

ACCOUNTING SERVICES PRICING MODEL EXPLAINED

Just like no two individuals are the same, no two businesses are the same.

There are many differences including the structure, industry, and employees; whether you are selling products or services; whether you are selling to businesses or consumers; and whether your business is virtual or physical.

In general, the bigger a business is and the more employees, the more accounting and taxation work that is required to properly reconcile transactions, review allocations, manage taxation and cash flow correctly, and substantiate transactions for taxation and compliance. Most importantly, we also need to design, implement and monitor your strategy for growing a successful, profitable business that enables you to enjoy those things in life which matter the most to you.

It can all be quite confusing! So, we have made it simple.

We want to make our pricing fair, transparent and easy to follow. That is why we have introduced a choice of service levels for each of the key ingredients.

WHAT ARE THE CORE SERVICES IN OUR MONTHLY ACCOUNTING PACKAGES?

There are some non-negotiable inclusions for our accounting and taxation service packages. We call them our 'core services'. It is like ordering a burger. Regardless of the type of burger, (beef, chicken, vegan, etc) there will be a bun of some kind and a patty.

The **core services** included in our monthly accounting service packages are:

- Annual Financial Statements
- Annual Income Tax Return
- ASIC Annual Review - for your operating company or trustee company
- Client Advisory Board
- Trustee Resolution for Annual Income Distribution - if your business operates a trust

WHAT CHOICE OF EXTRA SERVICES ARE AVAILABLE?

We hear you when you say you do not want pickles or salad with your burger.

So, we give you a choice of what extras you want for particular accounting services.

You may want none, a little, or a lot.

We will ask you to decide the **level of service** you want for your regular compliance accounting needs:

- Adhoc Queries/Support per Month (how many minutes of support?)
- Activity Statement Prepared by Pretium Solutions
- 30 Minute Review Meeting
- Financial Year Budget
- Management Reports
- Fringe Benefits Review
- Annual Payroll Processing

- NSW Payroll Tax
- Superannuation Guarantee Processing
- PPSR (Personal Properties & Securities Register) Report
- Annual Workers Compensation Reporting



your choice



ACCOUNTING SERVICES PRICING MODEL EXPLAINED

...continued

MY BUSINESS NEEDS MORE THAN COMPLIANCE

WHAT CAN YOU DO FOR MY BUSINESS TO HELP MAKE IT HUGELY SUCCESSFUL?

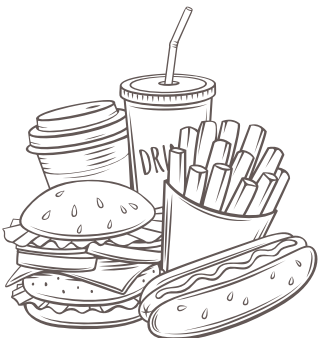
We love to hear you say that!

That is where our 'success menu' items come in. We love working with clients to help them grow thriving, profitable and successful businesses.

Our **success menu** includes the services we believe every business should have to give themselves the best opportunities.

We will ask you to decide which additions you want from the success menu services:

- Annual Business Plan
- Annual Taxation Planning
- Business Health Check
- Government Grants Review
- 3-Way Forecast (cash flow, profit & balance sheet)
- Strategic Planning Session



extras?

WHAT IF I NEED MORE HELP OR SOMETHING NOT ON THE MENU?

If you need us to provide a service that was not included in our agreement this is what we refer to as 'out-of-scope' work.

This is for any out-of-scope services encountered during this agreement and may include any additional or sundry accounting and taxation services requested by you or persons authorised by you to request our services for your business.

This will be charged at an agreed value or if necessary, an hourly rate. This type of work will be invoiced monthly for work undertaken in the previous calendar month.

We will discuss this with you prior to commencement and we will let you know beforehand that these will be invoiced to you.

Where appropriate, a separate proposal for the specific services will be prepared for your review and acceptance before proceeding.

Examples include accounting for new asset purchases using asset finance; calculation and documentation of dividends; assisting with an ATO or Service NSW audit.

SO HOW DO WE DETERMINE WHAT YOUR FEES WILL BE?

We will calculate an annual package fee for your business. The annual amount will be divided into twelve equal monthly invoices. Or you can choose one-off engagements for each of our services offered.

Your accounting services package fee will be calculated based on:

- **Core services amount** - The base fee is determined according to the level of annualised revenue for your business for the most recently ended 30 June financial year. Or, if you are establishing a new business, a reasonable estimate of revenue is agreed upon.
- **Regular accounting services** - The pricing is also based upon the size of your business and the frequency of delivery of each service. For example, if we provide a 30-minute review meeting each month (12 meetings), this will be at a higher price than if we provided one 30-minute review meeting on completion of annual financial statements.
- **Success menu** - The pricing is either based upon the size and needs of your business, or the degree of work chosen for the success service. If you select a Strategic Planning Session requiring a full day meeting and workshop, this will be at a higher price than if a 2-hour Strategy Planning Session is chosen



ACCOUNTING SERVICES PRICING MODEL EXPLAINED

...continued

- **Out-of-scope** - This will be charged at an agreed value or, if necessary, an hourly rate. We will discuss this with you prior to commencement and we will let you know beforehand that these will be invoiced to you.

DOES MY MONTHLY ACCOUNTING PACKAGE INCLUDE THE COST OF MY PERSONAL INCOME TAX RETURN?

No. Your personal income tax return is not included in the agreed package for your business unless you operate as a sole trader.

DOES MY MONTHLY ACCOUNTING PACKAGE INCLUDE MY BOOKKEEPING AND REGULAR PAYROLL PROCESSING?

No. Your bookkeeping and regular payroll are not included in Monthly Accounting Packages. Because each business's needs vary greatly for bookkeeping and payroll, we provide separate agreements for bookkeeping and payroll based on the volume of transactions.

WHEN ARE MONTHLY FEES INVOICED?

Monthly accounting service package fees are invoiced on the 1st day of each month. This covers processing of the prior month's transactions and work. The direct debit will then be processed by the 7th of the month. The exact date may depend upon your business' bank.

ARE ANNUAL FINANCIAL STATEMENTS AND TAX RETURNS INCLUDED IN THE MONTHLY FEE?

Yes, they are. In July, the year-end reports, and taxation will be drafted and where possible they will be sent for your signature, finalised and lodged with the ATO (Australian Taxation Office).

Note: Completion of year-end reports and taxation may be delayed for reasons including delays in receiving requested documents and/or signatures.

DOES MY MONTHLY FEE INCLUDE THE ASIC FEES OR DISBURSEMENTS?

No. These disbursements may be invoiced directly to your business and may vary according to the level of service required, increases to statutory fees, etc.

ARE THERE ANY OTHER ITEMS I WILL BE INVOICED FOR?

Yes, there may be additional invoices. If we are requested by you, or a person authorised by you, for work items not included in the agreed monthly services, or for a greater level of service than originally agreed, we will invoice you separately for this out-of-scope work.

WHEN WILL I BE INVOICED FOR THESE MINOR OUT-OF-SCOPE ITEMS?

These additional items will be invoiced on the 7th of the month for events that were actioned in the prior month.

For example, if Fred requested us to do some minor out-of-scope work for his business and this work is processed on 15th September, this will be invoiced to Fred's business on 7th October.

Or, perhaps Fred's bank requests a cash flow forecast for a bank loan application. At the time of agreeing upon the services to be included in Fred's monthly package, Fred did not want any cash flow or profit forecasts included. Before preparing any cash flow or profit forecast for Fred, we will provide Fred with a separate proposal and terms of engagement for providing 3-way forecasts (cash, profit and balance sheet) which will specify what work we will perform and the price for this additional work. We will require Fred to agree to the terms and sign our engagement proposal before we commence work.

HOW OFTEN WILL MY AGREED PRICING BE REVIEWED?

We review pricing for all services in June each year. All accounting service monthly package agreements will be reviewed and updated for the new pricing and updated fund details commencing with the invoice on **1st September** each year.

