



# Capability Statement: Audit and Assurance | 2023-24



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## VISION AND MISSION

### *Our Vision*

*To be a leading independent assurance and professional transaction support advisor in Australia.*



### *Our Mission*

*To assist our clients in achieving their business goals by working collaboratively alongside their Board, management and other trusted advisors.*

**Our values are what drives our business and are integral to everything we do including our client relationships.**

#### **Lattice's Commitment is:**

- ✘ We provide straight, no-frills advice based on our experience and sound commercial research.
- ✘ All team members are trusted, skilled professionals with deep assurance and advisory experience.
- ✘ Our work and reports aim to be top quality with our focus being to provide boutique services to "Top-Tier standards".
- ✘ We aim to support clients longer-term, not just for a specific transaction or assignment.
- ✘ We are proactive and communicate timeously to circumvent potential obstacles before they arise.
- ✘ We exercise commercial reasoning and judgement, are cost conscious and deliver timeously.
- ✘ Our client portfolio and testimonials attest to the above.

## OVERVIEW

### **Specialist, independent accounting, assurance, audit and transaction-support advisory services**

Approachable and pragmatic, Lattice Capital is a professional accounting, audit and business advisory firm, and we cater to your assurance, transaction support and auditing needs.

For us assurance is not about mere compliance and technical accounting assistance – it's about providing an independent opinion as to fairness, and in that process includes value added services, including business improvement advice re your accounting systems, reporting and internal controls.

We have expertise in providing audit services to a variety of small business in multiple industries and a range of not-for-profits, clubs, pubs and incorporated associations.

Our team is dedicated to offering you professional, quality services, and advice while remaining compliant with relevant regulatory official bodies and statutes.

### Service offerings:

We offer a range of Audit and Assurance services, also non-assurance support and would be happy to discuss how we can assist you or your organisation.

- ✂ Assurance engagements include:
  - ✂ Audit engagements
  - ✂ Review engagements
  - ✂ Compliance engagements.
- ✂ Our non-assurance services consist of the following types of engagement:
  - ✂ Agreed-upon procedures engagement
  - ✂ Compilation engagement
  - ✂ Valuation engagements (see further details below).

We regularly undertake audits in the following areas:

- ✂ Clubs and Associations
- ✂ Charities
- ✂ Franchise marketing fund and solvency audits: We have an increasing portfolio of franchise clients and can readily assist with initial solvency declarations and ongoing audits, as well as annual marketing fund audits.
- ✂ Unlisted Public Companies
- ✂ Real Estate Agent Trust Accounts
- ✂ Self-Managed Super Funds
- ✂ Solicitors Trust Accounts (QLD, WA & NSW)
- ✂ Aged Care audits: financial compliance audits
- ✂ AFS licensee audit: we are familiar with the audit and other compliance requirements of Australian financial services licensees, and act for a couple of insurance brokers, investment firms and schemes. We'll handle your annual AFSL audit, audit your financial statements and provide reports on GS007 (Audit implications of the Use of Service Organizations for Investment Management Services); ASAE 3402 (Assurance Reports on Controls at a Service Organization) and GS003 (Audit and Review Requirements for AFSL Licensees under the Australian Corporations Act 2001).

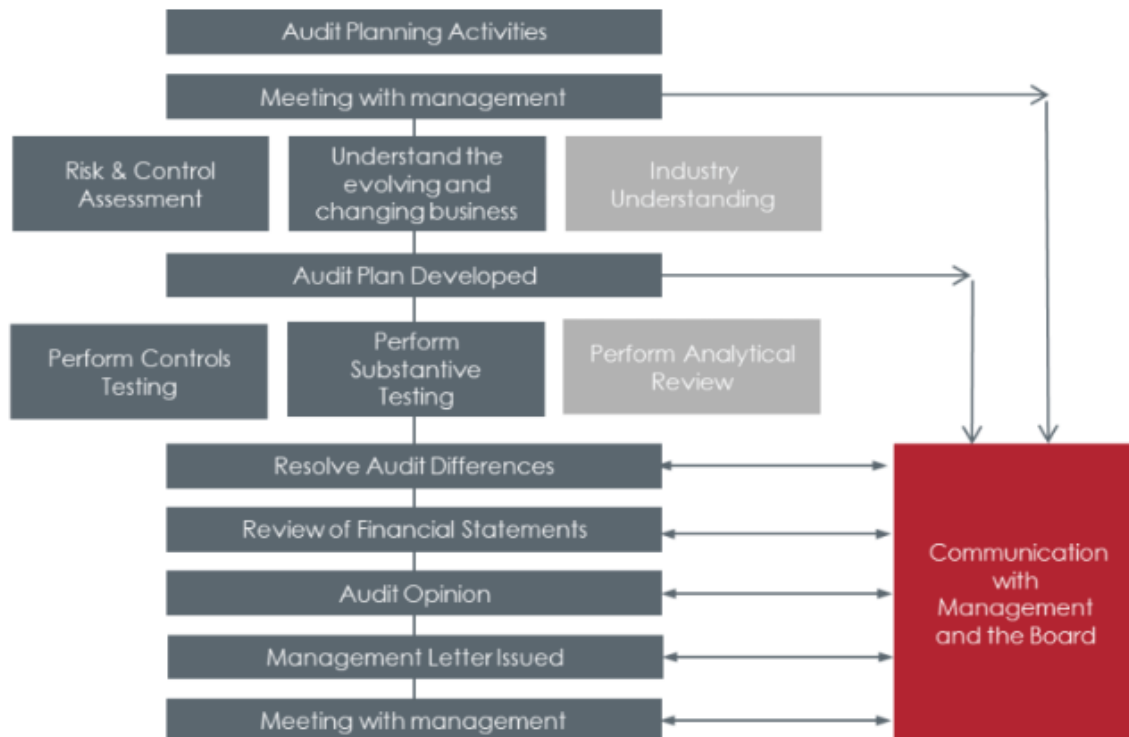
## OUR AUDIT APPROACH

In undertaking audits, our primary objective is to examine and report on the financial statements and the relevant supporting records to express an opinion on whether they give a true and fair view of the situation of the entity, and the results of the underlying operations and cash flows.

In certain instances we are able to assist you in drafting those financial statements. We use a fully integrated, computerised system based on the auditing template designed by the Institute of Chartered Accountants Australia and New Zealand. Our software can generate tailored work programs, assess materiality and select sample sizes, and this enables us to gain efficiencies and concentrate on the most important areas or risks identified. Our audit approach is designed to provide a degree of flexibility, allowing specific procedures to be tailored to each client's specific industry context and market positioning/situation and risk profile.

All audit and non-assurance services start with a detailed understanding of each client's business. It's the key to providing a cost effective, efficient audit and also vital for building long-term relationships, and anticipating each client's unique needs.

An overview of the audit process is set-out below:



Substantive testing is performed on significant balance sheet or profit and loss account items, depending on each item’s materiality within the audit context.

The extent of this testing is dependent upon the outcomes of systems and control assessments and on each item’s materiality to the entity, taken as a whole.

Our audit techniques also include the use of analytical review procedures as a means of focusing on critical and significant areas. Trends in financial data are reviewed analytically for appropriateness and consistency.

During our audit, we will note systems recommendations to be reported in the form of a management letter, our aim being to ensure that each client’s management information systems are continually improved.

## NON-ASSURANCE & VALUATION SERVICES

Our international experience in valuations and transaction support (including due diligence) across a wide range of business sectors ensures our reports are grounded on solid research, are relevant and industry related.

Our reports are comprehensive, clearly structured, designed to explain and simplify complex issues, dispassionate and, where relevant, designed to assist the court by expressing an independent, objective opinion.

### Business Valuations

Business valuations are required in multiple instances - from businesses considering restructuring, selling, merging or raising capital through to litigation, taxation purposes, industry research or a variety of other reasons. Our business valuation services involve intensive examination of the subject business from the most basic elements: including its management, operations, financial results (both historic and projected); the transaction context (where relevant) and its market position.

### Matrimonial Valuations

We understand that the dissolution of a marriage is an emotionally charged time for all parties and we

strive to ensure that sensitive financial matters do not get added to this burden. We work closely with family law professionals to produce an unbiased, objective and in-depth overview of all necessary personal and commercial assets and earnings requiring disclosure.

Matrimonial services include:

✘ **Commercial Support**

When working with a new client/firm, we like to build the relationship through regular and open communication. We offer a commercial perspective to support the legal practitioners view as to whether a business valuation would be in their client's best interests and simultaneously examine related concerns, such as the behaviour of the opposing parties with respect to the marital business, the quality of or problems with the accounting records or matters relating to the valuation itself.

✘ **Document Review**

We assess all documentation, such as financial statements and other materials which may impact the business valuation. Through an early/proactive examination, greater insight can be gained into the need for and nature of a potential valuation and any related financial issues which may arise.

✘ **Preliminary Valuation Reports**

We prepare reports detailing a broad range of values for the business or entity being valued. These reports are designed to support settlement discussions and are less intensive and research-based than a formal valuation report.

✘ **Formal Valuation Reports**

Our formal, forensic valuation reports are specifically prepared for court purposes and focused on a narrower valuation range. Each report is based on thorough research and provides a structured, systematic and logical assessment of the key aspects of the target business and the industry in which it operates, including the commercial context underpinning the resultant valuation.

✘ **Shadow Expert Reports**

Should an opposing party's valuation or single expert report be deemed of insufficient quality, or where such requires a review for commercial reasonableness, we provide you with critical insights into amongst other things, the approach used, the reasonableness of the underlying assumptions, the multiples and even the calculations from which the ultimate opinion has been derived.

✘ **Other Interests Valuation**

Where required, we value a range of other components requiring review, including listed options, share scheme participation, intellectual property and superannuation, in order identify additional factors which may determine asset valuations and allocation between the parties.

✘ **Investigative Reports**

These reports usually precede more comprehensive reports and typically encompass a limited scope, detailing factual findings of specific concern to one party in the divorce. These instances might cover situations where the opposing party is running the marital business negligently, or in circumstances where there is a probable/possible intent to defraud their spouse, or in cases where business transactions or assets being handled in a manner contrary to our client's best interests.

✘ **Expert Testimony**

Our senior director is available to provide expert opinion in cross-examination in Australian courts and tribunals. We will collaborate with senior counsel prior to the trial in order to gain a comprehensive understanding of the bearing of our evidence on the courts and then present relevant that through testimony in a clear, and concise manner.

✘ **Briefing to Legal Counsel**

In cases where an opposing expert is being cross-examined, we offer an objective brief to counsel on the strengths and weaknesses of the opinion being proffered up by the expert in question.

## Recent client matters

The sensitive nature of business transactions and our stringent client confidentiality ethos precludes the mention of the names of specific businesses. Rather than redacting names and details entirely the client-matters listed below only offer broad descriptive details, as well as the general geographic location and other related facts.

## Assurance and advisory matters

Lattice has always had a strong focus on assurance/audit; advisory business valuation services and its team has a collective four decades of valuation experience spanning large, complex and listed businesses as well as small businesses across more than 30 industry sectors.

- ✻ NATA associated water research and environmental agency
- ✻ Creative Glass Guild of Queensland
- ✻ Artslink Queensland
- ✻ Avado Organics
- ✻ Avior Outsourcing
- ✻ Alphaclean, and its franchisees
- ✻ Mentoring for Growth Australia Africa Business Council QLD-Inc
- ✻ BCS-Brisbane
- ✻ Bluewater Aviation
- ✻ Buderim Floristry
- ✻ First Asia Pacific Group
- ✻ Host Datacentre
- ✻ NEXT DC
- ✻ Lodestone Energy
- ✻ Management Resource Solutions Ltd
- ✻ Subway – various stores
- ✻ Pimpama Tennis Association
- ✻ Ennovate Australia
- ✻ Fig Tree Pocket State School Tennis Club
- ✻ Macgregor Recreation Centre
- ✻ Mummy’s Wish Limited (Incorporated by Guarantee)
- ✻ Business Advisor Network Limited
- ✻ Foodworks franchises
- ✻ Cornetts Supermarkets
- ✻ Ezy Rent Retail Holdings Pty Limited
- ✻ Curatura Pty Limited
- ✻ City Finance Franchise Network
- ✻ GROW Australia, and a Place to belong NFP.

## Recent business and/or share valuation assignments

Lattice has always had a strong focus on assurance/audit; advisory business valuation services and its team has a collective four decades of valuation experience spanning large, complex and listed businesses as well as small businesses across more than 30 industry sectors.

- ✻ Suburban supermarket with adjoining liquor and fast food interests (Darwin, NT)

- ✂ Fishing and boating equipment wholesaler and retailer (NSW)
- ✂ Agricultural operation located (Parkes, Western NSW)
- ✂ Consulting firm focused on geotechnical, mining, processing industries, environmental studies
- ✂ Leading shipping agent with national operations
- ✂ Regional auto business with multiple branches specialising in car bumper, scratch, panel, paint repairs, detailing
- ✂ Manufacturer of name plates and signage servicing capital cities and Gold Coast, QLD
- ✂ Developing sports franchisor focused on expanding its network of franchisees across SE Australia
- ✂ Acquisition of five separate top franchised 24-hour gyms
- ✂ Large regional retail supermarket and takeaways group operating in Far North QLD
- ✂ Copyrights and other intellectual property held by the deceased estate of a leading Australian author
- ✂ International brand regional supermarket group operating across central and western QLD.

### **Matrimonial Valuations (Uncontested)**

- ✂ Regional hotel group (Western QLD)
- ✂ Air-conditioning importation, maintenance and distribution (Redcliffe, QLD)
- ✂ Engineering consulting (Newcastle, NSW)
- ✂ Specialist engineering and machining (Maitland, NSW)
- ✂ Niche engineering labour-hire (Central Coast, NSW)
- ✂ Oriental restaurant and catering business (Sydney, NSW)
- ✂ Refrigeration equipment and ice-making (Toowoomba, QLD)
- ✂ Hinterland luxury retreat, including extensive property and restaurant (Gold Coast, QLD)
- ✂ Cloud-based business consulting and advisory firm focusing on business improvement, CRMs, workflow management, business administration and accounting (Brisbane, QLD)
- ✂ Joinery, shop-fitting and specialist project management business
- ✂ Partnership interests of well-known law firm - litigation partner himself was one of the divorcing party (Sydney, NSW)
- ✂ Well known branded luxury-furniture retailer – also managing its own design, offshore purchasing, importation and distribution activities as part of an integrated supply chain.

### **Matrimonial Valuations (Contested matters)**

- ✂ Residential property developer based – contesting party's 33% interest required valuation (SE QLD)
- ✂ R&D and food services business – contesting party's held 50% interest (NW Sydney, NSW)
- ✂ Large regional car hire operation (Victoria, NSW & QLD)
- ✂ Multidisciplinary national building and construction business (Victoria, NSW, QLD & SA)
- ✂ Water transport and construction logistics business operating through a partnership (Coff's Harbour, NSW).

## **OTHER PROFESSIONAL SERVICES**

- ✂ **Financial and commercial due diligence**
- ✂ **Raising capital**
- ✂ **Advisory assignments (acquisitions & disposals/MBO's).**

## **ABOUT US**

Lattice Capital was established in 2008/9 as a privately owned and operated corporate finance consultancy providing independent, assurance, strategic and personalised transaction advisory services to smaller listed companies, mid-tier private companies, private equity firms and family lawyers.

Based in Brisbane, Lattice operates nationally, with its historic client base being centred around advisors and/or client based in Queensland and New South Wales. Despite that we have handled various matters in Arnhemland, Far North Queensland (Wujal Wujal/Weipa) also the Northern Territory and the Kimberley, in remote N-Western Australia.

Lattice has built a solid reputation with clients and professional referrers across Australia for providing timely, comprehensive, professional assurance and business valuation services.

We pride ourselves on our relationship-driven culture, which focuses on developing long-term partnerships with our clients.

## **WHY US**

### **Director Involvement**

Our director and specialist consultant are involved from the outset, 'hands-on' and you benefit directly from that experience.

### **Sectoral/industry Experience**

We have extensive industry understanding and specialise in working with smaller corporates, also SME's and the not-for-profit/charity and incorporated association sector/s.

### **Competitive Fees**

We offer competitive fixed fees due to lower overheads, through the use of technology, also our direct director involvement and sector experience.

## **KEY CONTACTS**

We are aware clients' prefer to have access to and a high level of communication and contact with senior staff, accordingly Trevor or Albert are directly accessible to clients at all times for meetings and discussions, including attendance during the audit fieldwork as well as at committee meetings, or client AGM's where so requested.

Our audit team may include a blend of auditors both qualified and periodically those in training. We know that clients appreciate continuity of staffing on audits so that an ongoing knowledge can be developed, and where possible we aim to maintain team personnel and client contacts from year to year.

### **Trevor Cuss (Director)**



Trevor has more than 35 years of experience initially in independent audit and accounting, later business banking and business valuations, corporate finance advisory, financial and due diligence investigations.

He has worked in public practice, banking and the not-for-profit sector across Australia, also extensively in South Africa, and to a lesser extent Tanzania, Namibia and Botswana (the latter where he was responsible for IPO's of Namibia Breweries and PEP Stores-Botswana). External audit experience includes some 11-years with Big 4 firms, predominantly providing services to listed and non-listed public, also SME's across a range of sectors and industries.



Prior to relocating to Australia, Trevor was registered as an independent auditor for over ten years with the Public Accountant and Auditors Board in South Africa. In his role as the national Equity Capital markets partner and director at Ernst & Young and Deloitte Corporate Finance in South Africa, as well as at two of South Africa's largest investment banks, Trevor's focus was assurance and specialist investigations, a period which also encompassed valuations of listed companies, the preparation of public reports (including IAR's and IER's) and the provision of expert evidence.

Trevor was appointed as the corporate finance practice leader and a director of Grant Thornton Australia in Brisbane after his family relocated in 2007. Since establishing Lattice he has continued to focus on providing clients with audit and assurance services, but continues to lead/prepare numerous valuation and expert reports in matrimonial asset matters, as well as working on a variety of forensic matters; including specialist insurance claims (fire/arson/theft) and matters involving economic loss resulting from business interruption and loss of profit.

### **Specialities:**

- ✂ Probity and financial/commercial due diligence investigations
- ✂ Audit and assurance (Club, SME and NFP)
- ✂ Valuations of businesses
- ✂ Equity and hybrid securities valuation, including listed companies
- ✂ Valuation of intellectual property
- ✂ Valuation in disputed matters
- ✂ Forensic accounting, including assessment of insurance and financial losses.

### **Qualifications & Memberships:**

- ✂ Chartered Accountant (ICAAANZ & SAICA)
- ✂ Bachelor of Commerce
- ✂ Bachelor of Accounting
- ✂ Diploma in Corporate Law
- ✂ Graduate Diploma in Applied Finance
- ✂ Graduate Certificate in Migration Law and Practice
- ✂ Fellow of the Financial Services Institute of Australasia
- ✂ Past Fellow of the Australian Institute of Management
- ✂ Past QLD Council member for the South African Institute of Chartered Accountants
- ✂ Member of the Forensic and Business Valuation Special Interest Groups of the Institute of Chartered Accountants Australia and New Zealand.

Trevor's was previously the regional Vice President of the AABC; and until recently a Board member on a leading Queensland arts organisation, as well as being the immediate past Chair of the Board, and currently the Chair of the audit and risk committee of a national cancer organisation.

### **Albert Loots (Audit & Assurance - Specialist consultant)**

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With a deep accounting pedigree Albert has more than 35 years' experience in audit and assurance, working with a diverse client portfolio, including aviation, property, resources, retail, engineering, manufacturing and not-for-profit organisations.

Prior to joining RSM Australia in 2015, Albert was an Audit partner for six years with PKF Australia and also the Chief Financial Officer of a large technology firm in Western Australia. Prior to relocating to Australia in the early 2000's, Albert was registered as an auditor for over fifteen years with the Public Accountant and Auditors Board in South Africa and he remains a registered member of the South African Institute of Chartered Accountants. He currently holds a practicing certificate from the Institute

of Chartered Accountants in Australia and New Zealand, as well as being a registered company auditor with ASIC.

**Specialities:**

- ✘ Audits and assurance
- ✘ Internal and external audits
- ✘ Due diligence investigations
- ✘ Quality assurance
- ✘ Risk management and corporate governance reviews
- ✘ Forensic accounting
- ✘ Fraud investigations and control plans
- ✘ Probity reviews.

**Qualifications & Memberships:**

- ✘ Bachelor of Business (Accounting)
- ✘ Masters level endorsement to Honours Degree in Accounting & Auditing
- ✘ Member of the South African Institute of Chartered Accountants
- ✘ Practicing member of the Institute of Chartered Accountants in Australia and New Zealand (ICAAANZ)
- ✘ Registered as a company auditor with ASIC.

## CONTACT DETAILS

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#### Specialist-audit and assurance

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