

20/04/2006

Mr Robert Miano
Bird Cameron Partners
Level 8, Rialto Sth Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Sirs

This representation letter is provided in connection with your review of the financial report of Goodwood/Highgate Financial Services Limited for the period 27 January to 31 July 2005 and for the half year ended 31 December 2005 for the purpose of forming an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, Corporation Act 2001 and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view which is consistent with your understanding of the balance sheet, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm, to the best of our knowledge and belief, the following representations:

1 Accounting Policies

All the significant accounting policies of the Company are adequately described in Note 1 to the accounts and are consistent with the policies adopted last year unless otherwise stated.

2 Company Minutes / Records

All financial books, records and related data have been made available to you, including minutes of directors', committees of directors', shareholders' meetings, or where minutes have not been prepared for recent meetings, a summary of decisions taken at those meetings.

3 Accounts Receivable

(a) Trade debtors are correctly described in the records and represent valid amounts receivable in accordance with the normal terms of trading. No amounts are included with respect to goods on consignment or approval to other, or for goods shipped, or services rendered subsequent to 31 December 2005.

(b)All loans are disclosed including loans made to controlled entities, or loans made to directors or any other corporation in which a director has a controlling interest.

In the opinion of directors, all loans due by controlled entities, directors or a corporation in which a director has a controlling interest are at call and are correctly reflected as current assets. No amounts are considered to be irrecoverable.

(c)The provision for doubtful debts has been reviewed and we believe it is adequate for any losses, costs or expenses which may be incurred with respect to sales made, services rendered prior to balance date, including losses from uncollectible accounts, discounts and returns and allowances.

4 Other Current Assets

On realisation in the ordinary course of the Company's business the other current assets in the balance sheet are expected, in the opinion of the directors, to produce at least the amounts at which they are stated. In particular, adequate provision has, in the opinion of the directors, been made against all amounts owing to the Company which are known or may be expected to be irrecoverable.

5 Investments

(a)Investment, including investment in controlled entities are either carried in the books at cost or directors' valuation. Such amounts are considered reasonable in the light of present circumstances, and there has not been any significant permanent diminution in value below the amounts as recorded.

(b)There are no commitments, fixed or contingent, for the purchase or sale of long term investments.

6 Property, Plant and Equipment

(a)The additions to fixed assets accounts as recorded in the books represent cost of additional facilities, or additions or improvements to existing facilities or replacements thereof. No significant charges have been made to expense accounts for items of this nature. All units of property, which have been replaced, sold or otherwise disposed of, or which are permanently unusable, have been removed from the fixed asset accounts. Adequate depreciation, determined in a manner consistent with that of the previous year has been charged to write-off depreciable assets over their useful lives having regard to the current year's charge and the accumulated amounts provided to date.

(b)There are no commitments for the sale of fixed assets.

7 Ownership and Pledging of Assets

(a)The companies have satisfactory title to all assets appearing in the balance sheet.

8 Non Current Assets

There is no item included in fixed assets, goodwill or other non-current assets recorded in the books at an amount which, having regard to its value to the companies as a going concern, exceeds the amount which it would have been reasonable for the company to spend to acquire that item at 31 December 2005.

9 Intangibles

The company is satisfied that the various requirements of AASB 1 'First-Time Adoption of Australian Equivalents to International Financial Reporting Standards', AASB 136 'Impairment of assets' and AASB 138 'Intangible assets' have been met.

10 Liabilities

All liabilities for goods received and services incurred prior to 31 December 2005 have been recorded and are correctly described in the records. Adequate allowance has been made for accrued liabilities not yet due, including salaries and bonuses, commission, product guarantees, service or warranty repair contracts, interests, royalties and other expenses. Adequate amounts have been provided for any claims or other liabilities which are being disputed or contested.

In particular, inter company loans and directors loans have been correctly classified as current or non current, depending on terms of repayment.

11 Contingent Liabilities

There are no material contingent liabilities not previously advised or reported.

12 Fraud and error

We have disclosed to you any events during the period of which we are aware that involved dishonest or fraudulent conduct or which resulted from a material weakness or breakdown in the accounting records and related internal controls. There have been no frauds or other irregularities involving management or employees who have significant roles in the accounting and control systems and no irregularities involving other employees that could have a material effect on the financial statements.

The financial statements are free of material misstatements, including omissions.

No uncorrected financial report misstatements were noted as at 31 December 2005.

13 Law and regulations

We have disclosed to you the following matters which involve possible non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefore:

None noted

Other than matters referred to above we are not aware of any events that involve possible or actual non-compliance with those laws and regulations which are central to the company's ability to conduct its business. Neither are we aware of other events that involve possible or actual non-compliance with laws or regulations whose consequences may have a potentially material effect on the financial statements and which therefore should be considered for disclosure or as a basis for recording a loss provision.

There have been no communications concerning non-compliance with the requirements of regulatory or tax authorities with respect to any matter that could have a material effect on the financial statements.

14 Subsequent Events

No events or transactions have occurred since 31 December 2005, or are pending, or in prospect which would have a material effect upon the companies state of affairs at that date, or which are of such significance in relation to the companies affairs as to require mention in notes to the financial statements, in order to ensure they are not misleading as to the state of affairs or results of operations.

At the date of this report there does not exist:

- (i) any charge on the assets of the companies that has arisen since the end of the financial year and secures the liabilities of any other person: and
- (ii) any contingent liability that has arisen since the end of the financial year.

Further, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the companies operations for the next succeeding financial year.

15 Insurance

All insurable assets and risks are to the best of our knowledge and belief fully covered by insurance with the exception of the under mentioned risks for which the company carries its own insurance.

None noted

16 Statement of Financial Performance

Except as disclosed in the accounts, the results for the year were not materially affected by:

- (a) transactions of a sort not usually undertaken by the Company;
- (b) any item, transaction or event of a material and unusual nature; and
- (c) charges or credits relating to prior years.

Yours faithfully
GOODWOOD/HIGHGATE FINANCIAL SERVICES LTD

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Ken Bridge
Director - Chairman