engagement shall be limited to the fees paid to us for the work that we have provided, notwithstanding the basis upon which the action is taken against the client.

Young Read Woudberg Ltd shall not be liable for consequential, special, incidental or exemplary loss, damage or expense including without limitation, loss of profits or opportunities, notwithstanding whether we have been advised of their existence. The client shall indemnify and hold both Young Read Woudberg Ltd and our personnel from any claims, liabilities, costs (including the costs of professional advisers and also including our fees) that are brought against Young Read Woudberg Ltd or any of our personnel that arise out of the services provided by us under this Memorandum of Engagement except to the extent that we or our personnel have been grossly negligent or have been guilty of wilful misconduct.

### **GUARANTEE CLAUSE**

We hereby guarantee to make payment to Young Read Woudberg Ltd when demanded by Young Read Woudberg Ltd of all moneys and liabilities whether certain or contingent now or hereafter due, owing or incurred to Young Read Woudberg Ltd anywhere on any account or in any manner whatsoever from or by the client whether as principal or surety. This guarantee is a continuing guarantee until notice in writing is given to Young Read Woudberg Ltd by us.

### **CHARGES AND TERMS OF TRADE**

1. Fees charged for our services are based largely on time involved and the seniority of the staff member attending to the work. Work will be delegated to staff members according to the degree of difficulty and responsibility involved and this will ensure that our fees are kept to a minimum.
2. The Annual Accounting and Taxation work may require work to be carried out over a period of several months. Young Read Woudberg Limited reserves the right to render interim fees which must be settled in accordance with Clause 3 below.
3. All invoices must be settled by or before the 20<sup>th</sup> day of the month following the date of each invoice. Any invoice which is not settled within these terms will incur interest at a rate of 2% per month until it is settled in full. We reserve the right to recoup from you all collection costs incurred to recover any overdue monies owing by you. In the event of any outstanding fees, we reserve the right to retain all your records, files or other property until all accounts are settled in full.

### **GENERAL**

The arrangements outlined in this letter will continue in effect from year to year unless we mutually agree to change them.