31 March 2011

Dear Client

ENGAGEMENT LETTER

This letter is to confirm our understanding of the terms of our engagements and the nature and extent of the services we will provide. Unless otherwise agreed between us in writing, this letter records the entire agreement between us in relation to our engagements. The terms recorded in this letter will remain in force until varied by us in writing to you, or until cancelled by either of us in writing to the other.

Terms of Engagement

On the basis of information you provide, we will compile;

- Annual Financial Statements, and
- Tax Returns

commencing with the period ended 31 March 2011. This engagement will be performed in accordance with Service Engagement Standard No. 2 *Compilation of Financial Information* (SES-2) issued by the New Zealand Institute of Chartered Accountants.

The financial information will be prepared in accordance with GAAP (Generally Accepted Accounting Practice) and this will be disclosed as part of the financial information. Any known departures from GAAP will be disclosed within the financial statements and referred to in our compilation report. The financial statements are required to result in a true and fair presentation of the financial information, and if compliance with GAAP does not result in a true and fair presentation, additional disclosures will be required to achieve that result.

Our procedures will not include verification or validation procedures. No audit or review engagement will be performed and accordingly no assurance will be expressed.

Our compilation report on the financial statements of ..... will be issued on completion and is currently expected to read as follows:

Scope

On the basis of information you provided we have compiled, in accordance with Service Engagement Standard No. 2: *Compilation of Financial Information*, the financial statements of ..... **for the period ended 31 March 2011** as set out on pages .... to .... These have been prepared in accordance with GAAP (Generally Accepted Accounting Practice) described in note 1 to the financial statements.

BUSINESS ADVISORS AND CHARTERED ACCOUNTANTS

hunterwithers®

hunter withers limited · 3 harris street · po box 13 · pukekohe · phone 09 238 5396 · fax 09 238 3431

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the GAAP (Generally Accepted Accounting Practice) used is appropriate to meet your needs and for the purpose that the financial statements were prepared. 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.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Disclaimer of Liability

Neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

Fees

All fees rendered by our firm are based on the value of time spent on each assignment charged at a rate in line with current business practice. Members of our team are assigned to various duties in respect of individual clients so that the costs incurred are appropriate to the particular assignment.

Since the firm is required to finance the costs incurred during your assignment, it is our practice to render interim billings against costs incurred to date. Instalments paid by you are credited to your account and are detailed in the final billing date made at the completion of each assignment. Payments on account are to be made by the 20th of the month following invoice date.

Yours Faithfully

Hunter Withers Ltd