

# IRD Authority & Engagement Letter

**Entity name** Te Kowhai Wera Limited & Kowhai Trust

**Name** Toby McDonald

**Address** 390 Clifton Grove  
Masterton, NZ, 5883

**Phone Number** (021) 217-6818

**IRD Numbers and full legal names and/or Entity name**

Elyza McDonald - 95-580-394  
Theodore McDonald - 102-765-311  
Alexander McDonald - 102-764-514  
Charlotte McDonald - 58-713-830  
Toby McDonald - 58-993-506  
Te Kowhai Wera Limited - 118-020-917  
Kowhai Trust - 091-100-096

**Position** Director

**Occupation** Sheep and Beef Farm

**Date of Birth** Sunday, October 21, 1979

**Second associated persons' Date of Birth** Wednesday, July 4, 1979

**Place of Birth (Town & Country)** Masterton, NZ

**Email** charlotteholmes21@hotmail.com

**This applies for all tax types (except child support) until further notice. I give authority to Innovative Advisory Limited:**

to obtain information from Inland Revenue, other government agencies and financial institutions, about all tax types. This includes obtaining information through all Inland Revenue media and communication channels

to link all tax types for each entity listed above. I understand that linking allows Innovative Advisory Limited as authorised tax agent to have full access to information held by Inland Revenue and ability to modify my/our details relating to the relevant tax types. Correspondence for linked tax types will be directed to Innovative Advisory Limited

to prepare, submit and sign tax returns

**Date**

Tuesday, August 23, 2022

**Signature**

*T. McDonald*

**Signature**

*AmcDonald*

**If you currently have an Accountant, please list who this is so we can contact them & have your records moved over**

Osborne Group

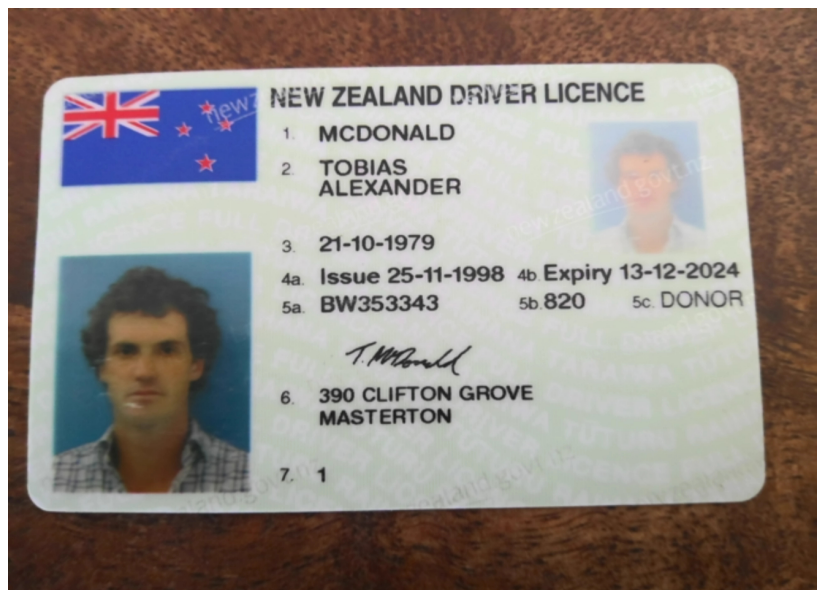
**Engagement Confirmation**

Thank you for engaging Innovative Advisory Limited as your accounting, tax and business advisors. We look forward to working with you.

This letter sets out our terms of engagement with you. They apply to you personally and also on behalf of every Company in which you are a Director, every Trust in which you are a Trustee and every Partnership in which you are a Partner, if we carry out work for those entities. They continue until varied or cancelled by either of us by notice in writing to the other.

We have set out the basics below with more detail further down.

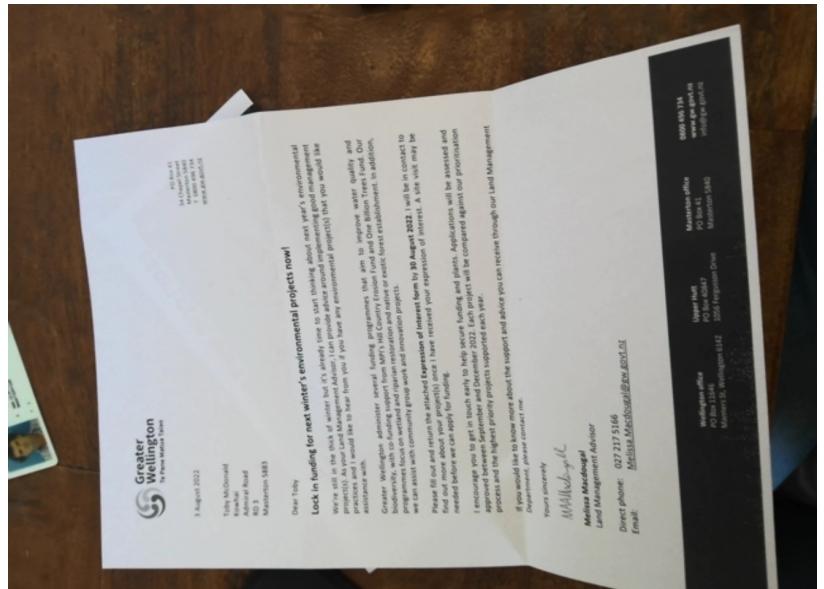
**Please provide a copy of your drivers licence or passport (this is a requirement for the Anti Money Laundering rules which we must abide by)**



**Please provide a copy of your drivers licence (back cover)**



Or, take a photo of your documentation proof of address



Please take a photo of your face



## Second Associated Person

Second associated person's photo ID





**Second associated person's photo ID  
(back cover of drivers license)**



### **Fees, Disbursements, Billing and Payment**

We normally agree the price with you before we start the work. The service agreement quote is provided to you once the Engagement letter has been returned to us. If no upfront price agreement has been made, the fee is based on the time we take to do the work and the value of the service provided. We consider factors such as expertise required, risk, responsibility, importance, complexity, urgency and results achieved.

Where appropriate we will add any authorised disbursements and expenses to our invoices incurred while performing our services for you. This includes third party service charges, such as Xero.

Invoices are payable by the 20th of the month unless otherwise agreed. We can also arrange with you to make regular payments in advance if that suits your business better.

If the work is carried out for a limited liability company, the persons who sign this letter acknowledge that the work is being carried out at their request and accept responsibility and liability with the client and each other for the payment of the account. If payment is not received by the due date, Innovative Advisory Limited is entitled to look to any or all of the parties signing this letter for payment without being obligated first to seek payment from the entity/client itself.

If payment of any invoice is not received by the due date, we may:

- Discontinue further work until the account is paid
- Charge interest of 1.5% per calendar month on any outstanding balance after the due date. This interest will be compounded from the due date to actual payment.
- Give the debt to our solicitor or debt collection agency for collection. In such circumstances you

consent to us providing our solicitor or debt collection agency with information necessary to collect the debt. Recovery fees and costs will be charged to you as well as the debt owing.

- Hold all records and related material which have been used for this engagement until all outstanding fees are settled.

### **Ownership of Records and Related Material**

You retain ownership of all documents you provide to us so we can carry out your work. We will return them to you when the work is completed. All documents, workpapers and drafts that we create remain our property. We store them for seven years after the appropriate balance date. After seven years we may destroy them at our discretion using a secure document destruction service.

### **Authority to Act**

By signing this agreement, you authorise us to act as your tax agent with Inland Revenue for all tax types and all your associated entities. You give us permission to access your tax records, including electronic records, held by Inland Revenue. Under our tax agency you will receive an extension of time for filing your income tax returns and paying income tax, provided your returns have been filed on time in prior years.

You also agree to authorise us to communicate with your bankers, solicitors, finance companies, government agencies and any other relevant third party to obtain information required to complete our work for you.

### **Information and Disclosure**

We conduct this engagement in accordance with professional standards, rules and ethical requirements of Chartered Accountants Australia and New Zealand/CAANZ. Information we obtain in the course of this engagement is subject to confidentiality requirements, as well as our obligations under the Privacy Act 2020. We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations, staff or subcontracted labour.

One such professional obligation includes a provision of the NZICA Code of Ethics which deals with actual or potential 'non-compliance with laws and regulations' (NOCLAR). If, during the ordinary course of completing our engagement, we become aware of any such non-compliance which poses substantial harm (such as adverse consequences to investors, creditors, employees or the public), we may be required to disclose this information to an appropriate authority.

As members of CAANZ we are subject to disciplinary procedures and rules. Our work and files are subject to practice review by which compliance with professional standards is monitored. You agree that CAANZ, its reviewers and/or its disciplinary bodies may have access to our files, including client information, relating to this engagement. All CAANZ employees and contractors are required to maintain the strictest confidentiality.

### **Outsourcing and third party providers**

To provide our services to you, we may need to access and use services and products that are owned by third parties. We may provide your information to these third parties solely as required to perform our work for you and not for any other purpose. This requires information being sent to our service provider in accordance with our Privacy Policy. Such third parties include the cloud-based software platform/s CCH iFirm, Xero, or other such provider, email and collaboration platforms such as Microsoft, and batch mail house services. If you have any concern about our use of third party and cloud-based services, please speak to us.

In accepting this engagement, you provide us with your express consent to disclose your information to:

- our service providers or regulatory bodies to the extent required to provide our services to you;
- our professional advisors or insurers to the extent required to protect our interests regarding this engagement.

Certain third party providers will require a direct authority in order for your information to be provided to us for use in completing the engagement. If we require a direct authority from you, we will advise you and provide you with express instructions on completing.

We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis we maintain regarding your information.

We may retain your information during and after our engagement:

- to comply with legal requirements
- as part of our regular IT back-up and archiving practices
- to perform our work for you under this engagement
- to comply with our professional and ethical obligations

We will continue to hold all such information confidentially.

If we want to mention that you are a client for promotional purposes, we will seek your permission before doing so.

### **Client Due Diligence**

Innovative Advisory must comply with the Anti-Money Laundering and Countering Financing of

Terrorism Act 2009 (AML/CFT Act). Our work for you may be captured under the Act in conducting certain activities, including acting as a formation agent, acting as a nominee shareholder or trustee, managing client funds, or engaging in transactions for buying or selling land or a business or other legal entity/arrangement. If you request us to perform any of these captured activities, we will only perform such work after we have conducted customer due diligence required under the AML/CFT Act and satisfied ourselves that we can proceed with the work.

When we conduct customer due diligence required by the AML/CFT Act, the information we request from you will differ depending on the entity (for example, individuals, companies, and trusts are subject to different requirements) and the level of assessed risk. Information required may include passports, address verification by way of recent utility bill, bank statement, or government agency letter, Certificates of Incorporation or Registration, Trust Deeds or Partnership Agreements, proof of authority of persons acting for you, and proof of source of funds.

As well as our obligations to undertake due diligence, the AML/CFT Act requires us to report suspicious activity or prescribed transactions to the relevant authority. Under such circumstances, we may not disclose information to you about suspicious activity reports or prescribed transactions, in accordance with FIU Suspicious Activity Reporting Guidelines.

#### **Our Responsibilities**

1. We will prepare financial statements in accordance with standards and guidelines issued by Chartered Accountants Australia and New Zealand and XRB. Where required by legislation or requested by you, we will prepare annual accounts in accordance with generally accepted accounting practice in New Zealand. If necessary, we will provide additional explanations to give a true and fair view. We will comply with the Financial Reporting Act 2013, or other applicable statute or reporting frameworks such as Special Purpose Financial Reporting. We will prepare other annual accounts in compliance with the applicable legislation. Periodic accounts for management are not governed by legislation and will be prepared on the basis you request.
2. We will describe what general basis of accounting we use to compile the accounts in notes to the financial statements along with any significant departures from that basis. We will outline any significant departures in our compilation report, a report provided with all annual accounts that include a balance sheet. An example of a typical report is attached.
3. It is not a professional requirement to be independent before carrying out compilation work. However, we will outline any other relationship in our compilation report, for example where a Partner of Innovative Advisory is a trustee of a client trust.
4. We will not audit, review or carry out any other checks on the accuracy or completeness of the information you provide. It is up to you to give us accurate and complete information.
5. We will not take active steps to identify weaknesses in your internal accounting system, errors, illegal acts or other irregularities, for example, fraud or non-compliance with laws and regulations. However, should we become suspicious of omissions or irregularities, we will report it to you.
6. We will explain or redraft any element of these terms to ensure you understand them and think they are reasonable.

#### **Your Responsibilities**

1. You are responsible for providing us with all information needed to properly compile the accounts and returns promptly at the times agreed. We will provide a checklist to help you identify that information.
2. You are responsible for the assertions in the financial statements and for what appears in your tax returns. It is up to you to ensure the information you give us is accurate and complete and meets all your obligations set out in the tax laws.
3. You must disclose all sources of income and can only claim expenses that were incurred to earn income. You must have all the supporting documents required by Inland Revenue.
4. You are responsible for paying your taxes by the due dates, and for paying any penalties and/or interest arising from late payments, errors, wrong estimates or any other cause.
5. You are responsible for the adequacy of your insurance and ACC covers.
6. You authorise us to approach third parties as may be appropriate for information that we consider necessary to deal with your affairs.
7. You will inform us if the information we compile is intended for disclosure to any person or body and how you expect them to use it. This does not apply to:
  - The directors, shareholders, partners, trustees or equivalent office holders of your enterprises as listed in this letter, and
  - Inland Revenue.
8. You will let us know if any of these terms are unclear or seem unreasonable and we will explain

or redraft to make sure you are happy.

**Liability**

We will not accept liability for negligence or any other reason to anyone but you, the persons who sign this letter. We will include a disclaimer to this effect in our compilation report. We set a limit on our liability to you for negligence or any other reason at ten times the annual accounting fee.

We will not be responsible or liable if information we need to carry out our tasks properly is withheld, concealed, or wrongly represented to us. Any claim against us must be made and notified to us within one year of the date we complete the work set out in this agreement.

**Guarantee**

You are the best judge of our performance. If you are not satisfied with our work or think our fee is excessive, we invite you to contact any partner of the firm, who will investigate without cost to you and suggest a remedy. If you are still not happy you can also lay a complaint with Chartered Accountants Australia and New Zealand.

Please check that the services outlined here match your understanding and then sign and return this agreement. Please also initial each page to signify you have read it. We enclose a copy for your records.

**Terms and Conditions**

Accepted

**Signature****Second Persons Signature**