

KGA LIMITED

2011 Financial Statements Trust Questionnaire

Ensure this questionnaire is completed and included with your records that are sent to us

Client Name			
IRD Number		Balance Date	

To: KGA Limited

Terms of Engagement

I/We hereby instruct you to prepare my/our Financial Statements and Taxation Returns for the year/period ending 31 March 2011. I/We undertake to supply all information necessary to carry out such services, and will be responsible for the accuracy and completeness of such information. I/We understand that you will rely upon the information provided by me/us. Your services are not intended to, and accordingly will not result in the expression by you of an opinion on the financial statements in so far as third parties are concerned, or in the fulfilling of any statutory audit requirements. I/We understand that during preparation of the Financial Statements and Taxation Returns you will not be specifically investigating non-compliance with laws and regulations – however should anything come to light of this nature during this process you will bring that to my/our attention.

I/We understand that the Financial Statements and Taxation Returns are prepared for my/our own use and to determine my/our taxation liabilities. If this should change in any material respect, I/We will inform you immediately. You will not accept any responsibility to any person, other than me/us, for the contents of the Financial Statements.

I/We accept that all advice given to us is based on applicable tax legislation at the current time. If for any reason the law changes after completion of reports, KGA Limited will in no way be held responsible.

I/We will only accept tax advice given by a principal of the firm in writing.

All other terms and conditions of this engagement are the same as those referred to in the original Engagement Letter I/We signed when I/We became a client.

I/We understand that your fees are based on the time it takes us to do the work and the qualifications, experience and expertise of the people involved. I/We accept that all accounts are due for payment by the 20th of the month following invoice date and also that you have the right to charge interest on overdue accounts at the rate of 2% per month, and. The charging of such interest will be at the discretion of KGA Limited. I/We accept that any collection costs incurred by KGA Limited will be fully recoverable from me/us.

If we do your GST

I/We have also instructed you to prepare our GST Returns on a regular basis. I/We accept that it is my/our responsibility to advise you of all relevant transactions on a timely basis as well as obtain valid tax invoices that comply with the GST legislation.

You are hereby authorised to communicate with my/our bankers, solicitors, finance companies and all government agencies to obtain such information as you require in order to complete the above assignments.

You are to represent me/us as my/our tax agent. You are therefore authorised to sign any taxation return on behalf of myself/ourselves or any of my/our associated entities

I/ We have read and understand your and our responsibilities as set out in **Appendix 1**.

Signature _____

Date _____

Appendix 1

1. Our responsibilities:

- 1.1 We will use our professional skills to undertake the work you require of us. 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.
- 1.2 Annual accounts for companies will be prepared in accordance with the Financial Reporting Act 1993. Other than for exempt companies, these are general purpose reports and must be prepared in accordance with generally accepted accounting practice in New Zealand. If necessary, additional explanations will be added to ensure that a true and fair view is given.
- 1.3 Annual accounts for exempt companies may be prepared either in accordance with generally accepted accounting practice in New Zealand as described above or in accordance with the simpler format of the Financial Reporting Order 1994.
- 1.4 Other accounts will be prepared in accordance with any applicable legislation. For partnerships, trusts, sole traders and other entities where the format of accounts is not dictated by legislation, we will prepare special purpose annual financial statements according to the principles contained in the Income Tax Act 2007. Periodic accounts for management are not governed by legislation and will be prepared on the basis requested by management.
- 1.5 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 (see 1.7 below).
- 1.6 We will inform you of any suspicions of omissions or irregularities that come to our notice.
- 1.7 We will provide a compilation report on all annual accounts that include a balance sheet. An example of a typical report can be provided to you on request.
- 1.8 We retain legal ownership of working papers prepared by us.
- 1.9 We will not conduct an audit or any other independent verification work.
- 1.10 Consequently we will not express any kind of opinion on the accuracy of the material we compile or its suitability for any purpose.
- 1.11 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.
- 1.12 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.
- 1.13 We will explain or redraft any element of these terms to ensure that you understand them and think they are reasonable.

2. Your responsibilities

- 2.1 You remain responsible for the reliability, accuracy and completeness of the financial information compiled, including tax returns. You will delegate certain tasks to us from time to time and those will be tabled separately. 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.
- 2.2 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:
 - 2.2.1 the directors, shareholders, trustees, partners or equivalent office holders of your enterprises as listed on the letter of engagement and
 - 2.2.2 the Inland Revenue Department.
- 2.3 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.
- 2.4 You agree that the New Zealand Institute of Chartered Accountants may have access to the records and information we hold that support our working papers. This is an essential part of the Institute's quality assurance function. The likelihood that any particular engagement is selected is very small. All Institute employees and contractors are required to maintain the strictest confidentiality.
- 2.5 You will let us know if any of these terms are unclear or not what you think is reasonable and we will explain or redraft to make sure you are happy. See 1.13 above.

Records Required:	ü	Comment:
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Bank Statements, Cheque butts, Cash books, etc		
<p>Where no Cashbook is supplied, please provide and include one month past balance date:</p> <ul style="list-style-type: none"> § Bank statements including any savings account or term deposit § Cheque & Deposit butts showing the nature of each payment/deposit § Receipt books. Make sure any items not for business sales are clearly marked § Suppliers' invoices filed in cheque number order <p>Where you supply a written Cashbook, please provide and include one month past balance date:</p> <ul style="list-style-type: none"> § Cashbook, written up, analysed and reconciled to the bank statements monthly. § Bank statements including any savings account or term deposit § Cheque & Deposit butts showing the nature of each payment/deposit <p>Where you supply a computerised Cashbook, please provide:</p> <ul style="list-style-type: none"> § Backup disk as at the end of financial year or email files to us § Copy of Bank Reconciliation as at balance date for all bank accounts § Final Bank Statement for year for all bank accounts Transaction Listing for Accounts Payable and Accounts Receivable as at balance date 	C	

Loan Statements		
Supply a copy of any loan transaction statements for the financial year up to your balance date.	C	

Goods & Services Tax (GST) Returns		
Supply copies of Goods & Services Tax (GST) Returns and work papers.	C	

Interest and Dividend Certificates		
Supply copies of certificates.	C	

Accounts Receivable (Debtors)		
List of amounts owing to you at balance date including name of debtor and age of debt. Exclude bad debts.	<input type="checkbox"/>	
List of bad debts and reason for debt being considered bad and action taken. To enable bad debts to be excluded from income, these must be written off prior to balance date.	<input type="checkbox"/>	

Accounts Payable (Creditors)		
List of amounts owing by you at balance date indicating name of creditor, amount and what the debt is for.	<input type="checkbox"/>	
Alternatively, mark on cheque butts or highlight in cash book those items in the month following your balance date, which should be included.	<input type="checkbox"/>	
Holiday pay or bonuses paid within 63 days of your balance date.	<input type="checkbox"/>	

Capital Expenditure		
Attach details of assets purchased or sold during the year such as motor vehicles, plant and equipment and properties. Where applicable please provide the following details:		
§ Hire purchase or loan agreements	C	
§ Lease agreements	C	
§ All legal statements and agreements	C	
§ Trade-in details	C	
§ Lost, stolen or scrapped items	C	
§ Copy of Tax Invoices	C	
A copy of last year's Asset and Depreciation Schedule is attached for your information. We suggest you review the schedule and indicate any assets that no longer exist.		

Legal and Loan Documents		
Please attach any solicitor's statements and Sale and Purchase Agreements relating to any legal transactions during the year. Please also include statements and agreements relating to any mortgages, hire purchase, leases or loans. Please include a copy of your latest Rateable Valuation for any properties you own.	C	

Business Expenses		
There are a number of invoices that we specifically require. Please ensure the records you provide us with include all paid accounts for:		
§ Insurance premiums	C	
§ Legal fees	C	
§ ACC payments and arrangements	C	

Gifting Programme		
Please advise the date of gifts made to your trust during the financial year. If you have copies of the gifting documentation from your solicitor, please attach this.	C	Date of Gift _____

Major Transactions		
Please provide a list of any major transactions that have occurred during the financial year that affect the Trust.	C	_____ _____ _____ _____

**Thank you for completing this questionnaire
Don't forget to sign it**