

Financial advice report

The Financial Advice Report is to be completed by an accountant in accordance with Australian Auditing Standard AUS 904 Engagement to Perform Agreed-Upon Procedures who is a qualified accountant (*Corporations Act 2001*).

The Financial Advice Report is required by prospective lessees or assignees who lease less than five retail establishments in Australia as at the date of this report.

The financial advice report is not required in respect of:

- a lease that is not a 'retail shop lease' as defined by the *Retail Shop Leases Act 1994*
- a retail shop lease for a periodic tenancy or tenancy at will
- a retail shop lease entered into under an option under a retail shop lease.

This report is provided by: (full name of accountant)	
---	--

I **have/have not*** a professional or other relationship with the lessor and have advised the prospective lessee/assignee* of this relationship if any.

Name of lessee/assignee*:	
Address of leased premises:	
The lessor of the premises is:	

Report of factual explanations and advice given to the lessee/assignee*

Scope

I have performed the procedures agreed with you described below with respect to the draft lease document. My engagement was undertaken in accordance with Australian Auditing Standards applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the lessee/assignee*. The procedures were performed solely to assist you in evaluating the financial impact of the draft lease document on you/your business and are summarized as follows:

1. I obtained the draft lease document and reviewed the financial issues contained therein including:

- the rent, outgoings and other payments
- the potential financial impact of the rent review
- the fact that the operation of the business is restricted by the term of the lease
- other financial rights and obligations.

2. I considered the need for the lessee / assignee* to obtain additional professional assistance and advice with respect to, but not limited to, the following:

- volume of sales (break-even point) required to meet all costs of carrying on the business, including capital cost, business loan repayments and salary for the business operator
- appropriate accounting and financial reporting systems
- cash flow forecasting
- sales budget forecasting
- taxation requirements.

Because the above procedures do not constitute either an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, I do not express any assurance on the draft lease document and/or related explanations. Had I performed additional procedures or had I performed an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, other matters might have come to my attention that would have been reported to you.



Accountant's report

I report as follows:

(a) With respect to the above I have explained your financial rights and obligations under the draft lease document with respect to:

- the rent, outgoings and other payments
- the potential financial impact of the rent review
- the fact that the operation of the business is restricted by the term of the lease
- other financial rights and obligations.

(b) With respect to the above I have advised you on the need to obtain additional professional assistance and advice in relation to, but not limited to, the following:

- volume of sales (break-even point) required to meet all costs of carrying on the business, including capital cost, business loan repayments and salary for the business operator
- appropriate accounting and financial reporting systems
- cash flow forecasting
- sales budget forecasting
- taxation requirements.

My report is solely for the purpose set forth in the scope paragraph of this report and for your information and is not to be used for any other purpose or distributed to any other party. This report relates only to the draft lease document and items specified above and does not extend to any other issue.

I certify the above information.

Accountant's signature

/ /

Date

Accountant's address:	
------------------------------	--

Prospective lessee's/assignee's* certification

I certify that I have received the explanations referred to in this report by the accountant and have understood them.

Lessee's/assignee's* signature

/ /

Date

* Please cross out whichever term is not applicable.

Disclaimer

The Financial Advice Report is solely for the benefit of the lessee or assignee.

To the extent permitted by law, the certifying accountant does not accept liability for any loss or damage which any person other than the prospective lessee or assignee may suffer as a result of or in connection with the accountant's report.