

Terms & Conditions

0. Definitions

"Boutique Financial," "we," "our" or "us" means Boutique Financial Limited, a limited liability company incorporated under the New Zealand Companies Act 1993 (company number 1888034).

1. What we will do

- 1.1 We will maintain full confidentiality in relation to matters referred to us.
- 1.2 We will use our professional skills to do the work you have requested based on information supplied by you. This work will be performed in accordance with Service Engagement Standard No.2 Compilation of Financial Information issued by the New Zealand Institute of Chartered Accountants.
- 1.3 The general basis of accounting used to compile the accounts will be described in the notes to the financial statements together with any significant departures from that basis. Significant departures will also be referred to in our compilation report.
- 1.4 Periodic accounts for management are not governed by legislation and will be prepared on the basis requested by management.
- 1.5 Where there is no statutory obligation to produce annual financial statements or the format of the accounts is not dictated by legislation, we will prepare special purpose financial reports (SPFR) according to the principles contained in the Income Tax Act and in accordance with the applicable framework published by Chartered Accountants Australia and New Zealand as appropriate for entities that meet the eligibility criteria.
- 1.6 Annual accounts which do not qualify for Special Purpose Financial Reporting (SPFR) may be subject to general purpose reports prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). If necessary, additional explanations will be added to ensure that a true and fair view is given.
- 1.7 We will inform you of any suspicions of omissions or irregularities that come to our notice.
- 1.8 We will provide a compilation report on all annual accounts that include a balance sheet. An example of a typical report, not specific to your circumstances, is attached (Appendix).
- 1.9 We may use cloud computing services, which involve the storage of files on remote servers operated by third parties and the use of hosting providers overseas, for your data.
- 1.10 We retain legal ownership of all working papers, records and files prepared by us including software where we are the subscriber.
- 1.11 We have the right to exercise a lien over the working papers, files and records of all entities associated with your group irrespective of which member of the group's fees are outstanding.
- 1.12 We will retain cloud software subscriptions until the date specified on the invoice and cancel the subscription if you do not reimburse us for the subscription fees within seven days. If our relationship terminates or there is a dispute we will maintain the subscription, allowing you full access to cloud data relating to your business, provided you reimburse us for the ongoing subscription fees or pay the provider directly through your own billing account.
- 1.13 We will make every effort to ensure that we maintain sound information technology security practices. We expressly exclude liability for any loss of Data no matter how caused.
- 1.14 We set a limit on our liability to you for negligence or any other reason at ten times the amount invoiced in respect of that service.

2. What we will not do

- 2.1 We will not conduct an audit or any other independent verification work.
- 2.2 We will not express any kind of opinion on the accuracy of the material we compile or its suitability for any purpose.
- 2.3 We will not necessarily establish or maintain independence. It is not a professional requirement to be independent before carrying out compilation work of this nature. However, any other relationship will be described in our compilation report.
- 2.4 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 any irregularities we will report it to you (see 2.1 above).
- 2.5 We will not accept liability in negligence or for any other reason to anyone but you and your enterprises listed at the head of the main letter. A disclaimer to this effect will be included in our compilation report.
- 2.6 We exclude all liability and responsibility to you (or any other person) in contract, tort (including negligence), or otherwise, to the maximum extent permitted by law for any loss (including loss of information, data, profits and savings) or damage resulting, directly or indirectly, from any use of, or reliance on, the cloud computing services.
- 2.7 We will not consider any claim relating to delivery of services unless made within seven (7) days of the invoice date.
- 2.8 No detailed research will be undertaken if you contact us for tax help with a "Quick Question" or a "Just Checking" issue. The service is intended to be confirmation of your thoughts on a particular issue. The intention is that you contact us with a quick question together with your views on the matter and in return you receive our initial thoughts. This service is not intended to provide an exhaustive or comprehensive statement of tax law and should not be used as a substitute for considered written advice. Our liability will be limited to ten times the amount invoiced in respect of that advice.

3. What you will do

- 3.1 You will deliver accurate, complete information needed to compile the accounts and returns promptly at the times agreed.
- 3.2 You remain responsible for the reliability, accuracy and completeness of the financial information compiled, including tax returns. You have delegated certain tasks to us and we are responsible for carrying out those tasks in a professional manner. You cannot abrogate the ultimate responsibility for ensuring that the financial information is compiled properly.
- 3.3 You will inform us if the information we compile is intended to be disclosed to any person or body and how they are expected to use it. This does not apply to:
 - 3.3.1. the directors, shareholders, partners, trustees or equivalent office holders of your enterprises as listed at the head of the main letter, and
 - 3.3.2. the Inland Revenue Department.
- 3.4 You confirm that we have authority to communicate with and obtain information from any third party if the information sought is relevant to our work.
- 3.5 You will pay our fees on time. Upfront pricing agreements are to be paid in advance on the date of your instruction to supply the services. Fees which aren't subject to upfront pricing agreements are payable within seven days following the date of the invoice. Receipt of a cheque, bill of exchange, or other negotiable instrument shall not constitute payment until such negotiable instrument is paid in full. Interest may be charged on any amount owing after the due date at the rate of 2.5% per month until payment has been made in full. You will pay any expenses, disbursements and legal costs we incur in the enforcement of any rights contained in this contract, including any solicitor's fees or debt collection agency fees.
- 3.6 You will notify us within seven (7) days of the invoice date of a claim relating to dispute of delivery of services. You may contact any member of our firm and they will investigate without cost to you and suggest a remedy. If you remain unhappy you may initiate resolution through Chartered Accountants Australia New Zealand.
- 3.7 You agree that Chartered Accountants Australia New Zealand may have access to the records and information we hold that support our working papers. This is an essential part of the quality assurance function. The likelihood that any particular engagement is selected is very small. All employees and contractors are required to maintain the strictest confidentiality.
- 3.8 You must maintain copies of all data inputted into cloud computing services as providers do not make any guarantees that there will be no loss of Data.
- 3.9 You are aware of the user roles in cloud software. You may act as the Subscriber for Xero Business Edition subscriptions and "invite" the Partner into that subscription as an "invited user", rather than having the Partner act as Subscriber to that subscription. The Subscriber to the subscription has the ability to control access rights.
- 3.10 You will make every effort to maintain sound information technology security practices including using 2-step authentication for cloud based software where available.
- 3.11 By using our services you agree to the terms and conditions contained herewith. If you do not agree, do not use our services.

Sample Compilation Report

APPENDIX

To the Appointing Party

Scope

We have compiled these financial statements of [Entity Name] for the [Number of months] months ended [Date] as set out on pages [First page] to [Last page number] from the information you provided. Our work was carried out to the professional standards promulgated by the New Zealand Institute of Chartered Accountants, in particular Service Engagement Standard No. 2: *Compilation of Financial Information*. The financial statements have been prepared, as you instructed, in accordance with [the accounting policies agreed with you/generally accepted account practice in New Zealand/the principles of the Income Tax Act etc] as described in Note 1 to the financial statements (the statement of accounting policies).

Departure from reporting framework (if required)

We draw attention to Note [Note number] of the financial statements. There is a departure from the identified financial reporting framework in that [Departure described, e.g. not all the note disclosures required by generally accepted accounting practice have been made, depreciation of fixed assets has not been accounted for etc].

No assurance expressed

You directed us to use accounting expertise to compile the financial statements from information you provided. Your instructions did not include verification or validation of that information. No audit or review engagement has been performed and accordingly we express no assurance on the financial information.

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that [the accounting policies specified by management/generally accepted accounting practice in New Zealand/the principles of the Income Tax Act etc] are appropriate for your intended uses of the financial statements. You are the only intended users of these financial statements.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

Independence (if required)

We are not independent of [Entity Name] because [reason why not independent, e.g. the accountant is a formal or de facto shareholder/director/partner/trustee/lender].

Disclaimer (if required)

A compilation engagement requires us to apply compilation procedures, in accordance with SES-2 *Compilation of Financial Information*, to compile the Financial Statements from information you provide to us. Those compilation procedures do not include the performance of an audit or review in respect of either the information you provide or the financial information compiled from it. Accordingly, neither I, nor any of my employees, accept any responsibility for the reliability, accuracy or completeness of the information from which the financial information has been compiled.

The financial information is prepared at your request and exclusively for your benefit. Neither I, nor any of my employees, accept any liability of any kind whatsoever, including liability by reason of negligence, to either yourself or any other person for losses incurred as a result of placing reliance on the compiled financial information.