

4 August 2004

<Name>
<Company>
<Address>
<Address>

Dear <Name>,

ENGAGEMENT LETTER

With new clients we usually write a letter setting out our understanding of our professional relationship. This is a standard requirement of the Institute of Chartered Accountants of New Zealand.

- We will compile the company's/business's annual Financial Statements, the income tax returns for the company and shareholder/individuals.
- Where draft Accounts are presented in a computerised format, normal full verification of these accounts will be undertaken, and our discretion is paramount in respect of deciding whether those accounts are correct/accurate.
- You may ask us to advise in relation to other aspects of the financial and taxation management of your business from time to time.
- You may ask us to complete other tax forms as required such as GST returns and FBT returns.
- The Financial Statements will be compiled from information and explanations provided by you. Accordingly the accuracy of the information included in them is directly related to the accuracy of the information you give to us. The work being done is therefore not an audit or review engagement.
- To comply with the Privacy Act 1993 you authorise us:
 - To contact your Bank, where necessary, to obtain further information not supplied by you whilst doing this work.
 - To deal with the Inland Revenue Department on your behalf in connection with taxes.
 - To make available files (if any) relating to assignments completed by us on your behalf that are selected for examination by an official reviewer appointed by the Institute of Chartered Accountants. Such an examination is conducted as part of the ongoing quality control initiatives of the Institute. The selection of files for review is made on a random test basis.

- We will remind you of your Tax Return and tax payment obligations. However, we draw your attention that the Income Tax Act puts the ultimate responsibility for filing of Tax Returns and tax payments by the due date with yourselves.
- Our fees are based on the time necessarily spent on your affairs and include reimbursement for disbursements. Where appropriate, accounts may be rendered whilst work is in progress. Our normal terms of payment are within 14 days of receipt of invoice unless we make arrangements to the contrary. Should accounts become overdue we reserve the right to charge interest at our overdraft rate and debt recovery costs. By signing below you accept personal liability for fee charges relating to the Company of which you are a Director.

Thank you for appointing us as your Accountant and Financial Adviser. We look forward to applying our expertise to help you towards a more enjoyable and prosperous business in the future.

If you have any queries about this letter please feel free to contact us. If not, please sign in the space provided and return it to us.

Yours sincerely

Rick Johnston/Willy Johnston/Logan Granger

I confirm that the above is acceptable to me

<Name> - Director

<Name> - Director

Date