



Terms of Engagement

This brochure is to confirm our understanding of the terms of our engagement and the nature and limitations of the services we will provide.



Purpose, Scope and Output of the Engagement

This firm will provide accounting and consulting services, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit (with the exception of a SMSF) or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

Accounts and income tax returns will be prepared for distribution to you for the agreed purpose. There is no assumption of responsibility for any reliance on our report by any person or entity other than yourself. The report shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our report may include a disclaimer to this effect.

Responsibilities

In conducting this engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent.

McMasters' has its own representative office in Ho Chi Minh City Vietnam where it employs university qualified accounting professionals. The office has Australian qualified CPA's on site and operates to extremely high ethical, privacy and security standards. These accountants free up time for our highly qualified team and allows us to add value to you and your business, rather than attending to compliance obligations. Your personal information is not stored outside Australia.

We may collect Personal Information about your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates, who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

The client is responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. clients are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to the client is only an opinion based on our knowledge of the client's particular circumstances.

The client or client's staff are responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. The client has obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is the client's responsibility to keep those records for five (5) years.

A taxpayer is responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment.

Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

McMasters' use the following Software as a Service (SAAS) and service providers to store your data – Xero, Nimbus Portal Solutions, Class Super, Midwinter and Enspire IT Solutions. All are hosted in Australia. By accepting this agreement you consent to your information being stored with these service providers.

Fees

- **Annual compliance**

A quote will be provided to you before the commencement of any annual accounting work. No response within five working days of the quote being provided will be taken as acceptance of the quote. Our quotes are based upon our experience in dealing with hundreds of similar entities every year and are regularly benchmarked against industry standards.

This fee arrangement will be subject to change if the following circumstances should occur:

Incomplete or inaccurate information is provided; requests for information are not attended to in a timely manner (within five working days). Where a change to the quote is required you will be notified in writing with an appropriate explanation.

Where the compliance work is still in progress at the end of the first calendar month an interim invoice will be sent. The balancing invoice will be sent the sooner of the accounts being finished or the end of the second calendar month.

- **Other substantive work**

Our rates vary from \$100 plus GST an hour for a junior accountant to \$400 plus GST an hour for a partner.

- **Non-substantive work**

Work of a 'non-substantive' nature (e.g telephone and email advice, correspondence perusal and forwarding, time spent satisfying clients requests for the provision of information, time spent liaising with other entities at the request of clients) is generally aggregated and billed on a monthly basis.

The fee arrangement is based on the expected amount of time and the level of staff required to complete the services as agreed. Where ever possible an estimate of approximate professional costs and disbursements for standard engagements will be provided before we commence work. Our rates vary from \$100 plus GST an hour for a junior accountant to \$400 plus GST an hour for a partner.

- **Corporate register fee**

A separate corporate register fee (\$275 plus GST per company) will be rendered in July each year.

This is a fixed fee and incorporates our charge for the following services where applicable: fee for acting as entity Registered Office and Registered Agent, fee for updating and maintaining company register, fee for relevant mail handling/document processing and fee for conducting representations with ASIC in relation to compliance requirements. This fee is less than that commonly charged by accountants and is calculated on a cost recovery basis.

- **Fixed price agreement**

Some clients prefer to negotiate a set yearly fee for the routine yearly accounting services required for their group, payable in fixed monthly instalments by direct banking credit. If you are interested in arranging such an agreement please contact our office for details.

Terms of trade

Our normal terms of trade require payment of invoices strictly within seven days of issue. Clients with special circumstances can make prior alternative payment arrangements.

Payment of invoices may be affected by cheque or internet banking. Payment details are outlined on each invoice.

Late payments will incur an interest penalty at the rate of 1.5% per month compounding. Should legal recovery action be necessary you will be liable for the unpaid invoices, the interest on the unpaid amounts as well as all recovery costs.

Ownership of documents

All original documents obtained from the client arising from the engagement shall remain the property of the client.

However, we reserve the right to make a reasonable number of copies of the original documents for our records.

Our engagement will result in the production of financial reports, taxation and information returns for all entities of the client. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

Confirmation of Terms

We ask that you consider all aspects of this brochure to ensure that you are satisfied with the scope of our engagement. Please contact us if you have any queries about this brochure.

Acceptance of our services in conjunction with this information brochure indicates that you understand and accept the arrangements. This information will be effective for future engagements unless we advise you of any change.