

M.J. BALE

Newbale Clothing Pty Limited ABN 33136405091
Level 2, Suite 2.16, 100 Collins Street
Alexandria NSW 2015 | Ph: +61 2 8208 8800
www.mjbale.com

Adam Thompson
Partner
PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
BARANGAROO NSW 2000

17 December 2018

Dear Adam

***Subject: Management Representation Letter on the Financial Report
for the financial period 30 July 2017 to 28 July 2018 for Newbale
Clothing Amalgamated Group***

1. This representation letter is provided in connection with your audit of the financial report of Newbale Clothing Amalgamated Group (the Company) and its controlled entities (together the group) for the financial period 30 July 2017 to 28 July 2018 for the purpose of expressing an opinion as to whether the financial report gives a true and fair view, in all material respects, in accordance with Australian Accounting Standards and in light of the requirements of the internal purpose.
2. The list of Companies included in this Management Representation Letter are included in Appendix 1.
3. I, Matthew Jensen, Director, confirm to the best of my knowledge and belief, and having made appropriate inquiries of the directors and officials of the group the following representations given to you in connection with your audit of the group's financial report for the financial period 30 July 2017 to 28 July 2018 (balance date), and in light of the requirements of the internal purpose.
4. I confirm our acknowledgement and understanding of our responsibilities in the terms of the audit engagement letter dated 28 June 2017.

Financial report

5. I acknowledge the directors and management's responsibility for ensuring:
 - a) the accuracy of the financial records and the financial report prepared from them
 - b) that the financial report of the group is drawn up to present fairly, in accordance with the requirements of the internal purpose and the financial position of the group as at balance date and the results of its operations and its cash flows for the financial period ended on that date.

Information provided

6. I have provided you with:
 - a) Access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.



M.J. BALE

Newbale Clothing Pty Limited ABN 33136405091
Level 2, Suite 2.16, 100 Collins Street
Alexandria NSW 2015 | Ph: +61 2 8208 8800
www.mjbale.com

- b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) All information in light of the requirements of the internal purpose.
7. I have communicated to you all deficiencies in internal control of which I am aware.

Fraud, error and non-compliance with laws and regulations

8. I acknowledge my responsibility for the design and implementation of accounting and internal control systems to prevent and detect error and fraud.
9. I have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
10. I have disclosed to you all significant facts relating to any frauds or suspected frauds known to management that may have affected the entity; including
- a) fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in internal control
 - b) fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report
 - c) communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report
 - d) knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts or others.

Materiality of uncorrected misstatements

11. I believe the effects of the uncorrected misstatements brought to our attention by you are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of such items is attached as Appendix 2 in the accompanying schedule.

Financial records and transactions

12. All the financial records have been made available for the purpose of the audit, and all the transactions undertaken have been properly reflected and recorded in the financial records. All other records and related information which might affect the truth and fairness of, or necessary disclosure in, the financial report, including minutes of directors' meetings (and of all relevant management meetings), have been made available to you and no such information has been withheld.

Accounting estimates

13. In relation to our estimates the measurement process and underlying assumptions used for these estimates are appropriate and our application of these processes is consistent, complete and appropriate disclosures have been made in the financial report, and no subsequent events have occurred which require an adjustment to the estimates made.

Related parties

14. I have disclosed to you the identity of the group's related parties and have provided you with all information and documentation regarding related party relationships and transactions, including support for all employee and directors' remuneration and related party transactions, including equity instruments that were issued to employees and directors during the current year.



M.J. BALE

Newbale Clothing Pty Limited ABN 33136405091
Level 2, Suite 2.16, 100 Collins Street
Alexandria NSW 2015 | Ph: +61 2 8208 8800
www.mj bale.com

15. Full and adequate disclosure has been made in the financial report of all related party relationships and transactions.

Disclosure of assets

16. The financial report at balance date includes all assets of the group required to be included therein in accordance with Australian Accounting Standards. The group has satisfactory title to all recorded assets.
17. I have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.

Bank accounts and facilities

18. I have formally notified and fully disclosed to you all of the following applicable to the group:
- a) Bank accounts that were under the group's control during the year, including bank accounts opened and closed during the year
 - b) Escrow accounts held by another party on the group's behalf
 - c) Promissory notes and/or bills of exchange held for collection by a bank or financial institution on the group's behalf
 - d) Liabilities to banks or financial institutions including mortgage debt, loans, lines of credit, compensating balance arrangements, letters of credit and related credit limits, conditions and covenants and available facilities and amounts unused
 - e) Items held as security for the group's liabilities
 - f) Sealed packets, locked boxes, security packets or similar held by a bank or a financial institution on the group's behalf
 - g) Contingent liabilities including guarantees or any other commitments
 - h) Foreign exchange contracts and other treasury items

Impairment

19. I have considered the requirements of the internal purpose and the Company's accounting policies when assessing the impairment of assets.

Liabilities

20. All known liabilities of the group at 28 July 2018 were included in the financial records and no further liabilities of a material amount have since come to our knowledge.

Litigation and claims

21. I am not aware of any pending litigation, proceedings, hearings or claims negotiations which may result in significant loss to the group.

Contingent liabilities

22. Contingent liabilities of the group at balance date, to the extent to which provision has not been made in the financial report, amount to:

Secured \$nil

Unsecured \$nil

and no further contingent liabilities of a material amount have since come to our knowledge.



M.J. BALE

Newbale Clothing Pty Limited ABN 33136405091
Level 2, Suite 2.16, 100 Collins Street
Alexandria NSW 2015 | Ph: +61 2 8208 8800
www.mjbale.com

Commitments

23. Commitments under contracts for capital expenditure at balance date, to the extent to which provision has not been made in the financial report, amount to \$nil.

Other information

24. I have informed you of all the documents, listed below, that I expect to issue that may comprise other information:

Name of document(s) that may comprise other information
directors' report

25. The financial report and any other information obtained by you prior to the date of your auditor's report is consistent with one another and the other information does not contain any material misstatements.

Other matters

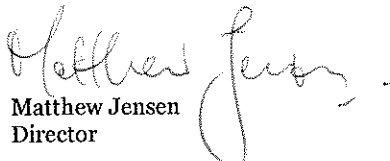
26. I am not aware of any possible breaches of statute, regulations, contracts, or agreements which might result in the group suffering significant penalties or other loss. No allegations of such breaches have come to our notice.

After balance date events

27. No matters or occurrences have come to my attention up to the date of this letter which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of the group.

I understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours sincerely


Matthew Jensen
Director

Endnotes

Other information = Financial or non-financial information (other than the financial report and the auditor's report thereon) included in an entity's annual report



M.J. BALE

Newbale Clothing Pty Limited ABN 33136405091
Level 2, Suite 2.16, 100 Collins Street
Alexandria NSW 2015 | Ph: +61 2 8208 8800
www.mjbale.com

Appendix 1

The following is a list of Companies included in this Management Representation Letter:

Newbale Clothing NZ Pty Ltd
Newbale Retail NZ Pty Ltd
Newbale Clothing Pty Ltd
Newbale Holdings Pty Ltd
Newbale Clothing Emporium Pty Ltd
Newbale Clothing QVB Pty Ltd
Newbale Clothing Canberra Pty Ltd
Newbale Clothing Wintergarden Pty Ltd
Newbale Clothing Chifley Pty Ltd
Newbale Clothing Indooroopilly Pty Ltd
Newbale Clothing Doncaster Pty Ltd
Newbale Clothing Chadstone Pty Ltd
Newbale Clothing Adelaide Pty Ltd
Newbale Bondi Pty Ltd
Newbale Perth Pty Ltd
Newbale Sydney Pty Ltd
Newbale Retail Pty Ltd
Newbale Melbourne Pty Ltd
Newbale Brisbane Pty Ltd



M.J. BALE

Newbale Clothing Pty Limited ABN 33136405091
Level 2, Suite 2.16, 100 Collins Street
Alexandria NSW 2015 | Ph: +61 2 8208 8800
www.mjbale.com

Appendix 2 ***Summary of Uncorrected Misstatements***

Description	Assets	Liabilities	Equity	Income	Expenses
Being an adjustment to account for fair value gain on forward contracts.					
Dr Derivative Asset	545,127				
Cr Foreign Exchange Gain				(545,127)	
Being an adjustment to move debit balances in purchase accrual account from accruals to prepayments					
Dr Prepaid expenses	185,033				
Cr Accruals		(185,033)			

