



Australian Securities and Investments Commission

**ENFORCEABLE UNDERTAKING
AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ACT**

SECTION 93AA

The commitments in this Enforceable Undertaking are offered to the Australian Securities and Investments Commission ("ASIC") by:

**Ronald Wayne Anning
C/- Level 1, 22 Liverpool Street
HOBART TASMANIA 7000**

SECTION 1 - BACKGROUND

1. On 16 November 1982, ASIC registered Ronald Wayne Anning ("Mr Anning") as an auditor.
2. Under the Corporations Act 2001 ("the Act"), ASIC is responsible for the registration of auditors.
3. As a result of receiving a complaint, ASIC raised with Mr Anning that it appeared that he was conducting the audit of the financial statements of Kalista Limited ("Kalista"), a public company, at a time when one of the employees of his firm was a director of Kalista.
4. In response to ASIC concerns, Mr Anning has advised that:
 - a) He conducted the audit of the financial statements of Kalista for the year ended 30 June 2001 and was completing the audit for the financial year ended 30 June 2002 at a time when one of his employees was a director;
 - b) Kalista is a company limited by guarantee and has only 6 members;
 - c) He was unaware of the employee's position as a director of Kalista;
 - d) He was unaware that Kalista was subject to the audit requirements for a public company as prescribed in the Act;
 - e) The failure was one of inadvertence and was not deliberate;
5. By reason of the above, Mr Anning accordingly offers the undertakings set out in section 2.
6. ASIC has agreed to accept the commitments in this Enforceable Undertaking as an alternative to ASIC making an application to the Companies Auditors and Liquidators Disciplinary Board in relation to the conduct of Mr Anning of the kind

set out in paragraph 3 occurring before the date on which this Enforceable Undertaking was entered.

7. ASIC accepts there was no dishonesty or deceit involved in the conduct of the audit by Mr Anning.

SECTION 2 - UNDERTAKINGS PURSUANT TO SECTION 93AA OF THE ASIC ACT

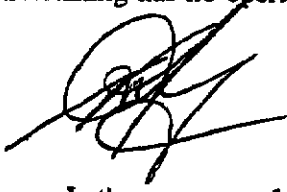
8. Pursuant to section 93AA of the ASIC Act, Mr Anning undertakes to:
 - a) Immediately resign as the auditor of Kalista;
 - b) Within 12 months from the date of this undertaking, to complete 10 additional hours of continuing professional education in relation to audit practice and procedure and advise ASIC in writing of the training completed. This training is additional to the 120 hours of training per triennium that is required by the Institute of Chartered Accountants;
 - c) Adopt appropriate checklists and procedures to ensure conflicts of interests are identified in any future audit engagements;
 - d) On or before 30 September 2003 appoint a registered company auditor, to be approved by ASIC, to undertake a full independent review of one of his completed audit files and the systems put in place in accordance with paragraph (c) above. The extent and subject of the review is to be acceptable to ASIC. All costs associated with and arising from the appointment of the registered company auditor will be borne by Mr Anning;
 - e) Provide to ASIC on or before 1 December 2003 a copy of the reviewer's report and to accept and adopt all the recommendations made by the registered company auditor in his report; and
 - f) Not engage in the audit of any public company unless a copy of this enforceable undertaking has been provided to the company and the company consents to Mr Anning performing the audit. This procedure is to continue until all the other undertakings offered above have been fully complied with.

SECTION 3 - ACKNOWLEDGMENTS

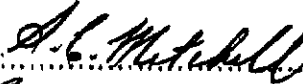
9. Mr Anning acknowledges that he has obtained legal advice in relation to the content and effect of this Enforceable Undertaking.
10. Mr Anning acknowledges that ASIC:
 - a) may publicise the terms of this Enforceable Undertaking and the concerns of ASIC which led to its execution;
 - b) may from time to time publicly refer to this Enforceable Undertaking; and
 - c) will make this Enforceable Undertaking available for public inspection.
11. Mr Anning acknowledges that this Enforceable Undertaking in no way derogates from the rights and remedies available to ASIC (subject to paragraph 6) or any other person or entity arising from any conduct described in this Enforceable Undertaking.

12. Mr Anning acknowledges that this Enforceable Undertaking has no operative force until accepted by ASIC.

Signed by RONALD WAYNE ANNING
This 6th day of May 2003

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In the presence of


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Commissioner for Reconciliation

ACCEPTED BY THE AUSTRALIAN SECURITIES & INVESTMENTS
COMMISSION PURSUANT TO SECTION 93AA OF THE ASIC ACT BY ITS
DULY AUTHORISED DELEGATE:



Julie Read
Regional Commissioner

 6th May 2003