



**Galanis & Co.**

CHARTERED ACCOUNTANTS, FORENSIC AND LITIGATION SUPPORT SERVICES

**VIA EMAIL**

November 12, 2013

Mr. Carlos Foulkes  
Chief Executive Officer  
**THE ATAVUS GROUP**  
#30 Imperial Park  
Nassau, Bahamas

Dear Mr. Foulkes,

**RE: PROPOSAL FOR ACCOUNTING SERVICES & CFO**

We thank you for the opportunity to present this proposal in response to your invitation to tender for the captioned matter. HLB Galanis & Co. is committed to providing you with excellent professional services of the highest quality that will exceed your expectations. Our clients benefit from the added value we deliver, by delivering efficient and effective services in a timely manner and at a reasonable cost.

The attached Proposal (the “Proposal”) presents our Firm’s response to the specifications outlined in our meeting of November 11, 2013 (Rees/Foulkes/Richards) held at the offices of HLB Galanis & Co., with respect to providing accounting services and acting in the capacity of Chief Financial Officer for The Atavus Group (“the Company”).

Having reviewed the Terms of Reference discussed, we have concluded that our proposal will be presented as a phased approach in line with the current stage of operations. Specifically, this proposal is designed to include;

- Phase I – Construction (Commencing January 1 until start of operations)
- Phase II – Operations (Commencing upon start of operations).

We look forward to working with you on this engagement and would be pleased to discuss this matter with you further should you have any questions.

Sincerely,

Nicholas A. Rees  
Senior Consultant

**Local in Touch, Global in Reach**

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HLB GALANIS & CO. is a member of  International, a worldwide organization of accounting firms and business advisers

## **FIRM BACKGROUND**

HLB Galanis & Co. is a member firm of HLB International, the tenth largest worldwide network of dynamic independent professional accounting firms and business advisors. HLB International is a member of the Forum of Firms. Our global network comprises of member firms in over 100 countries, which collectively have more than 1,900 partners and 14,500 staff in over 500 offices.

As an HLBI member Firm, we have extended our services internationally, while maintaining a significant local presence in The Bahamas and the Caribbean. Our motto: **“Local in Touch, Global in Reach”** is indicative of the Firm’s capabilities as it delivers excellent service to local businesses, while simultaneously, having the resources to extend services internationally for those same local clients.

We hold our ethical, legal, professional and technical practice responsibilities in the highest regard, particularly the hallmark of our profession, **independence and confidentiality**. It is through independence that we serve the public interest in providing unbiased, objective and technically sound opinions on financial matters, whether in court, private or our public sector engagements. We also consider our clients’ confidentiality to be sacrosanct and will safeguard the information that we obtain during the course of our audit engagement.

The Firm currently has offices in New Providence, Freeport and The Turk’s & Caicos Islands.

## **PROFESSIONAL AFFILIATIONS AND EXPERIENCE**

Integrity is of paramount importance to us. We operate under the Quality Control Policies of HLB International, through an integrated methodology employed by HLB member firms throughout the world. We are also authorized by The Bahamas Institute of Chartered Accountants (BICA) to perform audit and assurance services.

HLB Galanis & Co. has experience with a wide range of organisations and business structures. We have audited and provided related services to a number of private, public sector and not-for-profit organisations. We undertake regular reviews of our engagement processes to ensure best practices, and our approach incorporates the best of industry knowledge regarding processes, controls and computer-aided audit programs.

## **OUR TEAM**

The professionals chosen for this team have the ability to both meet and exceed your expectations. Our team members will include:

**Nicholas A. Rees, MBA**  
**Senior Consultant**

Mr. Rees will be the primary person responsible for this engagement. He will dialogue periodically with you to discuss performance and any issues surrounding communications and quality. He will also have daily oversight of any Junior Accountants that we may assign to work on this engagement. He will act as a single point of contact for any of the Company's concerns and will ensure a smooth engagement process and service delivery.

Mr. Rees has obtained a Master of Business Administration (MBA) with specialization in International Business along with a Bsc. in Finance and Economics. He has over eight years of professional experience ranging from small business startups and capital financing to securities, investments and financial services. He joined HLB Galanis & Co. in 2012 after serving as Finance Officer for The Bahamas International Securities Exchange (BISX) and The Bahamas Central Securities Depository (BCSD). He is currently sitting the last of 14 exams required for the ACCA qualification and is expected to be fully certified before the end of 2013.

Other professionals from within our Firm may also be assigned to the engagement as required. Our team of professionals will be available to service the Corporation throughout the entire engagement.

## **SCOPE OF WORK**

In the context of this proposal, it is assumed that The Atavus Group ("the Company") is comprised of the following entities:

- The Atavus Group Ltd.
- The Showcase with IMAX (or 1 other wholly owned subsidiary – to be named)

### **Phase I & II:**

Commencing upon acceptance we will provide the following accounting services for the Company as required throughout each Phase:

- Set up Trial Balance using the accounting software to be chosen by the Company.
- Maintain general ledger & trail balance.
- Establish, write & implement the policies, procedures & internal controls for finance & accounting functions.
- Identify and implement risk assessment and risk mitigation measures.

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- Update and maintain cash controls.
- Manage & oversee purchasing and purchasing controls.
- Perform / manage internal audit function.
- Prepare annual Financial Statements for Year End Audit in accordance with IFRS.
- Present monthly in-house Financial Statements.
- Manage & oversee the accurate recording of all sales transactions & inventory movements.
- Manage client billings and the processing, recording and deposit of customer payments on account.
- Manage & oversee annual inventory counts.
- Manage the processing, recording and documentation of checks presented for signing by authorized persons.
- Record all depreciation on fixed assets and maintain the fixed asset register.
- Maintain accounts payable.
- Oversee payroll files, presented to & processed by third parties or internally.
- Manage & oversee the process for data entry / recording and classification of all authorized receipts, transactions, payments and expenses.
- Manage & oversee the reconciliation of internal operating bank accounts.
- Assist with the compilation of annual budget projections and variance analysis for management & Board presentations.
- Present financial results to Board of Directors' meeting upon request.
- Ensure compliance with all financial reporting requirements.
- Manage external audit process.
- Ensure the maintenance of all accounting records in electronic form with relative documentation to support the financial information of the company.

**SPECIAL NOTATIONS**

In addition, the Company will also be required to keep adequate records, specifying the proper dates and essential nature of transactions, and also provide supporting documentation for all transactions occurring during the month.

Throughout our engagement, we will require access to the following documents and information concerning your company:

1. Electronic or paper copies of basic documentary evidence supporting your financial transactions, including but not limited to, job billing reports, check stubs, check and cash payment receipts, bank statements, and other documentary support as required;
2. Electronic or paper versions of any other financial information necessary for purposes of reflection on your accounting records, and trial balance;

All information & documentation provided to us will be held in the strictest confidence and will be the sole property of the Company. No information shall be disclosed to any third party or individual, other than preauthorized representatives of The Company.

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**TIMING & PROFESSIONAL FEES**

Our professional fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Our hourly rates for accounting services are \$150 per hour.

For **Phase I** of this engagement, we have estimated that the time value required in performing the duties outlined within the scope of work above amounts to a total of \$ 2,250 / month for 15 total hours. However we are prepared to offer the service for a fee of **\$ 850 per month**.

For **Phase II** of this engagement, we have estimated that the time value required in performing the duties outlined within the scope of work above amounts to a total of \$ 7,200 / month for 48 total hours. However we are prepared to offer the service for a fee of **\$ 4,900 per month**.

Our Firm of professionals provides a personalized value-added service to our clients both locally and internationally. To that end, we will ensure that we meet your timelines and reporting deadlines as specified or as otherwise directed by the Company.

**CONCLUSION**

We hope that the above information meets with your approval and provides you with a basis for understanding the breadth of services and level of expertise we offer at HLB Galanis & Co. If you have any questions in connection with this proposal, please do not hesitate to contact us.

Sincerely yours,

Nicholas Rees  
Senior Consultant

**ACCEPTANCE:**

The services and terms set out in the proposal above are in accordance with our requirements and are hereby agreed to per:

**The Atavus Group Ltd.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_



Galanis & Co.

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For **Phase I** of this engagement, we have estimated that the time value required in performing the duties outlined within the scope of work above amounts to a total of \$ 2,250 / month for 15 total hours. However we are prepared to offer the service for a fee of **\$ 850 per month**.

For **Phase II** of this engagement, we have estimated that the time value required in performing the duties outlined within the scope of work above amounts to a total of \$ 5,250 / month for 35 total hours. However we are prepared to offer the service for a fee of **\$ 3,500 per month**.

We are prepared to commence our work immediately upon acceptance and all billings will be presented on a monthly basis.

If the foregoing is in accordance with your understanding, please indicate your agreement by signing the duplicate copy of this letter and returning it to us. If you have any questions please feel free to contact me.

We look forward to working with you on this engagement and would be pleased to discuss this letter with you should you have any questions.

Sincerely yours,

Nicholas Rees  
Senior Consultant

**RESPONSE:**

This letter correctly sets forth our understanding.

Approved by:

Title:

Cheryl Executive Officer

Date:

19th December 2013