



MEMO

To: Board of Directors
From: Company Secretary
Subject: **CHANGE OF AUDITOR**

As a public company the Company is required to have its 30 June annual financial statements audited, lodged with ASIC and sent to members by no later than 31 October each year.

And, as you are all aware, we need to replace the Auditor because with our move to Brisbane it is impractical to continue to use a Melbourne firm.

I have found a replacement firm in Brisbane – a highly respected local firm with whom I have had a long business relationship. They have consented in writing as required by the Corporations Act.

The new firm will do the annual audit of our financial affairs – as per their Letter of Engagement – plus, for this year, guide us in completing the final accounting entries to produce our 30 June Financial Report.

If you look at their website and the promotional literature provided you will gain a good insight into the firm plus there's a profile of our audit engagement Partner.

The audit work is scheduled to commence next Monday.

In the meantime, to effect the change of Auditor the Board is required to pass appropriate resolutions (in view of the short time frame I suggest this could be by conference phone Board meeting or by Circulating Resolution).

Once the audit work is complete, and the financial statements and reports are prepared, the Board will have to resolve that they be signed by one Director (on behalf of the Board) in time for lodging with ASIC by 31 October.

The Financial Report will then be sent to the members with Notice of the Annual General Meeting to be held no later than 30 November. Resolutions for the AGM will include confirmation of the Auditor.

However, before convening the AGM (ie, prior to sending out the Notice) one member will have to formally nominate the replacement Auditor in writing as required by Section 328(1) of the Act.

DISCLAIMER

The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.
