5/8/2016

To Whom It May Concern:

Re: <Clients Name> & their associated entities

We confirm the following details regarding their businesses:

**<Entity 1>**

* We do not act as accountant for this entity however as part of completing tax returns for the other entities we have seen the tax returns for 2016.
* Overview: This is a <Business Nature> with operations in <Country>.
* Structure: <Type of Trust>
* Ownership:
  + <Ownership Details e.g. **Entity 2** owns approximately 31% of this business>
  + <Ownership Details e.g. Other unrelated business partners own the remaining units>
* Income: <Income Details e.g. pays trust distribution to **Entity 2**>
* Other:
  + **Entity 2** is a customer of XYZ.
  + This business is currently trading at a profit. This is based on our discussions with <Clients Name> and viewing 2016 financials.

**< Entity 2** **>**

* We act as the accountant for this entity.
* Overview: This is the main business of <Clients Name>. < **Entity 2** >provides consulting services for strategy, communication, marketing & branding. For all intents and purposes this is a continuation of their old business < **Entity 3**> business under a trust structure instead of a company.
* Structure: <Type of Trust e.g. Discretionary Trust>
* Ownership:
  + < **Entity 2** > owns units in < **Entity 1**>, shares in <XXX Group> and shares in < **Entity 3**>.
  + <Clients Name> control the distribution of income from < **Entity 2** >.
* Income:
  + Receives trust distributions from **Entity 1**.
  + Receives dividends from **Entity 3**.
  + Distributes income to **Entity 3**, <Clients Name> & their daughter <Daughters Name>.
  + Add back rental property loss of $7,294 in 2017.
  + Add back depreciation of $11,121 in 2017.
* Other:
  + **Entity 2** owns <Property Address> which has a mortgage with <Lender Name>.

**< Entity 3>**

* We act as the accountant for this entity.
* Overview: **Entity 3** was the old business run by <Clients Name>. They successfully built up this business and sold to another organisation. They have since left that organisation and set up ABC to continue the same business activities that were previously run by **Entity 3**.
* Structure: Company
* Ownership: **Entity 2** owns shares 5 out of 7 shares in **Entity 3** while <Clients Name> own 1 share each.
* Income:
  + Received trust distributions from **Entity 2**
  + Paid dividends to <Clients Name> & **Entity 2**
  + Add back early termination of leasehold improvements of $41,849 in 2016. This was because **Entity 3** previous rented <Address> (owned by Partnership) for some time. They spent money to improve the property however when they moved out then this is a write off for **Entity 3**.
  + Add back depreciation of $6,240 in 2017.
  + Explain $104,958 other income not included in assessment?

**< Entity 4>**

* We act as the accountant for this entity.
* Overview: This is a side business that develops mobile applications.
* Structure: Company
* Ownership: **Entity 2** owns shares in **Entity 4** (%?). Other investors own the remainder of this business.
* Income: **Entity 4** made a small loss in 2016. Based on conversations with <Clients Name> it will make a small profit in the 2017 financial year so the loss can be ignored.

**Partnership**

* We act as the accountant for this entity.
* Overview: This owns <Property Address> which has a loan from <Lender>. It has no other activities.
* Structure: Partnership
* Ownership: <Clients Name>
* Income:
  + As this entity just owns a property it’s reasonable to ignore the tax return and just use the rent income and loan repayments in the lender’s serviceability calculator.
  + There was an issue with the roof of <Street Address> which caused excessive repairs in 2016. This is a one off expense.
* This business has no other activities.

**<Clients Name>**

* We act as the accountant for <Clients Name>
* There were additional super contributions of $20,000 each in 2016 which can be added back.

This information is true to the best of our knowledge and has been confirmed from independent enquiries with our customer and our own records.

Should you require any additional information please do not hesitate to contact our office on 02 0000 0000.

Regards,

<Accountant Name>

<Accountant Company Name>