FIRST CROSS-CLAIM
COMMERCIAL LIST CROSS-CLAIM STATEMENT

COURT DETAILS

Court	Supreme Court of New South Wales
Division	Equity Division
List	Commercial List
Registry	Sydney
Case number	2017/294069 – 004

FILED
29 MAR 2018
N.A.

SUPREME COURT OF NEW SOUTH WALES

TITLE OF PROCEEDINGS

First plaintiff	**Haliburton Charles David Findlay**
Second plaintiff	**Marian Jennifer Denny Findlay**
First defendant	**DSHE Holdings Ltd ACN 166 237 841 (receivers and managers appointed) (in liquidation)**
Number of defendants	3

TITLE OF THIS CROSS-CLAIM

Cross-claimant	**Nicholas Abboud** (First Cross-Claimant/Second Defendant)
Cross-defendants	**David White and the others listed in Schedule 1 trading as Deloitte Touche Tohmatsu (ABN 74 490 121 060)**

FILING DETAILS

Filed for	**Nicholas Abboud,** First Cross-Claimant
Legal representative	Sid Wang, Clayton Utz
Legal representative reference	135/18481/80173502
Contact name and telephone	Lauren Stewart, (02) 9353 5686
Contact email	lstewart@claytonutz.com

A. NATURE OF DISPUTE

1 The plaintiffs bring these proceedings on their own behalf and on behalf of persons (the **Group Members**) who:

(a) during the period commencing on 16 February 2015 and concluding on 3 January 2016 acquired an interest in ordinary shares in the first defendant, DSHE Holdings Ltd (**DSH**); and

(b) have allegedly suffered loss or damage by, or which resulted from, the conduct of DSH and/or the second defendant (**Abboud**) and/or the third defendant (**Potts**) pleaded in the Statement of Claim.

2 Abboud was, at all material times, a director and the chief executive officer of DSH.

3 The plaintiffs allege that DSH, in its financial report for the six month period ending 28 December 2014 (the **HY2015 Report**) and in its financial report for the financial year ending 28 June 2015 (the **FY2015 Report**), adopted accounting practices and made accounting decisions that were not in accordance with Australian Accounting Standards (see Statement of Claim [11]). The matters pleaded include the incorrect accounting treatment of certain rebates, the booking of certain rebates as accounts receivable when it was not probable or at least uncertain that the rebate would be earned and the failure to write down the value of inventory. It is alleged that the effect of these matters was to artificially inflate DSH's reported profit in the HY2015 Report and in the FY2015 Report, and to significantly overstate the total equity and net assets of DSH in the FY2015 Report (Statement of Claim [12]-[13]).

4 The plaintiffs allege that Abboud made express representations that the HY2015 Report and the FY2015 Report were prepared in accordance with Australian Accounting Standards and gave a true and fair view of the financial position and performance of DSH and its controlled entities (the **DSH Group**) (Statement of Claim [14]-[15]), and also made certain implied representations, including that the express representations had a reasonable basis and were the product of an exercise of reasonable care and skill (Statement of Claim [16]). The plaintiffs also allege that Abboud made certain representations at the time of the issue of the HY2015 Report and the FY2015 Report (Statement of Claim [19]).

5 The plaintiffs allege that Abboud engaged in misleading or deceptive conduct, in contravention of s 1041E or s 1041H of the *Corporations Act 2001* (Cth) (**Corporations Act**), in making the representations referred to above, and in

causing DSH to publish the HY2015 Report and the FY2015 Report (Statement of Claim [16]-[19]).

6 Abboud denies the alleged misleading conduct, and denies that he is liable to the plaintiffs or the Group Members in the manner pleaded in the Statement of Claim, or at all.

7 In the event only that Abboud is found liable to the plaintiffs or Group Members in these proceedings (which is denied), then Abboud cross-claims against the Cross-defendants (**Deloitte**) for damages and/or equitable contribution.

8 At all relevant times, Deloitte was the auditor of DSH. Deloitte audited the financial report of DSH for the financial year ending 28 June 2014 (the **FY2014 Report**), reviewed the HY2015 Report and audited the FY2015 Report.

9 In the course of, and at the conclusion of, those audits and that review, Deloitte made a number of express statements (pleaded below) regarding, inter alia, the appropriateness of the accounting treatment of rebates adopted by management and the appropriateness of the methodology adopted by the management for the provisioning of inventory. At the conclusion of the review of the HY2015 Report and of the audit of the FY2015 Report, Deloitte expressed opinions concerning the compliance of the financial statements of DSH with Australian Accounting Standards and their giving a true and fair view of the financial position and performance of DSH and the DSH Group.

10 Deloitte also made various implied representations (pleaded below), including that the opinions expressed by them had a reasonable basis, and were the result of review work or audit work that had been carried out with reasonable skill and care, and in compliance with applicable Auditing Standards.

11 If, as alleged by the plaintiffs (which is denied), the accounting treatment of rebates adopted in the HY2015 Report and the FY2015 Report, and the failure to write down inventory in the FY2015 Report, meant that the HY2015 Report and the FY2015 Report did not comply with Australian Accounting Standards and did not give a true and fair view of the financial position and performance of DSH and the DSH Group, and that there was no adequate or reasonable basis for the express representations made by Abboud to the contrary, then Abboud claims that there was no adequate or reasonable basis for the express representations of Deloitte to similar effect; and that there was no adequate or reasonable basis for the express representations of Deloitte that the accounting treatment of rebates adopted by

management in the financial statements was appropriate, or that the inventory provisioning methodology adopted by management was appropriate.

12 Accordingly, if the plaintiffs establish (which is denied) that Abboud engaged in misleading or deceptive conduct in contravention of ss 1041 E or 1041H of the Corporations Act by making the alleged representations regarding the HY2015 Report and the FY2015 Report, then, for the reasons pleaded below, Abboud claims that Deloitte also contravened s 1041H of the Corporations Act, or alternatively section 18 of the *Australian Consumer Law* (**ACL**), in making the representations which are the subject of this cross-claim.

13 Abboud relied on those representations of Deloitte in joining in the resolutions to approve the issue of the HY2015 Report and the FY2015 Report, and in making the directors' declarations which accompanied those reports. If Abboud is found liable to the plaintiffs or Group Members in these proceedings, he will have suffered loss or damage by, or resulting from, Deloitte's misleading or deceptive conduct.

14 Further, the plaintiffs allege that the publication of the HY2015 Report and the FY2015 Report, in circumstances where those reports were not prepared in accordance with Australian Accounting Standards and did not give a true and fair view of the financial position and performance of DSH and the DSH Group, caused the market price of the DSH shares traded on ASX to be substantially greater than their true value or the market price that would have prevailed but for the contraventions, and that the plaintiffs and Group Members have thereby suffered loss or damage. If (which is denied) Abboud is found liable to the plaintiffs or Group Members for such loss or damage, then Deloitte will have a coordinate liability for such loss or damage, for the reasons pleaded below.

B. ISSUES LIKELY TO ARISE

1 Did Deloitte make the representations pleaded in this cross claim statement?

2 Was any such conduct of Deloitte misleading or deceptive in contravention of s 1041H of the Corporations Act and/or s 18 of the ACL?

3 Did Abboud, in taking the steps and making the representations in relation to the HY2015 Report and the FY2015 Report that are alleged to give rise to his liability to the plaintiffs and Group Members, rely on any such contravening conduct of Deloitte, and did Abboud thereby suffer loss as a result of Deloitte's contravening conduct?

4 Did any such contravening conduct by Deloitte cause the market price of the DSH shares traded on ASX from 16 February 2015 and/or from 18 August 2015 to be substantially greater than their true value or the market price that would have prevailed but for those contraventions?

5 Did the plaintiffs and/or some of the Group Members rely on Deloitte's reports regarding the HY2015 Review and/or the FY2015 Audit in purchasing DSH shares?

6 In the event only that Abboud is found liable to the plaintiffs and/or the Group Members for compensation for engaging in misleading or deceptive conduct:

(a) is Abboud entitled to damages from Deloitte, such loss or damage being the amount of any liability of Abboud to the plaintiffs and/or Group Members?

(b) further or alternatively, to the extent that Abboud is found liable to the plaintiffs and/or Group Members for a contravention of s 1041E of the Corporations Act, or alternatively, s.18 of the ACL, is Abboud entitled to equitable contribution from Deloitte to any such liability?

C. CROSS-CLAIMANT'S CONTENTIONS

The Cross-claimant, Nicholas Abboud, is the Second Defendant to the Statement of Claim filed 28 September 2017. (Unless otherwise indicated, defined terms in the Statement of Claim have the same meaning where used below.)

In the event only that it is found that Abboud is liable to the plaintiffs and/or any of the Group Members in the manner pleaded in the Statement of Claim (which is denied), then Abboud pleads as follows:

The Parties

1 Abboud repeats paragraphs 29 to 34 of the Statement of Claim.

2 The Cross-defendants (**Deloitte**) are, and at all material times were, persons carrying on business in partnership as chartered accountants and auditors, under the name Deloitte Touche Tohmatsu.

3 At all material times, Deloitte had, and held itself out as having, professional expertise and competence in the provision of auditing and accounting services.

The Retainers

4 On 13 December 2013, Deloitte was retained by DSH to audit the FY2014 Report (the **FY2014 Retainer**).

Particulars

The FY2014 Retainer is in writing and is comprised of:

- Letter of engagement dated 13 December 2013 from Deloitte to Bill Wavish, the Chairman of DSH's Finance and Audit Committee (the **FAC**), and signed by David White on behalf of Deloitte (the **2013 Engagement Letter**); and
- Document entitled "Deloitte Standard Terms and Conditions" effective from 21 March 2013 (the **Deloitte Standard Terms**).

5 On 13 November 2014, Deloitte was retained by DSH to:

(a) review the HY2015 Report (the **HY2015 Review**); and

(b) audit the FY2015 Report (the **FY2015 Audit**),

(the **FY2015 Retainer**)

Particulars

The FY2015 Retainer is in writing and is comprised of:

- Letter of engagement dated 13 November 2014 from Deloitte to Bill Wavish, the Chairman of the FAC, and signed by David White on behalf of Deloitte (the **2014 Engagement Letter**); and
- the Deloitte Standard Terms.

6 It was a term of the FY2014 Retainer that, in performing the audit of the FY2014 Report (the **FY2014 Audit**), Deloitte would:

(a) conduct its audit pursuant to the Corporations Act;

(b) conduct its audit in accordance with the Australian Auditing Standards;

(c) evaluate the appropriateness of DSH's accounting policies;

(d) evaluate the reasonableness of accounting estimates made by DSH's management;

(e) communicate with DSH in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that Deloitte identified during the audit.

Particulars

The 2013 Engagement Letter, page 2.

7 It was a term of the FY2015 Retainer that:

(a) in relation to the HY2015 Review, Deloitte would:

(i) report whether they have become aware of any matter that makes them believe that the HY2015 Report was not prepared, in all material respects, in accordance with the Corporations Act and Accounting Standard AASB 134 *Interim Financial Reporting*;

(ii) review the HY2015 Report in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*; and

(b) in relation to FY2015 Audit, Deloitte would:

(i) conduct its audit pursuant to the Corporations Act;

(ii) conduct its audit in accordance with the Australian Auditing Standards;

(iii) evaluate the appropriateness of DSH's accounting policies;

(iv) evaluate the reasonableness of accounting estimates made by DSH's management;

(v) communicate with DSH in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that Deloitte identified during the audit;

(vi) express an opinion on the financial report in the format outlined in the example Independent Auditor's Report as per Appendix A to the 2014 Engagement Letter.

Particulars

The 2014 Engagement Letter, page 2.

8 It was a term of each of the FY2014 Retainer and the FY2015 Retainer that Deloitte would exercise reasonable skill, care and diligence in the performance of services as auditor, including in performing (respectively) the FY2014 Audit, and the HY2015 Review and the FY2015 Audit.

Particulars

Clause 3.1 of the Deloitte's Standard Terms and Conditions.

Accounting and Auditing Framework

Corporations Act

9 Abboud repeats paragraphs 35 and 36 of the Statement of Claim.

10 Pursuant to section 302 of the Corporations Act, DSH was required to have the HY2015 Report audited or reviewed in accordance with Part 2M.3 Division 3 of the Corporations Act, and to obtain an auditor's report.

11 Pursuant to s 307A of the Corporations Act, Deloitte was required to conduct the HY2015 Review in accordance with the auditing standards in force under section 336 of the Corporations Act (the **Auditing Standards**).

12 Pursuant to s 309 of the Corporations Act, Deloitte was required:

(a) to report to the members of DSH on whether Deloitte became aware of any matter in the course of the HY2015 Review that made Deloitte believe that the HY2015 Report did not comply with Part 2M.3 Div 2 of the Corporations Act (including s 304 (compliance with accounting standards) and s 305 (true and fair view)); and

(b) to describe in such report any such matter referred to in (a) above, and say why such matter made Deloitte believe that the HY2015 Report did not comply with Part 2M.3 Div 2 of the Corporations Act.

13 Pursuant to s 301 of the Corporations Act, DSH was required to have each of the FY2014 Report and the FY2015 Report audited in accordance with Part 2M.3 Div 3 of the Corporations Act and to obtain an auditor's report.

14 Pursuant to s 307A of the Corporations Act, Deloitte was required to conduct each of the FY2014 Audit and the FY2015 Audit in accordance with the Auditing Standards.

15 Pursuant to s307 of the Corporations Act, Deloitte was required, in conducting the FY2015 Audit to form an opinion about, inter alia:

(a) whether the FY2015 Report was in accordance with the Corporations Act, including section 296 (compliance with accounting standards) and section 297 (true and fair view);

(b) whether Deloitte had been given all information, explanation and assistance necessary for the conduct of the FY2015 Audit; and

(c) whether DSH had kept financial records sufficient to enable the FY2015 Report to be prepared and audited.

16 Pursuant to s 308 of the Corporations Act:

(a) Deloitte was required to report to the members of DSH on whether Deloitte was of the opinion that the FY2015 Report was in accordance with the Corporations Act, including section 296 (compliance with accounting standards) and section 297 (true and fair view) and, if not of such opinion, to say why;

(b) If Deloitte was of the opinion that the FY2015 Report did not comply with an accounting standard, Deloitte's report was required, to the extent practicable to do so, to quantify the effect that non-compliance had on the FY2015 Report, and if not practicable to quantify the effect fully, to say why;

(c) Deloitte was required in its report to describe any defect or irregularity in the FY2015 Report, and any deficiency, failure or shortcoming in respect of the matters referred to at paragraph [15](b)-(c) above.

17 Pursuant to s 310 of the Corporations Act, Deloitte:

(a) had a right of access at all reasonable times to the books of DSH; and

(b) could require any officer of DSH to give Deloitte information, explanations or other assistance for the purposes of the FY2014 Audit, the HY2015 Review or the FY2015 Audit, so long as such request was reasonable.

Accounting Standards

18 Abboud repeats paragraphs 37 to 46 of the Statement of Claim.

Auditing Standards

ASRE 2410

19 In performing the HY2015 Review, Deloitte was required to comply with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (**ASRE 2410**). Abboud relies on the whole of ASRE 2410 for its terms and effect.

Particulars

Corporations Act, s 307A; ASRE 2410, paras 1(a) and 6.

20 At all relevant times ASRE 2410 provided, inter alia, that:

(a) the objective of the auditor is to plan and perform the review to enable the auditor to express a conclusion whether, on the basis of the review, anything had come to the auditor's attention that caused the auditor to believe that the financial report is not prepared, in all material respects, in accordance with the applicable financial reporting framework (ASRE 2410 para 4 and 10);

(b) the auditor must obtain an understanding of entity and its environment, including its internal control, as it relates to the preparation of both the annual and interim financial reports, sufficient to plan and conduct the engagement, so as to be able to identify the types of potential material misstatements and consider the likelihood of their occurrence, and to select the enquiries, analytical and other review procedures that will provide the auditor with a basis for reporting whether anything has come to the auditor's attention that causes the auditor to believe that the financial report is not prepared, in all material respects, in accordance with the applicable financial reporting framework (ASRE 2410 para 13), such review procedures ordinarily including the matters at ASRE 2410 para A11 and 16-20;

(c) the auditor must make enquiries, primarily of persons responsible for financial and accounting matters, and must perform analytical and other review procedures to enable the auditor to conclude whether, on the basis of the procedures performed, anything has come to the auditor's attention that causes the auditor to believe that the financial report is not prepared, in all material respects, in accordance with the applicable financial accounting framework (ASRE 2410 para 16);

(d) if a matter comes to the auditor's attention that leads the auditor to question whether a material adjustment should be made for the financial report to be prepared in all material respects in accordance with the applicable financial reporting framework, the auditor must make additional enquiries or perform other procedures to enable the auditor to express a conclusion in the review report (ASRE 2410 para 20); and

(e) the auditor must issue a written report that contains, inter alia, the auditor's conclusion as to whether anything has come to the auditor's attention that causes the auditor to believe that the financial report does not present fairly, or if applicable, is not true and fair, in all material respects, in accordance with the applicable financial reporting framework (ASRE 2410 para 32).

ASA 200

21 In performing the FY2014 Audit and the FY2015 Audit, Deloitte was required to comply with Auditing Standard ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards* (**ASA 200**). Abboud relies on the whole of ASA 200 for its terms and effect.

Particulars

Corporations Act, s 307A; ASA 200, para Aus 0.1.

22 At all relevant times ASA 200 provided, inter alia, that:

(a) as the basis for the auditor's opinion, Auditing Standards require the auditor to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance and is obtained when the auditor has obtained sufficient appropriate audit evidence to reduce audit risk (that is, the risk that the auditor expresses an inappropriate opinion when the financial report is materially misstated) to an acceptably low level (ASA 200 para 5);

(b) in conducting an audit, the overall objectives of the auditor are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial report is prepared, in all material respects, in accordance with the applicable financial reporting framework, and to report on the financial report in accordance with the auditor's findings (ASA 200 para 11);

(c) to obtain reasonable assurance, the auditor must obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level and thereby enable the auditor to draw reasonable conclusions on which to base the auditor's opinion (ASA 200 para 17); and

(d) the auditor must comply with all Auditing Standards relevant to the audit (ASA 200 paras 18-20).

ASA 500

23 In performing the FY2014 Audit and the FY2015 Audit, Deloitte was required to comply with Auditing Standard ASA 500 *Audit Evidence* (**ASA 500**). Abboud relies on the whole of ASA 500 for its terms and effect.

Particulars

Corporations Act, s 307A; ASA 500, paras Aus 0.1 and 2.

24 At all relevant times, ASA 500 provided, inter alia, that:

(a) the auditor must design and perform audit procedures that are appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence, so as to be able to draw reasonable conclusions on which to base the auditor's opinion and so as to support the auditor's opinion and report (ASA 500 paras 4-7, A1-A25);

(b) when using information produced by DSH, the auditor must evaluate whether the information is sufficiently reliable for the auditor's purposes, including, as necessary in the circumstances, obtaining audit evidence about the accuracy and completeness of the information and evaluating whether the information is sufficiently precise and detailed for the auditor's purposes (ASA 500 paras 7, 9, A26-A33, A49-A51).

ASA 315

25 In performing the FY2014 Audit and the FY2015 Audit, Deloitte was required to comply with Auditing Standard ASA 315 *Identifying and Assessing the Risk of Material Misstatement through Understanding the Entity and its Environment* (**ASA 315**). Abboud relies on the whole of ASA 315 for its terms and effect.

Particulars

Corporations Act, s 307A; ASA 315, para Aus 0.1.

26 At all relevant times ASA 315 provided, inter alia, that:

(a) the auditor must perform risk assessment procedures to provide a basis for the identification and assessment of risks of material misstatement at the financial report and assertion levels (ASA 315 para 5);

(b) the risk assessment procedures must include enquiries of management and of others within the entity who in the auditor's judgment may have information that is likely to assist in identifying risks of material misstatement due to fraud or error, analytical procedures, and observation and inspection (ASA 315 paras 6, A6-A18);

(c) if the auditor has performed other engagements for the entity, they must consider whether information obtained is relevant to identifying risks of

material misstatement, and where the auditor intends to use information obtained from the auditor's previous experience with the entity and from audit procedures performed in previous audits, the auditor shall determine whether changes have occurred since the previous audit that may affect its relevance to the current audit (ASA 315 paras 8, 9, A19 and A20);

(d) the auditor must obtain an understanding of the entity's selection and application of accounting policies, including the reasons for changes thereto, and must evaluate whether the entity's accounting policies are appropriate for its business and consistent with the applicable financial reporting framework and accounting policies used in the relevant industry (ASA 315 para 11(c));

(e) the auditor must obtain an understanding of internal control relevant to the audit, and must evaluate the design of those controls and determine whether they have been implemented, by performing procedures in addition to enquiry of the entity's personnel (ASA 315 paras 11-15, 18, 20-22, A67-A71, A73-A75, A76-A83, A87, A73-A83 (excluding any commentary on small entities)A89-A92, A94, A96-A100, A103-A105, A106-A107, A118, A127-A139); and

(f) the auditor must identify and assess the risks of material misstatement at the financial report level and the assertion level for classes of transactions, account balances and disclosures, in order to provide a basis for designing and performing further audit procedures (ASA 315 paras 25-26).

ASA 330

27 In performing the FY2014 Audit and the FY2015 Audit, Deloitte was required to comply with Auditing Standard ASA 330 *The Auditor's Responses to Assessed Risks* (**ASA 330**). Abboud relies on the whole of ASA 330 for its terms and effect.

Particulars

Corporations Act, s 307A; ASA 330, para Aus 0.1.

28 At all relevant times ASA 330 provided, inter alia, that:

(a) the objective of the auditor is to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement, through designing and implementing appropriate responses to those risks (ASA 330 para 3);

(b) the auditor must design and implement overall responses to address the assessed risks of material misstatement at the financial report level, and must

design and perform further audit procedures whose nature, timing and extent are based on and are responsive to the assessed risks of material misstatement at the assertion level (ASA 330 paras 5-7);

(c) the auditor must design and perform tests of controls so as to obtain sufficient appropriate audit evidence regarding the operating effectiveness of such controls (ASA 330 paras 8-10, 16 and 17);

(d) if an auditor has determined that an assessed risk of material misstatement at the assertion level is a significant risk, the auditor must perform substantive procedures that are specifically responsive to that risk (ASA 330 para 21);

(e) the auditor must perform audit procedures to evaluate whether the overall presentation of the financial report is in accordance with the applicable financial reporting framework (ASA 330 para 24);

(f) based on the audit procedures performed and the audit evidence obtained, the auditor must evaluate before the conclusion of the audit whether the assessment of the risks of material misstatement at the assertion level remain appropriate and must conclude whether sufficient appropriate audit evidence has been obtained (ASA 330 paras 25-26); and

(g) if the auditor has not obtained sufficient appropriate audit evidence, the auditor must attempt to obtain further audit evidence and, if the auditor is unable to obtain sufficient appropriate audit evidence, the auditor must express a qualified opinion or disclaim an opinion on the financial report (ASA 330 para 27).

Representations by Deloitte in respect of Rebates

The August 2014 Rebate Representations

29 The accounting treatment of rebates in the FY2014 Report was identified as a key area of focus and audit response for Deloitte in the course of the FY2014 Audit.

Particulars

Report by Deloitte headed "Report to the Finance and Audit Committee for the year ended 29 June 2014" and dated 6 August 2014 (**FY2014 FAC Report**), section 3.3.

30 Deloitte informed DSH that the procedures which would be undertaken by Deloitte in the course of the FY2014 Audit in relation to the accounting treatment of rebates in the FY2014 Report included:

(a) confirming the key controls associated with the completeness and validity of the recording of rebate revenues;

(b) performing substantive testing on a sample of rebates recorded in the year; and

(c) assessing the provision for any disputed claims which were expected to be granted by the vendors.

Particulars

Deloitte presentation to DSH headed "External audit strategy for the financial year ending 29 June 2014", dated January 2014, p. 11.

31 On or about 6 August 2014, Deloitte reported that the procedures which it had undertaken in relation to the accounting treatment of rebates in the FY2014 Report included:

(a) discussing the rebates with key members of DSH's management;

(b) analysing the various types of rebates recognised;

(c) performing detailed testing of a sample of rebates recognised throughout the year, with a focus on the rebates accrued as at 29 June 2014; and

(d) assessing whether any of these rebates represented amounts which should be deferred and recognised in profit or loss in the next financial year.

Particulars

FY2014 FAC Report, p.11.

32 In the course of the FY2014 Audit, Deloitte requested, and Abboud provided to Deloitte, information on the manner in which O&A rebates were recognised and treated in the accounts of DSH (the **Rebate Accounting Treatment**).

Particulars

Email from Damien Cork of Deloitte to Abboud, copied to Nigel Mills of DSH and to David White of Deloitte, sent on Monday 26 May 2014, and headed "Dick Smith: O&A Rebates"

Email from Abboud to David White of Deloitte, copied to Damien Cork of Deloitte, sent on Friday 6 June 2014 and headed "RE:O&A", attaching two papers, headed:

- "Position Paper – Vendor Rebates – Profit/Loss and Balance Sheet Recognition, dated 28 May 2014 and prepared by Nigel Mills of DSH"
- "Vendor Rebates – O&A"

33 The Rebate Accounting Treatment involved recognising O&A rebates immediately in the Profit and Loss Statement, either as a Cost of Doing Business, or as a Cost of Sales which derived the Gross Margin, depending on the purpose for which the O&A rebate was allowed to DSH.

34 On or about 6 August 2014, Deloitte represented that:

(a) Deloitte was of the opinion that the Rebate Accounting Treatment complied with Australian Accounting Standards;

Particulars

The representation is implied from the matters in paragraphs [32]-[33] above and the express statement in the FY2014 FAC Report (p. 11) that Deloitte concurred with the accounting treatment of rebates which had been adopted by management of DSH in preparing the accounts of DSH (being the Rebate Accounting Treatment described in paragraphs [32]-[33] above).

(b) Deloitte was of the opinion that the Accounting Standards did not require the disclosure of the Rebate Accounting Treatment in the FY2014 Report;

Particulars

The representation is implied from the circumstances that Deloitte audited the FY2014 Report, was informed of the Rebate Accounting Treatment adopted in the FY2014 Report, concurred with the adoption of the Rebate Accounting Treatment in the FY2014 Report, identified the treatment of rebates in the FY2014 Report as a key area of focus and concern, and did not advise management that it was necessary to make any disclosure of the Rebate Accounting Treatment in the FY2014 Report, in circumstances where, to DSH's and Deloitte's knowledge, AASB 101 required DSH to disclose in a summary of significant accounting policies in the FY2014 Report the matters pleaded in paragraphs 40(a)-(b) of the Statement of Claim.

(c) Deloitte had a reasonable basis for the opinions in paragraph (a)-(b) above, and these opinions were the result of Deloitte having exercised reasonable skill and care in performing the FY2014 Audit, having performed the procedures referred to in paragraphs [30]-[31] above, and having complied with Auditing Standards in respect of its work in relation to rebates in the course of the FY2014 Audit.

Particulars

The representation was implied from the matters in paragraphs [3], [6], [8], [14], [21]-[28] and [29]-[32] above.

(the **August 2014 Rebate Representations**)

The February 2015 Rebate Representations

35 In the HY2015 Report, DSH adopted the Rebate Accounting Treatment which had been reviewed and approved by Deloitte in the course of the FY2014 Audit.

36 The accounting treatment of rebates in the HY2015 Report was identified by Deloitte as a key area of focus and review response in the course of the HY2015 Review.

Particulars

Report by Deloitte headed "Report to the Finance and Audit Committee for the half year ended 28 December 2014" and dated 11 February 2015 (**HY2015 FAC Report**), section 3.2a.

37 On or about 11 February 2015, Deloitte reported that the procedures performed by Deloitte in the HY2015 Review in respect of the accounting treatment of supplier rebates in the HY2015 Report included:

(a) analysing the various types of rebates recognised;

(b) reviewing the rebates receivable as at 28 December 2014;

(c) assessing whether any rebates represented amounts which should be deferred; and

(d) analysing the gross margin, net advertising costs and overall costs of doing business as a percentage of sales to determine whether the recognition of rebates was reasonable and reflected the fundamental economic nature of the activities.

Particulars

HY2015 FAC Report, pp. 8 and 9.

38 On or about 11 February 2015, Deloitte represented that:

(a) Deloitte was of the opinion that the Rebate Accounting Treatment adopted in the HY2015 Report complied with Australian Accounting Standards;

(b) Deloitte was of the opinion that the Accounting Standards did not require the disclosure of the Rebate Accounting Treatment in the HY2015 Report;

Particulars

The representations in (a)-(b) above are implied:

(i) from the circumstances that Deloitte had made the representations at paragraph [34(a)-(b)] above in the course of the FY2014 Audit and did not, having carried out the procedures at paragraph [37] above, express any qualification or variation to that representation in the course of the HY2015 Review;

(ii) from Deloitte's express statements in the HY2015 FAC Report (p. 9) that Deloitte had undertaken procedures to determine whether the recognition of rebates was reasonable and reflected the fundamental economic nature of the activities, and nothing had come to its attention that the manner in which rebates were recognised in the HY2015 Report was not appropriate;

(iii) from the circumstances that Deloitte reviewed the HY2015 Report, was aware of the Rebate Accounting Treatment adopted in the HY2015 Report, identified the treatment of rebates in the HY2015 Report as a key area of focus and concern, and did not advise the FAC or DSH management that it was necessary to make any disclosure of the Rebate Accounting Treatment in the HY2015 Report, in circumstances where AASB 101 required DSH to disclose in a summary of significant accounting policies in the FY2014 Report the matters pleaded in paragraphs 40(a)-(b) of the Statement of Claim.

(c) Deloitte's review work had not identified any material deficiencies in the controls and systems which were in place at DSH in respect of recording, calculating and recognising rebates;

Particulars

The representation is implied (i) from the circumstances that Deloitte, having expressly stated that it had performed the procedures set out in paragraph [37] above, did not identify and report any material deficiency in the controls and systems in place at DSH in respect of recording, calculating and recognising rebates, and (ii) from the express statements in the HY2015 FAC Report (p. 8) that there had been, since the conclusion of the FY2014 Audit, a significant improvement in the quality of the information and supporting evidence for rebates accrued.

(d) Deloitte had a reasonable basis for the statements in paragraphs (a)-(c) above, and those statements were the result of Deloitte having exercised reasonable skill and care in performing the HY2015 Review, having performed the procedures referred to in paragraph [37] above, and having complied with Auditing Standards in respect of its work in relation to rebates in the course of the HY2015 Review.

Particulars

The representation was implied from the matters in paragraphs [3], [7]-[8], [11], [19]-[20] and [35]-[37] above.

(the **February 2015 Rebate Representations**)

The August 2015 Rebate Representations

39 In the FY2015 Report, DSH adopted the Rebate Accounting Treatment which had been reviewed and approved by Deloitte in the course of the FY2014 Audit and the HY2015 Review.

40 The accounting treatment of rebates in the FY2015 Report was identified by Deloitte as a key area of focus and audit response in the course of the FY2015 Audit.

Particulars

Report by Deloitte headed "Report to the Finance and Audit Committee for the year ended 28 June 2015" and dated 6 August 2015 (**FY2015 FAC Report**), pp. 10-11.

41 Deloitte informed DSH that the procedures which would be undertaken by Deloitte in the course of the FY2015 Audit in relation to the accounting treatment of rebates included:

(a) understanding the key controls associated with the completeness and validity of the recording of rebate income;

(b) critically evaluating management's methodologies in capturing, calculating and recognising rebates received and receivable, included the underlying key assumptions;

(c) testing the controls in place to ensure that they are operating effectively throughout the year;

(d) performing substantive testing on a sample of rebates recorded or accrued at balance sheet date as well as reviewing a sample of supplier agreements to ensure they have been correctly treated; and

(e) assessing the completeness and accuracy of the provision for any disputed claims with suppliers.

Particulars

Deloitte presentation to DSH headed "External audit strategy for the year ending 28 June 2015", dated 18 November 2014, p. 8.

42 On or about 6 August 2015, Deloitte reported that the procedures which Deloitte had performed in relation to the accounting treatment of rebates in the FY2015 Report included:

(a) analysing the various types of rebates recognised, by assessing the nature and the classification of the rebates;

(b) performing a walkthrough of the process for classifying rebates;

(c) carrying out testing of a sample of rebates recognised throughout the year by tracing to supporting documentation, with a focus on rebates accrued as at 28 June 2015;

(d) assessing whether any supplier rebates represented amounts which should be deferred; and

(e) analysing the gross margin, net advertising costs and overall costs of doing business as a percentage of sales to determine whether the recognition of rebates was reasonable and reflected the fundamental economic nature of the activities.

Particulars

FY2015 FAC Report, pp. 10 and 11.

43 On or about 6 August 2015, Deloitte represented that:

(a) Deloitte was of the opinion that the Rebate Accounting Treatment adopted in the FY2015 Report complied with Australian Accounting Standards;

(b) Deloitte was of the opinion that the Accounting Standards did not require the disclosure of the Rebate Accounting Treatment in the FY2015 Report;

Particulars

The representations in paragraphs (a)-(b) are implied:

(i) from the express statements in the FY2015 FAC Report that Deloitte concurred with management's accounting treatment of O&A Rebates in the FY2015 Report (p. 10); and that Deloitte concurred with the allocation by DSH management of a portion of the O&A Rebates in cost of sales where the rebates exceed the underlying promotional costs (p. 11); and

(ii) (at to (b)) from the circumstances that Deloitte audited the FY2015 Report, was aware of the Rebate Accounting Treatment adopted in the FY2015 Report, identified the treatment of rebates in the FY2015 Report as a key area of focus and concern, and did not advise the FAC or DSH management that it was necessary to make any disclosure of the Rebate Accounting Treatment in the FY2015 Report, in circumstances where AASB 101 required DSH to disclose in a summary of significant accounting policies in the FY2014 Report the matters pleaded in paragraphs 40(a)-(b) of the Statement of Claim.

(c) Deloitte was of the opinion that there were no material deficiencies in the controls and systems which were in place at DSH in respect of recording, calculating and recognising rebates;

Particulars

The representation is implied (i) from the circumstances that Deloitte, having expressly stated that it would perform, or had performed, the procedures set out in paragraphs [41]-[42] above, did not identify and report any material deficiency in the controls and systems in place at DSH in respect of recording, calculating and recognising rebates and (ii) from

the express statements in the FY2015 FAC Report (p. 10) that DSH's processes, reconciliations and supporting evidence for O&A Rebates had significantly improved compared to the previous financial year ending 29 June 2014, with those rebates accrued in the accounts being based on supporting evidence provided by the buyers and reviewed by finance before accruals were raised.

(d) Deloitte had a reasonable basis for the opinions in paragraphs (a) - (c) above, and that those statements were the result of Deloitte having exercised reasonable skill and care in performing the FY2015 Audit, having performed the procedures referred to in paragraphs [41]-[42] above, and having complied with Auditing Standards in respect of its work in relation to rebates in the course of the FY2015 Audit.

Particulars

The representation was implied from the matters in paragraphs [3], [7]-[8], [14], [21]-[28] and [40]-[42] above.

(the **August 2015 Rebate Representations**)

44 The August 2014 Rebate Representations, the February 2015 Rebate Representations and the August 2015 Rebate Representations (the **Deloitte Rebate Representations**) constituted conduct by Deloitte:

(a) in trade or commerce within the meaning of section 18 of the ACL; and/or

(b) in relation to a financial product or a financial service within the meaning of section 1041H of the Corporations Act.

45 Further or in the alternative, the representations pleaded in paragraphs [34(c)], [38(d)] and [43(d)] above were representations by Deloitte in connection with the supply of services, being the services supplied by Deloitte in (respectively) the FY2014 Audit, the HY2015 Review and the FY2015 Audit, that those services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

The services being supplied by Deloitte were its services as auditor of DSH in respect of the FY2014 Audit, the HY2015 Review and the FY2015 Audit.

The representations pleaded in paragraphs [34(c)], [38(d)] and [43(d)] above, being representations that Deloitte had exercised reasonable skill and care and had complied with Auditing Standards in respect of its work in the relation to the FY2014 Audit, the HY2015 Review and the FY2015 Audit, were representations regarding the standard, quality, value or grade of Deloitte's services as auditor in respect of those engagements.

Misleading or Deceptive Conduct by Deloitte – Deloitte Rebate Representations

46 For the purpose only of this cross claim, and without admission, Abboud repeats paragraphs 47-51, 80-103, 120-122 and 125-127 of the Statement of Claim. In this cross claim, the "Switched Invoice Rebates", the "Scan Rebates" and the "O&A Rebates" pleaded in those paragraphs are collectively referred to as the "**Rebates**").

Allegations by plaintiffs regarding adoption of the Rebate Accounting Treatment

47 If the matters referred to in paragraph [46] above are established, then by reason of the adoption of the Rebate Accounting Treatment, which was reviewed and approved by Deloitte, the HY2015 Report and the FY2015 Report did not comply with Australian Accounting Standards, in that:

(a) the Rebate Accounting Treatment recorded the Rebates received during the relevant accounting period as either:

(i) reductions in marketing and selling costs; or

(ii) reductions in cost of sales;

rather than reductions in the value of "Inventories" (Statement of Claim, paras 80, 87, 95, 103);

(b) the recording of the Rebates in the HY2015 Report and in the FY2015 Report in the manner described in paragraph (a) above had the effect of:

(i) reducing the marketing costs and costs of sales reported in the statements of profit or loss, thereby materially overstating the reported EBITDA and net profit in the HY2015 Report and in the FY2015 Report;

(ii) overstating the value of "Inventories" reported in the statements of financial position, thus materially overstating the total equity of DSH in the HY2015 Report and in the FY2015 Report;

(iii) profit being reported in the HY2015 Report and in the FY2015 Report before the inventory to which the profit related had been sold; and

(iv) enabling DSH to inflate its profits for the relevant accounting period by artificially bringing forward profits from future periods ((Statement of Claim, paras 82(a)-(b), 90(a)-(d), 98(a)-(d))

(c) the HY2015 Report and the FY2015 Report did not contain disclosure of the types of Rebates received by DSH, or any disclosure of the Rebate Accounting Treatment (Statement of Claim, paras 47-51, 84(c), 92(c), 100(d));

(d) by reason of the matters in paragraphs (a)-(c) above, each of the HY2015 Report and the FY2015 Report did not give a true and fair view of the financial position and performance of DSH and the DSH Group (Statement of Claim, paras 83, 91, 99), and did not comply with AASB 101, AASB 102 and/or AASB 108 (Statement of Claim, paras 84-86, 92-94, 100-102); and

(e) the issuing and publication of the HY2015 Report and the FY2015 Report was misleading or deceptive, or likely to mislead or deceive, because those reports did not disclose the Rebate Accounting Treatment (Statement of Claim, paras 120(a)-(c), 125(a)-(c)) and because those reports were not prepared in accordance with Australian Accounting Standards and did not give a true and fair view of the financial position and performance of DSH and the DSH Group (Statement of Claim, paras 121-122 and 126-127).

48 If the matters in paragraph [47] above are established, then:

(a) Deloitte, in representing (as pleaded in [34(a)-(b)], [38(a)-(b)] and [43(a)-(b)] above) that it was of the opinion that the Rebate Accounting Treatment complied with Australian Accounting Standards, and/or that the Australian Accounting Standards did not require disclosure of the Rebate Accounting Treatment, either:

(i) failed properly to understand the Rebate Accounting Treatment, or

(ii) failed properly to apply the requirements of AASB 101, AASB 102 and/or AASB 108 to the Rebate Accounting Treatment, and

(b) Deloitte thereby failed to comply with the Auditing Standards in carrying out its work in respect of inventory provisions, and failed to exercise reasonable skill and care in performing such work, in that:

(i) in respect of the HY2015 Review, Deloitte failed adequately to perform, as required by ASRE 2410 [16], analytical and other review procedures to enable Deloitte to conclude whether, on the basis of the procedures performed, anything had come to Deloitte's attention that caused Deloitte to believe that the HY2015 Report (including insofar as it adopted the Rebate Accounting Treatment) was not prepared, in all material respects, in accordance with the applicable financial accounting framework; and

(ii) in respect of the FY2014 Audit and the FY2015 Audit:

(A) Deloitte failed adequately to evaluate, as required by ASA 315 [11], whether the adoption of the Rebate Accounting Treatment in the FY2014 Report and in the FY2015 Report was consistent with the applicable financial reporting framework and accounting policies used in the relevant industry; and/or

(B) Deloitte failed adequately to perform, as required by ASA 330 [24], audit procedures so as to evaluate whether the overall presentation of the FY2014 Report or the FY2015 Report, including in respect of the Rebate Accounting Treatment, was in accordance with the applicable financial reporting framework.

Particulars

Particulars will be provided after disclosure by Deloitte (including of the electronic audit file for the FY2014 Audit, the HY2015 Review and the FY2015 Audit) and after expert evidence.

Allegations by plaintiffs regarding deficiencies in recording and recognition of Rebates

49 Further, or in the alternative, if the plaintiffs establish the matters referred to in paragraph [46] above, then:

(a) there were material deficiencies in the controls and systems at DSH in respect of the recording, calculation and recognition of rebates in each of the HY2015 Report and the FY2015 Report, in that:

(i) some Rebates were recorded as reductions in marketing costs, immediately upon being negotiated with suppliers, notwithstanding that DSH did not incur marketing and sales promotion costs in connection

with the goods the subject of the Rebate in the relevant accounting period (Statement of Claim paras 81(a), 96(a));

(ii) some Rebates were recorded as reductions in cost of sales immediately upon being negotiated with suppliers, notwithstanding that DSH did not sell the goods the subject of the rebate in the relevant accounting period (Statement of Claim, paras 81(b), 88, 96(b));

(iii) some Rebates were recorded as accounts receivable, despite it not being probable or at least it being uncertain, that the Rebate would be earned, paid and would flow to DSH so that it could be measured reliably (Statement of Claim, paras 89, 97);

(the **Deficiencies in Recording Rebates**)

(b) the Deficiencies in Recording Rebates had the effect of:

(i) reducing the marketing costs and costs of sales reported in the statements of profit or loss, thereby materially overstating the reported EBITDA and net profit in the HY2015 Report and in the FY2015 Report;

(ii) overstating the value of "Inventories" reported in the statements of financial position, thus materially overstating the total equity of DSH in the HY2015 Report and in the FY2015 Report;

(iii) profit being reported in the HY2015 Report and in the FY2015 Report before the inventory to which the profit related had been sold; and

(iv) enabling DSH to inflate its profits for the relevant accounting period by artificially bringing forward profits from future periods ((Statement of Claim, paras 82(a)-(b), 90(a)-(d), 98(a)-(d))

(c) by reason of the matters in paragraphs (a)-(b) above, each of the HY2015 Report and the FY2015 Report:

(i) did not give a true and fair view of the financial position and performance of DSH and the DSH Group (Statement of Claim, paras 83, 91, 99), and

(ii) did not comply with AASB 101, AASB 102 and/or AASB 108 (Statement of Claim, paras 84-86, 92-94, 100-102);

(d) the issuing and publication of the HY2015 Report and the FY2015 Report was misleading or deceptive, or likely to mislead or deceive, because those Reports did not disclose the matters in paragraphs (a)-(b) above (Statement of

Claim, paras 120(a)-(c), 125(a)-(c)) and because those Reports were not prepared in accordance with Australian Accounting Standards and did not give a true and fair view of the financial position and performance of DSH and the DSH Group (Statement of Claim, paras 121-122 and 126-127).

50 If the matters in paragraph [49] above are established, then:

(a) Deloitte, in representing (as pleaded in [38(b)] above) that it had not identified any material deficiencies in the controls and systems which were in place at DSH in respect of recording, calculating and recognising rebates, and (as pleaded in [43(c)] above) that it was of the opinion that there were no material deficiencies in such controls and systems, either:

(i) failed to become aware, in the course of the HY2015 Review or the FY2015 Audit of the Deficiencies in Recording Rebates, or

(ii) became aware of the Deficiencies in Recording Rebates, but failed to appreciate that those matters constituted or gave rise to deficiencies in the recording, calculation and recognition of Rebates in the HY2015 Report or in the FY2015 Report, or

(iii) failed to appreciate that such deficiencies were material; and

(b) Deloitte thereby failed to comply with the Auditing Standards in carrying out its work in respect of the recording of rebates in the HY2015 Report and the FY2015 Report, and failed to exercise reasonable skill and care in performing such work, in that:

(i) in respect of the HY2015 Review:

(A) Deloitte failed to obtain an adequate understanding of DSH and its environment, including its internal control as it relates to the preparation of financial reports (including in respect of recording of rebates), sufficient to plan and conduct the HY2015 Review (ASRE 2410 paras 13 and A11);

(B) Deloitte failed adequately to make enquiries or to perform analytical and other review procedures to enable Deloitte to conclude whether, on the basis of the procedures performed, anything had come to Deloitte's attention that caused Deloitte to believe that the HY2015 Report (including in respect of the recording of rebates) was not

prepared, in all material respects, in accordance with the applicable financial accounting framework (ASRE 2410 para 16);

(C) having identified the accounting treatment of rebates in the HY2015 Report as an area where a material adjustment might have to be made, Deloitte failed to make additional enquiries or perform other procedures sufficient to enable Deloitte to conclude whether, on the basis of the procedures performed, anything had come to Deloitte's attention that caused Deloitte to believe that the HY2015 Report (including in respect of the recording of rebates) was not prepared, in all material respects, in accordance with the applicable financial accounting framework (ASRE 2410 para 20);

(ii) in respect of the FY2015 Audit:

(A) Deloitte failed to design and perform audit procedures that were appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence in respect of the recording, calculation and recognition of rebates in the FY2015 Report (ASA 500 paras 4, 6, A1-A25);

(B) Deloitte failed to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement (one of the key areas of risk identified by Deloitte being the recording of rebates in the FY2015 Report), through designing and implementing appropriate responses to those risks (ASA 330 paras 3, 5-7);

(C) by reason of having failed to obtain sufficient appropriate audit evidence in respect of the recording of rebates so as to reduce audit risk to an acceptably low level:

(I) Deloitte failed to obtain reasonable assurance about whether the FY2015 Report as a whole was free from material misstatement, whether due to fraud or error (ASA 200 para 5); and

(II) Deloitte was unable to draw reasonable conclusions on which to base the auditor's opinion on whether the FY2015 Report was prepared, in all material respects, in accordance with the applicable financial reporting framework, and to

report on the FY2015 Report in accordance with the auditor's findings (ASA 200 paras 11, 17);

(D) Deloitte failed to perform risk assessment procedures (including enquiries of DSH personnel, analytical procedures and observation and inspection) sufficient to provide a basis for the identification and assessment of risks of material misstatement at the financial report level, and to provide a basis for designing and performing further audit procedures (ASA 315 paras 5-6, paras 25-26);

(E) Deloitte failed to obtain an understanding of the application of accounting policies by DSH in respect of rebates, sufficient to evaluate whether those policies were appropriate for its business and consistent with the applicable financial reporting framework (ASA 315 para 11);

(F) Deloitte failed to perform adequate audit procedures to evaluate whether the overall presentation of the financial report was in accordance with the applicable financial reporting framework (ASA 330 para 24) and to evaluate whether the assessments of risks of material misstatement at the assertion level remained appropriate (ASA 330 para 25); and

(G) in circumstances where Deloitte had not obtained sufficient appropriate audit evidence in respect of the recording of rebates in the FY2015 Report, Deloitte failed to express a qualified opinion or disclaim an opinion on the FY2015 Report (ASA 330 paras 26-27).

Particulars

Particulars will be provided after disclosure by Deloitte (including of the electronic audit file for the FY2014 Audit, the HY2015 Review and the FY2015 Audit) and after expert evidence.

Contravention of ACL and/or Corporations Act – Deloitte Rebate Representations

51 If the matters in paragraphs [47]-[48] and/or [49]-[50] above are established, then Deloitte, in making the Deloitte Rebate Representations, engaged in conduct that was misleading or deceptive or likely to mislead or deceive in contravention of section 18 of the ACL and/or section 1041H of the Corporations Act.

Particulars

By reason of Deloitte's failure to comply with Auditing Standards and failure to exercise reasonable skill and care, pleaded in paragraphs [48] and [50] above, Deloitte did not (contrary to the representations pleaded in [34(c)], [38(d)] and [43(d)] above) have a reasonable basis for the statements pleaded in paragraphs [34(a)-(b)], [38(a)-(c)] and/or [43(a)-(c)] above, and the views expressed by Deloitte in relation to those matters were not the result of Deloitte having exercised reasonable skill and care and having complied with Auditing Standards in respect of its work in relation to rebates in the course of the FY2014 Audit, or the FY2015 Review, or the FY2015 Audit.

52 Further or in the alternative, if the matters in paragraphs [47]-[48] and/or [48]-[50] above are established, then Deloitte, in making the representations pleaded in paragraphs [34(c)], [38(d)] and [43(d)] above, made a false or misleading representation in connection with the supply of services, that services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

Abboud repeats the particulars to paragraphs [45] and [51] above.

The representations pleaded in paragraphs [34(c)], [38(d)] and [43(d)] above were false or misleading by reason that Deloitte had in fact failed to comply with Auditing Standards and failed to exercise reasonable skill and care in the course of providing services in respect of the FY2014 Audit, the HY2015 Review and the FY2015 Audit, for the reasons pleaded in paragraphs [48] and [50] above, and therefore Deloitte did not have a reasonable basis for the representations made at the conclusion of the FY2014 Audit, the HY2015 Review and the FY2015 Audit which are pleaded in paragraphs [34(a)-(b)], [38(a)-(c)] and/or [43(a)-(c)] above.

Representations by Deloitte in respect of Inventory Provisions

FY2014 Audit

53 Inventory provisions were identified by Deloitte as a key area of focus and audit response in the course of the FY2014 Audit.

Particulars

FY2014 FAC Report, section 3.2.

54 In the course of the FY2014 Audit, Deloitte reviewed both the assumptions and methodology which were to be applied by management in the financial year ending 28 June 2015 in determining inventory provisions (the **FY2015 Inventory Assumptions and Methodology**).

Particulars

FY2014 FAC Report , p.10.

55 On or about 6 August 2014, Deloitte reported that it concurred with the FY2015 Inventory Assumptions and Methodology, and with the provisions made for inventory obsolescence applying the FY2015 Inventory Assumptions and Methodology.

Particulars

FY2014 FAC Report, p. 10.

HY2015 Review

56 Inventory provisions in the HY2015 Report were identified by Deloitte as a key area of focus and review response in the course of the HY2015 Review.

Particulars

HY2015 FAC Report, section 3.3b.

57 On or about 11 February 2015, Deloitte reported that:

(a) the inventory provisions had been calculated and recorded in the HY2015 Report on the basis of the FY2015 Inventory Assumptions and Methodology, subject to a refinement whereby aged stock items which were selling at significant positive margins were provided for, which resulted in an adjustment of $1.26m;

Particulars

HY2015 FAC Report, p. 11.

(b) there was a level of uncertainty as to whether the inventory balances no longer provided for as a result of the amendment referred to in (a) above would be sold above cost, and consequently Deloitte had included in its summary of unadjusted differences a judgmental error of $1.26m;

Particulars

HY2015 FAC Report, p. 11.

(c) the unadjusted difference referred to in (b) above could not, either individually or in aggregate with other unadjusted differences identified in the course of the HY2015 Review, have a material effect on the HY2015 Report; and

Particulars

HY2015 FAC Report, p. 4.

(d) subject to the matters referred to in (a)-(c) above, Deloitte concurred with the provision made for inventory obsolescence in the HY2015 Report.

Particulars

HY2015 FAC Report, p. 11.

FY2015 Audit

58 Inventory provisions in the FY2015 Report were identified by Deloitte as a key area of focus and audit response in the course of the FY2015 Audit.

Particulars

FY2015 FAC Report, section 3.2.

59 Deloitte informed DSH that the procedures which would be undertaken by Deloitte in the course of the FY2015 Audit in relation to the inventory provisions in the FY2015 Report included:

(a) testing controls around the inventory obsolescence, reconciliation, review and approvals process;

(b) reviewing the inventory costing and provisioning methodologies adopted as required under AASB 102;

(c) using data analytics to analyse reports developed by management to track actual selling prices for stock sold; and

(d) reviewing management's assessment of provisions based on this information and other evidence as to the appropriateness of the percentages provided on stock lines,

Particulars

Deloitte presentation to DSH headed "External audit strategy for the year ending 28 June 2015", dated 18 November 201, p. 8.

60 In the course of the June 2015 Audit, Deloitte assessed the assumptions and methodology applied by DSH management in determining inventory provisions in the FY2015 Report.

Particulars

FY 2015 FAC Report, p. 9.

61 On or about 6 August 2015 Deloitte represented that:

(a) Deloitte was of the opinion that the assumptions and methodology applied by DSH management in determining inventory provisions in the FY2015 Report were appropriate, and that the provision in respect of inventory obsolescence in the FY2015 Report complied with AASB 102;

Particulars

The representation is partly express and partly implied.

To the extent it is express, Deloitte stated in the FY2015 FAC Report that the FY2015 Inventory Assumptions and Methodology had been adopted in the FY2015 Report, subject to the refinement referred to in paragraph [57](a) above (pp. 5 and 9); and Deloitte had assessed the assumptions and methodology applied by DSH and concurred with the revised methodology and with the provision made for inventory obsolescence applying that methodology (pp. 5 and 9).

To the extent it is implied, it is implied from those express statements.

(b) Deloitte had a reasonable basis for the opinions in paragraph (a) above, and those opinions were the result of Deloitte having exercised reasonable skill and care in performing the FY2015 Audit, having performed the procedures referred to in paragraphs [59]-[60] above, and having complied with Auditing Standards in respect of its work in relation to rebates in the course of the FY2015 Audit.

Particulars

The representation was implied from the matters in paragraphs [3], [7]-[8], [14], [21]-[28] and [58]-[60] above.

(the **Deloitte Inventory Representations**)

62 The Deloitte Inventory Representations constituted conduct by Deloitte:

(a) in trade or commerce within the meaning of section 18 of the ACL; and/or

(b) in relation to a financial product or a financial service within the meaning of section 1041H of the Corporations Act.

63 Further or in the alternative, the representation pleaded in paragraphs [61(b)] above was a representation by Deloitte in connection with the supply of services, being the services supplied by Deloitte in the FY2015 Audit, that those services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

The services being supplied by Deloitte were its services as auditor of DSH in respect of the FY2014 Audit, the HY2015 Review and the FY2015 Review.

The representations pleaded in paragraphs [34(c)], [38(d)] and [43(d)] above, being representations that Deloitte had exercised reasonable skill and care and had complied with Auditing Standards in respect of its work in the relation to the FY2014, the HY2015 Review and the FY2015 Audit, were representations regarding the standard, quality, value or grade of Deloitte's services in respect of those engagements.

Misleading or Deceptive Conduct by Deloitte – Deloitte Inventory Representations

Allegation that FY2015 Inventory Provision did not comply with AASB 102

64 For the purpose only of this cross claim, and without admission, Abboud repeats paragraphs 112-118 and 126-127 of the Statement of Claim.

65 If the plaintiffs establish the matters referred to in paragraph [64] above (which are denied), then:

(a) prior to 28 June 2015 (being the conclusion of the reporting period covered in the FY2015 Report), DSH had accumulated significant levels of poor quality, obsolete and inactive stock (Statement of Claim, para 112);

(b) having regard to the accumulation of inactive stock during the period to 28 June 2015, the carrying value of "Inventories" in the FY2015 Report should have been reduced in order to comply with AASB 102, and such reduction should have been recognised as an expenses against gross profit in the statement of profit or loss (Statement of Claim, paras 113-114, 116);

(c) by reason of the matters in paragraphs (a)-(b) above, the assumptions and methodology applied by DSH management in determining inventory

provisions in the FY2015 Report did not result in a provision for inventory obsolescence that complied with AASB 102;

(d) by reason of overstating the carrying value of "Inventories", and failing to recognise the write down of inventory value as an expense against gross profit in the statement of profit or loss, the FY2015 Report:

(i) overstated the total equity and net assets of DSH;

(ii) overstated the reported gross profit, EBITDA and net profit reported in the consolidated statement of profit or loss;

(Statement of Claim, paras 115, 117);

(e) by reason of the matters in paragraphs (a)-(d) above, the FY2015 Report:

(i) did not give a true and fair view of the financial position and performance of DSH and the DSH Group, and

(ii) was not prepared in accordance with Australian Accounting Standards (Statement of Claim, paras 115, 117-118);

(f) the issuing and publication of the FY2015 Report was misleading or deceptive, or likely to mislead or deceive, because the FY2015 Report was not prepared in accordance with Australian Accounting Standards and did not give a true and fair view of the financial position and performance of DSH and the DSH Group (Statement of Claim, paras 126-127).

66 If the matters in paragraphs [64]-[65] are established, then:

(a) Deloitte, in representing (as pleaded in paragraph [61(a)] above) that it was of the opinion that the assumptions and methodology applied by DSH management in determining inventory provisions in the FY2015 Report were appropriate, and that the provision in respect of inventory obsolescence in the FY2015 Report complied with AASB 102, either:

(i) failed properly to understand the assumptions and methodology applied in determining inventory provisions; or

(ii) failed to gather sufficient appropriate audit evidence in order to enable Deloitte to express an opinion on whether the assumptions and methodology applied by management in determining the inventory provisions in the FY2015 report were appropriate or whether the

provision in respect of inventory in the FY2015 Report complied with AASB 102; or

(iii) failed properly to apply the requirements of AASB 102 to such audit evidence as Deloitte obtained in assessing the issue whether the inventory provisions in the FY2015 Report complied with AASB 102; and

(b) Deloitte thereby failed to comply with the Auditing Standards in carrying out its work in respect of inventory provisions in the FY2015 Report, and failed to exercise reasonable skill and care in performing such work, in that:

(i) Deloitte failed to design and perform audit procedures that were appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence in respect of the assumptions and methodology applied by management in determining inventory provisions in the FY2015 Report (ASA 500 paras 4-6, A1-A3, A10, A14-A15);

(ii) Deloitte failed to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement (one of the key areas of risk identified by Deloitte being the inventory provisions in the FY2015 Report), through designing and implementing appropriate responses to those risks (ASA 330 paras 3, 5-7);

(iii) by reason of having failed to obtain sufficient appropriate audit evidence in respect of the assumptions and methodology applied by management in determining inventory provisions in the FY2015 Report so as to reduce audit risk to an acceptably low level:

(A) Deloitte failed to obtain reasonable assurance about whether the FY2015 Report as a whole was free from material misstatement, whether due to fraud or error (ASA 200 para 5 and 17);

(B) Deloitte was unable to draw reasonable conclusions on which to base the auditor's opinion on whether the FY2015 Report was prepared, in all material respects, in accordance with the applicable financial reporting framework, and to report on the HY2015 Report in accordance with the auditor's findings (ASA 200 paras 11 and 17);

(iv) Deloitte failed to perform risk assessment procedures (including enquiries of DSH personnel, analytical procedures and observation and inspection) sufficient to provide a basis for the identification and assessment of risks of material misstatement at the financial report level, and to provide a basis for designing and performing further audit procedures in respect of inventory provisions (ASA 315 paras 5-6, 25-26);

(v) Deloitte failed to obtain an adequate understanding of the application of accounting policies by DSH in respect of inventory provisioning, sufficient to evaluate whether those policies were appropriate for its business and consistent with the applicable financial reporting framework (ASA 315 para 11);

(vi) Deloitte failed to obtain an adequate understanding of DSH's internal controls in respect of provisioning for inventory or of the activities undertaken by DSH to monitor such controls (ASA 315 paras 11-15, 18, 20-22);

(vii) Deloitte failed to design and perform tests of controls in relation to inventory provisioning so as to obtain sufficient appropriate audit evidence regarding the operating effectiveness of such controls (ASA 330 paras 8-10, 16);

(viii) Deloitte, having determined that there was a significant risk of material misstatement in respect of inventory provisions in the FY2015 Report, failed to perform substantive procedures that are specifically responsive to that risk (ASA 330 para 21);

(ix) Deloitte failed to perform adequate audit procedures to evaluate whether the overall presentation of the financial report was in accordance with the applicable financial reporting framework (ASA 330 para 24) and to evaluate whether the assessments of risks of material misstatement at the assertion level remained appropriate (ASA 330 para 25); and/or

(x) in circumstances where Deloitte had not obtained sufficient appropriate audit evidence in respect of the provisioning for inventory in the FY2015 Report, Deloitte failed to express a qualified opinion or disclaim an opinion on the FY2015 Report (ASA 330 paras 26-27).

Particulars

Particulars will be provided after disclosure by Deloitte (including of the electronic audit file for the FY2015 Audit) and after expert evidence.

Contravention of ACL and/or Corporations Act – Deloitte Inventory Representations

67 If the matters in paragraphs [64]-[66] above are established, then Deloitte, in making the Deloitte Inventory Representations, engaged in conduct that was misleading or deceptive or likely to mislead or deceive in contravention of section 18 of the ACL and/or section 1041H of the Corporations Act.

Particulars

By reason of Deloitte's failure to comply with Auditing Standards and failure to exercise reasonable skill and care, pleaded in paragraph [66] above, Deloitte did not (contrary to the representation pleaded in [61(b)] above) have a reasonable basis for the statements of opinion pleaded in paragraph [61(a)] above, and the opinions expressed by Deloitte in relation to those matters were not the result of Deloitte having exercised reasonable skill and care and having complied with Auditing Standards in respect of its work in relation to inventory provisions in the course of the FY2015 Audit.

68 Further or in the alternative, if the matters in paragraphs [64]-[66] above are established, then Deloitte, in making the representation pleaded in paragraph [61(b)] above, made a false or misleading representation in connection with the supply of services, that services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

Abboud repeats the particulars to paragraphs [63] and [67] above.

The representation pleaded in paragraph [61(b)] above was false or misleading by reason that Deloitte had in fact failed to comply with Auditing Standards and failed to exercise reasonable skill and care in the course of providing services in respect of the FY2015 Audit, for the reasons pleaded in paragraph [66] above, and therefore Deloitte did not have a reasonable basis for the representation made at the conclusion of the FY2015 Audit pleaded in paragraph [61(a)] above.

Deloitte Report Representations

HY2015 Report Representations

69 On or about 16 February 2015, Deloitte informed Abboud and the other directors of DSH that Deloitte would be issuing an unqualified review report on its review of the HY2015 Report, being a review report that contained an Unqualified Review Statement to the effect set out in paragraph [70] below.

Particulars

Minutes of meeting of the board of directors of DSH held on 16 February 2015.

70 On or about 16 February 2015, at the conclusion of the HY2015 Review, Deloitte issued a review report which stated, inter alia, that Deloitte had not become aware of any matter that made it believe that the HY2015 Report was not in accordance with the Corporations Act, including giving a true and fair view of DSH's financial position as at 28 December 2014 and of its performance for the 26 weeks then ended and complying with AASB 134 (the **Unqualified Review Statement**).

Particulars

Independent Auditor's Review Report to the Members of DSH dated 16 February 2015 (**HY2015 Review Report**).

71 In making the Unqualified Review Statement, Deloitte represented that it had a reasonable basis for that statement, and that this statement was the result of Deloitte having exercised reasonable skill and care in performing the HY2015 Review, and having complied with Auditing in the course of the HY2015 Review (the **HY2015 Review Report Representation**).

Particulars

The representation was implied from the matters in [3], [7]-[8], [11] and [19]-[20] above.

FY2015 Report Representations

72 On or about 17 August 2015, Deloitte represented to Abboud and the other directors of DSH that it would be issuing an unqualified audit report on its audit of the FY2015 Report, being a report that contained Unqualified Audit Statements to the effect set out in paragraph [73] below.

Particulars

Minutes of the meeting of the board of directors of DSH held on 17 August 2015, "Adoption of full year accounts": statement by Deloitte that it "gave clearance on the accounts".

73 On or about 17 August 2015, at the conclusion of the FY2015 Audit, Deloitte issued an audit report which stated, inter alia, that Deloitte was of the opinion that the FY2015 Report:

(a) was in accordance with the Corporations Act, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 28 June 2015 and of its performance for the year ending on that date; and

(ii) complying with Australian Accounting Standards and Corporations Regulations 2001;

(b) complied with International Reporting Standards.

(the **Unqualified Audit Statements**)

Particulars

Independent Auditor's Report to the Members of DSH dated 17 August 2015 (**FY2015 Audit Report**).

74 In making the Unqualified Audit Statements, Deloitte represented that it had a reasonable basis for those statements, and that those statements were the result of Deloitte having exercised reasonable skill and care in performing the FY2015 Audit, and having complied with Auditing Standards in the course of the FY2015 Audit (the **FY2015 Audit Report Representation**).

Particulars

The representation was implied from the matters in paragraphs [3], [7]-[8], [14] and [21]-[28] above.

75 The issuing of the HY2015 Review Report and the FY2015 Audit Report, and the making thereby of the Unqualified Review Statement, the HY2015 Review Report Representation, the Unqualified Audit Statements and the FY2015 Audit Report Representation constituted conduct by Deloitte:

(a) in trade or commerce within the meaning of section 18 of the ACL; and/or

(b) in relation to a financial product or a financial service within the meaning of section 1041H of the Corporations Act.

76 Further or in the alternative, the HY2015 Review Report Representation and the FY2015 Audit Report Representation were representations by Deloitte in connection with the supply of services, being the services supplied by Deloitte in (respectively) the HY2015 Review and the FY2015 Audit, that those services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

The services being supplied by Deloitte were its services as auditor of DSH in respect of the HY2015 Review and the FY2015 Audit.

The HY2015 Review Report Representation and the FY2015 Audit Report Representation, each being a representation that Deloitte had exercised reasonable skill and care and had complied with Auditing Standards in respect of its work in the relation to (respectively) the HY2015 Review and the FY2015 Audit, were representations regarding the standard, quality, value or grade of Deloitte's services as auditor in respect of those engagements.

Misleading or Deceptive Conduct by Deloitte – Deloitte Report Representations

Misleading or Deceptive Conduct - HY2015 Review Report Representation

77 If the plaintiffs establish the matters referred to in paragraph [46] above (which are denied), then by reason of the matters pleaded in paragraphs [47]-[48] and/or [49]-[50] above:

(a) the Rebate Accounting Treatment adopted in the HY2015 Report did not comply with AASB 101, AASB 102 and/or AASB 108;

(b) the recording of rebates in the HY2015 Report did not comply with AASB 101, AASB 102 and/or AASB 108;

(c) the HY2015 Report's non-disclosure of the Rebate Accounting Treatment did not comply with AASB 101;

(d) by reason of the matters in paragraphs (a)-(c) above, the HY2015 Report was not prepared in accordance with Australian Accounting Standards, and did not give a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 December 2014;

(e) the HY2015 Report materially understated marketing and selling costs and the cost of sales, and materially overstated EBITDA, net profits and total equity; and

(f) in performing its work in the HY2015 Review in respect of the Rebate Accounting Treatment and the recording of rebates in the HY2015 Report, Deloitte failed to comply with the Auditing Standards, and failed to exercise reasonable skill and care.

78 If the matters in paragraph [77] above are established, then Deloitte, in issuing the HY2015 Review Report and thereby making the Unqualified Review Statement and the HY2015 Review Report Representation, engaged in conduct that was misleading or deceptive or likely to mislead or deceive in contravention of section 18 of the ACL and/or section 1041H of the Corporations Act.

Particulars

By reason of Deloitte's failure to comply with Auditing Standards and failure to exercise reasonable skill and care in performing work in respect of the HY2015 Review, pleaded in paragraphs [48], [50] and [77] above, Deloitte did not (contrary to the HY2015 Review Report Representation) have a reasonable basis for the Unqualified Review Statement, and that statement was not the result of Deloitte having exercised reasonable skill and care and having complied with Auditing Standards in the course of the HY2015 Review.

79 Further or in the alternative, if the matters in paragraph [77] above are established, then Deloitte, in making the HY2015 Review Report Representation, made a false or misleading representation in connection with the supply of services, that services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

Abboud repeats the particulars to paragraphs [76] and [78] above.

The HY2015 Review Report Representation was false or misleading by reason that Deloitte had in fact failed to comply with Auditing Standards and failed to exercise reasonable skill and care in the course of providing services in respect of the HY2015 Review, for the reasons pleaded in

paragraphs [48], [50] and [77] above, and therefore Deloitte did not have a reasonable basis for the Unqualified Review Statement.

Misleading or Deceptive Conduct - FY2015 Audit Report Representation

80 If the plaintiffs establish the matters referred to in paragraphs [46] and/or [64] above, then by reason of the matters pleaded in paragraphs [47]-[48], [49]-[50] and [65]-[66] above:

(a) the Rebate Accounting Treatment adopted in the FY2015 Report did not comply with AASB 101, AASB 102 and/or AASB 108;

(b) the recording of rebates in the FY2015 Report did not comply with AASB 101, AASB 102 and/or AASB 108;

(c) the FY2015 Report's non-disclosure of the Rebate Accounting Treatment did not comply with AASB 101;

(d) the carrying value for "Inventories" and the provision for inventory obsolescence in the FY2015 Report did not comply with AASB 102;

(e) the FY2015 Report was not prepared in accordance with Australian Accounting Standards, and did not give a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 June 2015;

(f) the FY2015 Report materially understated marketing and selling costs and the cost of sales, materially overstated EBITDA, gross profit, net profits and total equity; and

(g) in performing its work in the FY2015 Audit in respect of the Rebate Accounting Treatment and the recording of rebates in the HY2015 Report, and in respect of the inventory provisions in the FY2015 Report, Deloitte failed to comply with the Auditing Standards, and failed to exercise reasonable skill and care.

81 If the matters in paragraph [80] above are established, then Deloitte, in issuing the FY2015 Audit Report and thereby making the Unqualified Audit Statements and the FY2015 Audit Report Representation, engaged in conduct that was misleading or deceptive or likely to mislead or deceive in contravention of section 18 of the ACL and/or section 1041H of the Corporations Act.

Particulars

By reason of the matters pleaded and particularised in paragraphs [48], [50], [66] and [80] above, Deloitte did not (contrary to the FY2015 Audit

Report Representation) have a reasonable basis for the Unqualified Audit Statements, and those statements not the result of Deloitte having exercised reasonable skill and care and having complied with Auditing Standards in the course of the FY2015 Audit.

82 Further or in the alternative, if the matters in paragraph [80] above are established, then Deloitte, in making the FY2015 Audit Report Representation, made a false or misleading representation in connection with the supply of services, that services were of a particular standard, quality, value or grade, within the meaning of section 29(1)(b) of the ACL.

Particulars

Abboud repeats the particulars to paragraphs [76] and [81] above.

The FY2015 Audit Report Representation was false or misleading by reason that Deloitte had in fact failed to comply with Auditing Standards and failed to exercise reasonable skill and care in the course of providing services in respect of the FY2015 Audit, for the reasons pleaded in paragraphs [48], [50], [66] and [80] above, and therefore Deloitte did not have a reasonable basis for the Unqualified Audit Statements.

Claim by Abboud for damages

83 In the event only that any of the contraventions pleaded against Abboud in paragraphs 148-182 of the Statement of Claim is established (each of which is denied), then Abboud pleads as follows.

Claim by Abboud in relation to the HY2015 Report

84 As at 16 February 2015, Abboud was aware of the matters pleaded in paragraphs [4]-[8], [29]-[38] and [69]-[71] above.

85 In reliance on the August 2014 Rebate Representations, the February 2015 Rebate Representations, the Unqualified Review Statement and the HY2015 Review Report Representation, Abboud:

(a) formed the view that the recording of rebates in the HY2015 Report complied with Australian Accounting Standards;

(b) formed the view that the HY2015 Report:

(i) gave a true and fair view of the position and performance of DSH and the DSH Group as at 28 December 2014;

(ii) complied with the Corporations Act;

(iii) was prepared in accordance with Australian Accounting Standards;

(c) joined in the resolution by which the directors of DSH authorised the issue and publication of the HY2015 Report (pleaded in paragraph 150 of the Statement of Claim);

(d) joined in the declaration by the directors of DSH (pleaded in paragraphs 59-60 of the Statement of Claim) that, in their opinion, the HY2015 Report was in accordance with the Corporations Act, including as to compliance with Australian Accounting Standards and gave a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 December 2014 (the **HY2015 Directors' Declaration**); and

(e) approved the terms of the 17 February 2015 ASX Announcement & Results Briefing (pleaded in paragraphs 65-66 and 160-162 of the Statement of Claim).

86 If the plaintiffs establish (which is denied) that:

(a) the recording of rebates in the HY2015 Report did not comply with Australian Accounting Standards;

(b) by reason of the matters in paragraph (a) above, the HY2015 Report did not:

(i) give a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 December 2014;

(ii) comply with Australian Accounting Standards; or

(iii) comply with the Corporations Act; and

(c) Abboud engaged in misleading and deceptive conduct:

(i) by authorising the issue and publication of the HY2015 Report (as pleaded in paragraphs 150-154 of the Statement of Claim); or

(ii) by joining in the HY2015 Directors' Declaration (as pleaded in paragraphs 155-158 of the Statement of Claim); or

(iii) by authorising the issue and publication of the 17 February 2015 ASX Announcement & Results Briefing and/or by presenting the Results Briefing (as pleaded in paragraphs 159-165 of the Statement of Claim);

then Abboud will have suffered loss or damage as the result of the misleading or deceptive conduct of Deloitte pleaded in paragraphs [51] and [78] above.

Particulars

Abboud repeats the particulars to paragraphs [51]-[52] and [78]-[79] above .

If Deloitte had complied with Auditing Standards in respect of the HY2015 Review, and had taken the steps in respect of the accounting treatment of rebates in the HY2015 Report which it failed to take (pleaded in paragraphs [48(b)(i)] and [50(b)(i)] above), then, on the basis that the plaintiffs establish (which is denied) that the recording of rebates in the HY2015 Report did not in fact comply with AASB 101, AASB 102 and/or AASB 108, Deloitte would have ascertained such non-compliance and would have reported to Abboud and the other directors of DSH that, by reason of such non-compliance, the HY2015 Report had not been prepared in accordance with Australian Accounting Standards, and did not give a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 December 2014. (Further particulars will be provided after disclosure by Deloitte of the electronic audit file for the HY2015 Review and after expert evidence.)

Had Deloitte informed Abboud and the other directors of DSH of those matters, then:

(1) Abboud and the other directors of DSH would have ensured that the recording of rebates in the HY2015 Report complied with Australian Accounting Standards, by addressing such deficiencies as were identified by Deloitte;

(2) the HY2015 Report would have been issued in a form which did comply with Australian Accounting Standards, in particular as regards the recording of rebates, and which did present a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 December 2014; and

(3) the 17 February 2015 ASX Announcement & Results Briefing would have reflected the form of the HY2015 Report referred to in (2) above.

The consequence of (1) to (3) above is that, but for Deloitte's misleading conduct in making the August 2014 Rebate Representations, the February 2015 Rebate Representations, the Unqualified Review Statement and the HY2015 Review Report Representation, neither the HY2015 Report nor the 17 February 2015 ASX Announcement & Results Briefing would have been issued in the form in which they were in fact issued, and Abboud would not have engaged in the conduct referred to in paragraphs [84(c)-(e)] and [86(c)] above which the plaintiffs plead as giving rise to his liability to them and the Group Members (which is denied).

Accordingly, if Abboud is found liable to the plaintiffs and/or the Group Members in respect of the alleged conduct in paragraphs [84(c)-(e)] and [86(c)] above, then Abboud will have suffered, by reason of Deloitte's misleading conduct, loss and damage in the amount of any order made against him in the main proceeding for damages, compensation, interest and/or costs, together with the amount of his own legal costs.

Claim by Abboud in relation to the FY2015 Report

87 As at 17 August 2015, Abboud was aware of the matters pleaded in paragraphs [4]-[8], [29]-[43], [53]-[61] and [69]-[74] above.

88 In reliance on the Deloitte Rebate Representations, the Deloitte Inventory Representations, the Unqualified Audit Statements and the FY2015 Audit Report Representation, Abboud:

(a) formed the view that the recording of rebates in the FY2015 Report complied with Australian Accounting Standards;

(b) formed the view that the assumptions and methodology applied in determining inventory provisions in the FY2015 Report were appropriate, and the provision in respect of inventory obsolescence in the FY2015 Report complied with AASB 102;

(c) formed the view that the FY2015 Report:

(i) gave a true and fair view of the position and performance of DSH and the DSH Group as at 28 June 2015;

(ii) complied with the Corporations Act;

(iii) was prepared in accordance with Australian Accounting Standards; and

(d) joined in the resolution by which the directors of DSH authorised the issue and publication of the FY2015 Report (pleaded in paragraph 202 of the Statement of Claim);

(e) joined in the declaration by the directors of DSH (pleaded in paragraphs 72-73 of the Statement of Claim) that, in their opinion, the FY2015 Report was in accordance with the Corporations Act, including as to compliance with accounting standards and gave a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 June 2015 (the **FY2015 Directors' Declaration**); and

(f) approved the terms of the 18 August 2015 ASX Announcement & Results Briefing (pleaded in paragraphs 78-79 and 177-178 of the Statement of Claim).

89 If the plaintiffs establish (which is denied) that:

(a) the recording of rebates in the FY2015 Report did not comply with Australian Accounting Standards;

(b) the provision in respect of inventory obsolescence in the FY2015 Report did not comply with Australian Accounting Standards;

(c) by reason of the matters in paragraphs (a) and/or (b) above, the FY2015 Report did not:

(i) give a true and fair view of the position and performance of DSH and the DSH Group as at 28 June 2015;

(ii) comply with Australian Accounting Standards; or

(iii) comply with the Corporations Act; and

(d) Abboud engaged in misleading and deceptive conduct:

(i) by authorising the issue and publication of the FY2015 Report (as pleaded in paragraphs 166-171 of the Statement of Claim); or

(ii) by joining in the FY2015 Directors' Declaration (as pleaded in paragraphs 172-175 of the Statement of Claim); or

(iii) by authorising the issue and publication of the 18 August 2015 ASX Announcement & Results Briefing and/or by presenting the Results Briefing (as pleaded in paragraphs 176-182 of the Statement of Claim);

then Abboud will have suffered loss or damage as the result of the misleading or deceptive conduct of Deloitte pleaded in paragraphs [51], [67] and [81] above.

Particulars

Abboud repeats the particulars to paragraphs [51]-[52], [67]-[68] and [81]-[82] above.

If Deloitte had complied with Auditing Standards in respect of the FY2015 Audit, and had taken:

- the steps in respect of the accounting treatment of rebates in the FY2015 Report which it failed to take (pleaded in paragraphs [48(b)(ii)] and [50(b)(ii)] above); and
- the steps in respect of the inventory provisions in the FY2015 Report which it failed to take (pleaded in paragraph [66(b)] above)

then, on the basis that the plaintiffs establish (which is denied) that the recording of rebates in the FY2015 Report did not in fact comply with AASB 101, AASB 102 and/or AASB 108, and/or that the provision for inventory obsolescence in the FY2015 Report did not comply with AASB 102, Deloitte would have ascertained such non-compliance and would have reported to Abboud and the other directors of DSH that, by reason of such non-compliance, the FY2015 Report had not been prepared in accordance with Australian Accounting Standards, and did not give a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 June 2015. (Further particulars will be provided after disclosure by Deloitte of the electronic audit file for the FY2015 Audit and after expert evidence.)

Had Deloitte informed Abboud and the other directors of DSH of those matters, then:

(1) Abboud and the other directors of DSH would have ensured that:

(a) the recording of rebates in the FY2015 Report and

(b) the provision for inventory obsolescence in the FY2015 Report;

complied with Australian Accounting Standards, by addressing such deficiencies as were identified by Deloitte;

(2) the FY2015 Report would have been issued in a form which did comply with Australian Accounting Standards, in particular as regards the recording of rebates and the provision for inventory obsolescence, and which did present a true and fair view of the financial position and performance of DSH and the DSH Group as at 28 June 2015; and

(3) the 18 August 2015 ASX Announcement & Results Briefing would have reflected the form of the FY2015 Report referred to in (2) above.

The consequence of (1) to (3) above is that, but for Deloitte's misleading conduct in making the Deloitte Rebate Representations, the Deloitte Inventory Representations, the Unqualified Audit Statements and the FY2015 Audit Report Representation, neither the FY2015 Report nor the 18 August 2015 ASX Announcement & Results Briefing would have been issued in the form in which they were in fact issued, and Abboud would not have engaged in the conduct referred to in paragraphs [87(d)-(f)] and [89(d)] above which the plaintiffs plead as giving rise to his liability to them and the Group Members (which is denied).

Accordingly, if Abboud is found liable to the plaintiffs and/or the Group Members in respect of the alleged conduct in paragraphs [87(d)-(f)] and [89(d)] above, then Abboud will have suffered, by reason of Deloitte's misleading conduct, loss and damage in the amount of any order made against him in the main proceeding for damages, compensation, interest and/or costs, together with the amount of his own legal costs.

Claim by Abboud for equitable contribution

90 In the event only that the Plaintiffs establish (which is denied) that:

(a) Abboud engaged in misleading or deceptive conduct in contravention of s 1041E of the Corporations Act, and

(b) by reason of such contravening conduct, the plaintiffs and/or the Group Members have suffered loss or damage

then Abboud pleads as follows.

91 For the purposes only of this contribution claim, and without any admission, Abboud repeats paragraphs 219-223 of the Statement of Claim.

Coordinate liability – Claims in respect of HY2015 Report

92 If the matters pleaded in paragraphs 219-221 of the Statement of Claim (which are denied) are established, then:

(a) the conduct by Abboud alleged to have contravened s 1041E of the Corporations Act, including authorising the publication of the HY2015 Report on 16 February 2015 accompanied by the HY2015 Directors' Declaration, caused, after 16 February 2015, the market price of DSH shares to be substantially greater than (i) their true value or (ii) the market price that would have prevailed but for that contravening conduct; and

(b) the plaintiffs and the Group Members have suffered loss by purchasing shares in DSH after 16 February 2015, in the circumstances where the market price of those shares was substantially greater than (i) their true value or (ii) the market price that would have prevailed but for that contravening conduct.

93 If the matters in paragraph [92] above are established, then it will also follow that:

(a) the conduct by Deloitte pleaded in paragraphs [70]-[71] and [77]-[78] above which contravened s.18 of the ACL and/or s.1041H of the Corporations Act, and/or s.29(1)(b) of the ACL being the issuing of the HY2015 Review Report on 16 February 2015, which was published with the HY2015 Report and which made the Unqualified Review Statement and the HY2015 Review Report Representation, caused, after 16 February 2015, the market price of DSH shares to be substantially greater than (i) their true value or (ii) the market price that would have prevailed but for that contravening conduct; and

(b) the plaintiffs and the Group Members have suffered loss by purchasing shares in DSH after 16 February 2015, in the circumstances where the market price of those shares was substantially greater than (i) their true value or (ii) the market price that would have prevailed but for Deloitte's contravening conduct.

Particulars

If not for Deloitte's contravening conduct, the HY2015 Report would not have been issued in the form in which it was in fact issued. Abboud repeats the particulars to paragraph [86] above.

Further or alternatively, if Deloitte had issued a report to members of DSH in relation to the HY2015 Review which reported that matters had come to Deloitte's attention in respect of the recording of rebates which caused Deloitte to believe that the HY2015 Report did not comply with Australian

Accounting Standards, then such information would have been taken into account in the market price of DSH shares from the date of such report.

94 Further or alternatively, insofar as the plaintiffs and/or some of the Group Members establish that they:

(a) acquired an interest in DSH shares after 16 February 2015 in reliance on the HY2015 Report and the HY2015 Directors' Declaration (as pleaded in paragraph 222, which is not admitted), and

(b) thereby suffered loss or damage from the alleged contraventions by Abboud in authorising the issue of HY2015 Report and in making the HY2015 Directors' Declaration (as pleaded in paragraph in paragraph 223 of the Statement of Claim, which is denied),

then any such person likewise:

(c) acquired the interest in DSH shares referred to in (a) above in reliance on the HY2015 Review Report which was published with the HY2015 Report, and which made the Unqualified Review Statement and the HY2015 Review Report Representation; and

(d) thereby suffered the loss or damage referred to in (b) above as a result of the conduct by Deloitte pleaded in paragraphs [70]-[71] and [77]-[78] above which contravened s.18 of the ACL and/or s.1041H of the Corporations Act and/or s.29(1)(b) of the ACL.

Particulars

Particulars of such reliance will be provided after evidence and disclosure from the plaintiffs and/or Group Members.

95 By reason of the matters pleaded in paragraphs [92]-[94] above:

(a) Deloitte's contravening conduct in respect of its report on the HY2015 Review, pleaded in paragraphs [70]-[71] and [77]-[78] above, caused the same loss or damage to the plaintiffs and/or the Group Members that was allegedly caused by Abboud' contravening conduct in respect of the HY2015 Report (which is denied); and

(b) Deloitte and Abboud are co-ordinately liable to the plaintiffs and/or the Group Members in respect of any such loss or damage.

Coordinate liability – Claims in respect of FY2015 Report

96 If the matters pleaded in paragraphs 219-221 of the Statement of Claim (which are denied) are established, then:

(a) the conduct by Abboud alleged to have contravened s 1041E of the Corporations Act, including authorising the publication of the FY2015 Report on 18 August 2015 accompanied by the FY2015 Directors' Declaration, caused, after 18 August 2015, the market price of DSH shares to be substantially greater than (i) their true value or (ii) the market price that would have prevailed but for that contravening conduct; and

(b) the plaintiffs and the Group Members have suffered loss by purchasing shares in DSH after 18 August 2015, in the circumstances where the market price of those shares was substantially greater than (i) their true value or (ii) the market price that would have prevailed but for that contravening conduct.

97 If the matters in paragraph [96] above are established, then it will also follow that:

(a) the conduct by Deloitte pleaded in paragraphs [73]-[74] and [80]-[81] above which contravened s.18 of the ACL and/or s.1041H of the Corporations Act and/or s.29(1)(b) of the ACL, being the issuing of the FY2015 Audit Report which was published with the FY2015 Report and which made the Unqualified Audit Statements and the FY2015 Audit Report Representation, caused, after 18 August 2015, the market price of DSH shares to be substantially greater than (i) their true value or (ii) the market price that would have prevailed but for that contravening conduct; and

(b) the plaintiffs and the Group Members have suffered loss by purchasing shares in DSH after 18 August 2015, in the circumstances where the market price of those shares was substantially greater than (i) their true value or (ii) the market price that would have prevailed but for Deloitte's contravening conduct.

Particulars

If not for Deloitte's contravening conduct, the FY2015 Report would not have been issued in the form in which it was in fact issued. Abboud repeats the particulars to paragraph [89] above.

Further or alternatively, if Deloitte had issued a report to members of DSH in relation to the FY2015 Audit which reported that the recording of rebates in the FY2015 Report did not comply with Australian Accounting Standards, and/or the provision for inventory obsolescence in the FY2015

Report did not comply with Australian Accounting Standards, then such information would have been taken into account in the market price of DSH shares from the date of such report.

98 Further or alternatively, insofar as the plaintiffs and/or some of the Group Members establish that they:

(a) acquired an interest in DSH shares after 18 August 2015 in reliance on the FY2015 Report and the FY2015 Directors' Declaration (as pleaded in paragraph 222 of the Statement of Claim, which is not admitted), and

(b) thereby suffered loss or damage from the alleged contraventions by Abboud in authorising the issue of FY2015 Report and in making the FY2015 Directors' Declaration (as pleaded in paragraph in paragraph 223 of the Statement of Claim, which is denied),

then any such person likewise:

(c) acquired the interest in DSH shares referred to in (a) above in reliance on the FY2015 Audit Report which was published with the FY2015 Report, and which made the Unqualified Audit Statements and the FY2015 Audit Report Representation; and

(d) thereby suffered the loss or damage referred to in (b) above as a result of the conduct by Deloitte pleaded in paragraphs [73]-[74] and [80]-[81] above which contravened s.18 of the ACL and/or s.1041H of the Corporations Act and/or s.29(1)(b) of the ACL.

Particulars

Particulars of such reliance will be provided after evidence and disclosure from the plaintiffs and/or Group Members.

99 By reason of the matters pleaded in paragraphs [96]-[98] above:

(a) Deloitte's contravening conduct in respect of the FY2015 Audit Report, pleaded in paragraphs [73]-[74] and [80]-[81] above, caused the same loss or damage to the plaintiffs and/or the Group Members that was allegedly caused by Abboud' contravening conduct in respect of the FY2015 Report (which is denied); and

(b) Deloitte and Abboud are co-ordinately liable to the plaintiffs and/or the Group Members in respect of any such loss or damage.

Claim for contribution

100 By reason of the matters pleaded in paragraphs [92]-[95] and/or [96]-[99] above, if it is established (which is denied) that Abboud is liable for the loss and damage allegedly suffered by the plaintiffs and/or the Group Members, then Abboud is entitled to recover contribution to any such liability from Deloitte in equity.

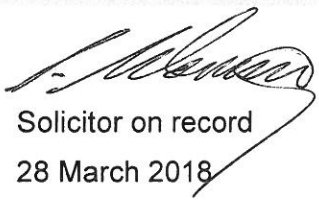
D. QUESTIONS APPROPRIATE FOR REFERRAL TO A REFEREE

None.

E. MEDIATION STATEMENT

The parties have not attempted mediation. The Cross-claimant is willing to proceed to mediation at an appropriate time.

SIGNATURE OF LEGAL REPRESENTATIVE

Signature	
Capacity	Solicitor on record
Date of signature	28 March 2018

SCHEDULE 1 - SECOND TO 454TH CROSS-DEFENDANTS

2. Brett Douglas Streatfeild
3. Sneza Pelusi
4. James Patrick Hickey
5. Alastair Banks
6. Tara Cathy Hill
7. Paul Jeremy Klein
8. Frank Scott Farrall
9. Christopher Donald Noble
10. Alec Paul Bash Insky
11. George Nicholas Kyriakacis
12. Roan Rolles Fryer
13. Stuart Johnston
14. Kaylene O'Brien
15. Craig Patrick O'Hagan
16. Leanne Karamfiles
17. Neil Graham Smith
18. Demostanies Krallis
19. David John Lombe
20. Christian John Biermann
21. Jonathan Paul
22. Michael James Clarke
23. Roger Jeffrey
24. Rachel Andrea Foley-Lewis
25. Franco Claudio Santucci
26. Michelle Robyn Hartman
27. Matthew Christopher Saines
28. Francis Thomas
29. Robert Basker
30. Alan Eckstein

31. Donal Graham
32. Andrew Raymond Hill
33. Patrick McLay
34. Paul Bernal Liggins
35. David Ocello
36. Paul Scott Holman
37. Paul Robert Wiebusch
38. Murray Peck
39. Julie Michelle Stanley
40. John Bland
41. Timothy Carberry
42. Alvaro Ramos
43. Graeme John Adams
44. Suzanne Archbold
45. Tim Richards
46. Timothy Geoffrey Maddock
47. Xenia Delaney
48. Reuben Saayman
49. Ronaldus Lambertus Van Beek
50. Liesbet Ann Juliette Spanjaard
51. Christopher John Richardson
52. Martin Harry Read
53. Mark Reuter
54. Stuart Thomas Ciocarelli
55. Paul Wayne Hockridge
56. Vikas Khanna
57. Paul Thomas Carr
58. Weng Yen Ching
59. Rodger Stewart Muir
60. Mark Cover
61. Robert Hillard

62. Michael John Lynn
63. Gaile Anthea Pearce
64. Isabelle Emilienne Lefrevre
65. Phillip Andrew Roberts
66. Stuart Alexander Rodger
67. Paul Leonard Wensor
68. Claudio Cimetta
69. Simon Tarte
70. Stephen Charles Gustafson
71. Geoffrey William Cowen
72. Geoffrey Gill
73. Steven John Simionato
74. Jason John Handel
75. Declan O'Callaghan
76. Michael Andrew Kissane
77. Kurt Proctor-Parker
78. Richard Davies Wanstall
79. Johan Simon Duivenvoorde
80. Benjamin John Shields
81. John Meacock
82. Ian Michael Turner
83. David Harradine
84. Muhunthan Kanagaratnam
85. Marc Philipp
86. Kamlee Anne Coorey
87. Hugh William Mosley
88. Paul Masters
89. David Shane Egan
90. Alison Margaret Brown
91. Stavroula Papadatos
92. Damien Tampling

93. Alexandra Jane Spark
94. Monica Ellen Campigli
95. Craig Peter Mitchell
96. Robert John McConnel
97. Alyson Rodi
98. Andrew Charles Price
99. Mark Hadassin
100. Anthony James Robinson
101. Garry Ian Millhouse
102. Ashley Graham Miller
103. Craig Stephen Smith
104. Margaret Lynne Pezzullo
105. Adam Barringer
106. Campbell James Jackson
107. Jason Charles Crawford
108. Kevin Michael Russo
109. Adele Christine Watson
110. Neil Anthony Brown
111. Gordon James Thring
112. Brett William Greig
113. Steven James Shirtliff
114. Robert Donald Collie
115. Spyros Kotsopoulos
116. Austin John Scott
117. Jenny Lyn Wilson
118. Peter John Bars
119. Elizma Bolt
120. Stephen Thomas Harvey
121. Fiona Lea Cahill
122. Jonathan Mark Schneider
123. Michael McNulty

124. Katherine Louise Howard
125. Juliet Elizabeth Bourke
126. Peter Gerard Forrester
127. Carl Jonathan Gerrard
128. Jody Michelle Burton
129. Rachel Frances Smith
130. Peter Martin Rupp
131. Helen Elena Fisher
132. Geoffrey Ronald Sincock
133. Nicholas Harwood
134. John Clement Malcom Randall
135. Todd Kayle Fielding
136. Geoffrey Bruce Stalley
137. Russell Bradley Norman Mason
138. Paul Leon Rubinstein
139. Andrew Ignatius Muir
140. Lisa Barry
141. Alfred Alan Nehama
142. Michael Paul Stibbard
143. Paul Childers
144. Angelo Karelis
145. Sarah Caroline Woodhouse
146. Richard John Hughes
147. Christopher Robert Masterman
148. Robin Polson
149. Megan Joy Field
150. Christopher Guy Nunns
151. Clare Helen Harding
152. Simon Cook
153. Stephen Carl Tarling
154. Leslie Coleman

155. Samuel James Vorvverg
156. Helen Hamilton-James
157. Coert Grobbelaar Du Plessis
158. Stephen George Stavrou
159. Steven Christopher Cunico
160. Mark Ekkel
161. Soulla McFall
162. Leigh Matthew Pieroni
163. Mark Colin Woodley
164. Stephen James Healey
165. Sandeep Chadha
166. Margaret Clare Bower
167. Anna Victoria Crawford
168. Robert Howard Dowling
169. Greg Janes
170. Colin Mckay Methven Scott
171. Richard Mark Simes
172. Dharmalingum Shunmugam Chithiray
173. Nicole Marie Vignaroli
174. John Giannakopoulos
175. Vaughan Neil Strawbridge
176. Judith Anne Donovan
177. Nicole Wakefield
178. Paula Teresa Capaldo
179. Michael Rath
180. Karen Rachel Stein
181. Brett Todd
182. Julian Craig Dolby
183. Robert Kim Arvai
184. Catherine Jane Hill
185. Richard Michael Thomas

186. Timothy John Gullifer
187. Peter James Pagonis
188. Michael Damon Cantwell
189. Joseph Frank Galea
190. Nicolette Louise Ivory
191. John Leotta
192. Darren James Hall
193. Stephen Huppert
194. Elma Von Vielligh-Louw
195. Michael Anthony Kennedy
196. Stuart James Alexander
197. Yi Mei Tsang
198. Christopher Wilson
199. Joshua David Tanchel
200. Tendal Sitenisiyo Mkwananzi
201. Richard Nigel Raphael
202. Jacqueline Ann Clarke
203. Rodney James Whitehead
204. Heather Park
205. John Lethbridge Greig
206. Adrian Charles O'Dea
207. Grant Cameron
208. Gregory Couttas
209. Steven Allan Hernyl
210. Gary John McLean
211. Jonathan Ma
212. Suzie Gough
213. Mark Douglas Ian Allsop
214. Jennifer Anne Exner
215. Ryan Quintin Hansen
216. Jamie Brian Hamilton

217. David Mark Hill
218. Jason Bruce Dunnachie
219. John Christopher McCourt
220. Gerhard Vorster
221. David John Boyd
222. Andrew Kingsley Johnstone-Burt
223. Dwayne Barrie Sleep
224. David Black
225. Gerard Michael Meade
226. Francis Patrick O'Toole
227. Tony Garrett
228. Danny Rezek
229. Mark Goldsmith
230. David Watkins
231. Patrick Broughan
232. Jeremy Drumm
233. Michael John Whyte
234. Mark Andrew Stretton
235. Weng Wee Ching
236. Robert Malcolm Spittle
237. Marisa Orbea
238. Frances Rita Borg
239. David Barrie Brown
240. David Sherwin McCloskey
241. Philip Walter Teale
242. Jan Hein Alexander Alperts
243. Katherine Anne Milesi
244. Kevin Kiazim Nevrous
245. Andrew Paul Annand
246. Carl Richard Harris
247. Philip Malcolm Moore Hardy

248. Derek Rodney Bryan
249. Gregory Gyorgy Janky
250. David John Redhill
251. Guillaume Johannes Swiegers
252. Peter Ronald Ryan
253. Brennan Ursula
254. Fiona Dawn Craig
255. Sarah Lane
256. George Stathos
257. Richard Adam Young
258. Marc Hofmann
259. Brad Joel Pollock
260. Mark Justin Kuzma
261. Warren Green
262. Stuart Osborne
263. Garry Lance Bourke
264. Andrew Vaughn Griffiths
265. Adam Powick
266. Margaret Dreyer
267. Timothy Bryce Norman
268. David McCarthy
269. Neil Pereira
270. Michael Robert Gastevich
271. Elizabeth Ann Brown
272. Lakshman Kumar Gunaratnam
273. Monish Paul
274. Alexander Collinson
275. Bruce John Williamson
276. Luke Bramwell Houghton
277. Aldrin Anthony De Zilva
278. Neil McLeod

279. Gerard Lucien Belleville
280. Michael Kaplan
281. Mark David Irving
282. Alison Lorna White
283. Haiderali Hussein Hussein
284. Martyn Charles Barrett Strickland
285. Caroline Jane Bennet
286. Christopher Robert Campbell
287. Gary Peter Doran
288. Mark Steven Wright
289. Peter Matruglio
290. John Koutsogiannis
291. Selvvyn Peter D'Souza
292. Keith William Skinner
293. Clive Charles Alan Mottershead
294. Karen Lynette Green
295. Jason Mark Thorne
296. Andrew Stuart Christopher Reid
297. Mark Richard Weaver
298. Matthew Robert Broadfoot
299. Michael Mauro De Palo
300. Peter Arthur Caldwell
301. Tracey Con Dous
302. Shelley Rae Nolan
303. Ian Grant Levi
304. Grant Arthur Hyde
305. Timothy Francis Nugent
306. Andrea Csontos
307. Geoffrey Colin Lamont
308. Christopher John Nicoloff
309. Craig Maxwell Bryan

310. Peter Madden
311. Jeremy Jurriaan Walton Cooper
312. Neil Robert Cussen
313. Robert Southern
314. Andy Peck
315. Colin Radford
316. Hendri Mentz
317. Robert Nguyen
318. Shinji Tsutsui
319. Philippa Simone Dexter
320. Timothy Fleming
321. Cynthia Hook
322. James Campbell Down
323. Kate McDonald
324. Stephen John Coakley
325. Keith Francis Jones
326. Serg Duchini
327. Stephen James Reid
328. Max Andreas Persson
329. Graham Mott
330. Anthony John Viel
331. David Joseph Murray
332. Richard Antony Jamieson
333. Bradley James Burt
334. Anthony Goroslav Buntic
335. Paul Gerard Fogarty
336. Jamie Christopher Gatt
337. Geoffrey Ian Roberts
338. Melissa Jayne Cabban
339. Matthew Fraser
340. Thomas Fredrick Viljoen

341. Julie Christine Crisp
342. Paul Bernard Riley
343. Salvatore Algeri
344. Ross Ian Jerrard
345. Avi Sharabi
346. Ian Geoffrey Sanders
347. Dale McCaauley
348. Iain Maxwell Gerrard
349. David Hobbis
350. Scott Conrad Bailey
351. Stephen Gregory Brown
352. Ian Ross Harper
353. Shashi Vicknekumeran Sivayoganathan
354. Jowita Gartlan
355. Mark Ingham
356. Viswa Phani Kumar Padisetti
357. Ian Charles Thatcher
358. Ian Andrew Trevorah
359. Dennis Leslie Moth
360. Jacques Louis Van Rhyn
361. Paul Swinhoe
362. Greg Fitzgerald
363. Steven Alexander Hallam
364. Stuart Lynn Black
365. Stephen Woosnam
366. Andrew John Culley
367. Stephen James Ferris
368. Timothy Arbuckie
369. David Amis Rumbens
370. Matthew James Williams
371. Jason Frederick Bender

372. Patrick Lane
373. Martin Paul Langridge
374. Caithlin Mary McCabe
375. Simon Alexander Wallace-Smith
376. Adrian Clyde Batty
377. Tapan Parekh
378. Masaaki Mark Nakamura
379. Roger Geoffrey McBain
380. Graeme John Hodge
381. Rick Shaw
382. Marina Ruth Stuart
383. Tom Christopher Imbesi
384. Eric Angelucci
385. Harvey Christophers
386. John Kingsley Rawson
387. Mark Richard Sercombe
388. Phillip Kravaritis
389. Gary Christie
390. Wayne Edward Walker
391. John Womack
392. Peter Grainger
393. Samantha Louise Lewis
394. Ashley Jonathon King
395. Peter Francis Williams
396. Alexander Aitken
397. Timothy Gordon Biggs
398. Ian McCall
399. Johannes Laubscher Venter
400. Roberto Dimonte
401. Alan Gordon Weeks
402. Ian John Breedon

403. Peter Michael Roberson
404. Michael David Nelson
405. Lindsay James Stanton
406. Craig Paul Johnson
407. Timothy Riordan
408. Anthony James Cipriano
409. Phil Hopwood
410. Dai-Trang Le Duncanson
411. David Jonathan Graham
412. Andre Spnovic
413. William Harold Wardrop
414. David Erskine Thompson
415. David Kyffin Willington
416. Stephen Mark Holdstock
417. Dean John Grandy
418. Harold Scott Payne
419. Jean-Marie Abi-Ghanem
420. Fraser Ross
421. Roberto Krizman
422. Caroline McGlashan
423. William Robert McAinsh
424. Osamu Uchimura
425. Glendon Moss Sanford
426. Simon James Lester
427. Stephen James Jones
428. Kristen Jay Wydell
429. John Guthrie Hood
430. Paul Martin Radici
431. Frank Klasic
432. Mark John Pittorino
433. David Anthony Cooper

434. Matthew Sheerin

435. Tony Brain

436. Henry John Kidd

437. Matt Gerald Tengu Whitesky Kuperholz

438. Gordon Pattison

439. Branko Panich

440. Julian Christopher Cheng

441. David William Pring

442. Peter Andre Jovic

443. Craig Goldberg

444. Bruce Robert Dungey

445. Dean Robert Edward Kingsley

446. David Alan Watson

447. Bernard Spencer Gild

448. Graham John Newton

449. Dwight Murray Hooper

450. Michael Rosendorfer

451. Richard Roy Porter

452. John George Azarias

453. Donna Maree Carey

454. Christopher Paul Cass