

Newbale Clothing Pty Ltd

ABN: 33 136 405 091

**Financial Report for the year ended
30th June 2013**

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Profit and Loss Statement for the year ended 30th June 2013

	<i>Notes</i>	2013 \$	2012 \$
EBITDA		1,834,553	(312,821)
Less: Interest and depreciation		(188,021)	(49,566)
Net Profit / (Loss)		1,646,532	(362,387)

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Balance Sheet for the period ending 30th June 2013

	Notes	2013 \$	2012 \$
Assets			
Current Assets			
Cash and cash equivalents	1	295,320	283,866
Inventory	2	3,149,401	1,441,086
Trade and other receivables	3	943,544	487,033
Total Current Assets		4,388,265	2,211,985
Non-Current Assets			
Office/Store Equipment, Computers	4	848,624	422,042
Total Non-Current Assets		848,624	422,042
Total Assets		5,236,889	2,634,027
Liabilities			
Current Liabilities			
Trade and other payables	5	2,059,320	974,172
Tax Liabilities	6	175,472	304,290
Total Liabilities		2,234,792	1,278,462
Net Assets		3,002,097	1,355,565
Equity			
Capital	7	2,950,587	2,950,587
Retained earnings	8	51,510	(1,595,022)
Total Equity		3,002,097	1,355,565

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Notes to the Financial Statements

Statement of Significant Accounting Policies

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

- **Office/Store Equipment**

Office/Store equipments are carried at cost. All assets, are depreciated over their useful lives.

The depreciable amount of Office/Store is depreciated on a straight-line basis. Depreciation commences from the time the asset is available for its intended use.

- **Depreciation**

The depreciation method and useful life used for items of Office/Store equipment reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

- **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held as Bank guarantees with banks, with original maturities of three months or less.

- **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

All revenue is stated net of the amount of goods and services tax (GST).

- **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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	Notes	2013 \$	2012 \$
1	Cash and Cash Equivalents		
	Cash Petty	(75)	(75)
	Cheque Account – 226710155033	22,163	57,094
	Bank USD Account # 5601	840	840
	Chq Account 06200510877191	30,085	78,861
	Paypal Online Account	1,640	-
	Newbale Wholesale	240,667	147,146
		<u>295,320</u>	<u>283,866</u>
2	Inventory		
	Finished Goods	1,378,385	671,600
	WIP	1,771,016	769,486
		<u>3,149,401</u>	<u>1,441,086</u>
3	Trade and Other Receivables		
	Current		
	Term Lease Deposit	335,559	283,149
	Trade Debtors	449,337	141,486
	Other Receivable	11,915	9,374
	Prepaid Expense	146,733	53,024
		<u>943,544</u>	<u>487,033</u>
4	Office/Store Equipment, Computers		
	Office/Store Equipment at Cost	221,014	2,858
	Office/Store Furniture and Fittings	645,692	434,779
	Acc Deprn: Office/Store Furniture	(140,703)	(95,624)
		<u>726,003</u>	<u>342,013</u>
	Computer - General	38,205	24,545
	Acc Deprn: Computer General	(12,460)	(8,655)
	Computer - Laptop	7,703	6,086
	Software	73,168	46,576
		<u>106,616</u>	<u>68,552</u>
	Trademark	17,937	12,727
	Acc Deprn: Trademark	(1,932)	(1,350)
		<u>16,005</u>	<u>11,477</u>
		<u>848,624</u>	<u>422,042</u>

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	Notes	2013 \$	2012 \$
5	Trade and Other Payables		
	Current		
	Trade Creditors	1,303,437	571,932
	Other Trade Creditors	94,747	21,104
	Loan Account - Wholesale	652,000	372,000
	Annual Leave Provision	9,136	9,136
		2,059,320	974,172
6	Tax Liabilities		
	GST on Sales	492,012	696,124
	GST Paid - Capital Items	1,855	1,855
	GST Paid - Non Capital Item	(530,006)	(687,283)
	Staff PAYG Withholding	154,968	258,475
	Staff Super Liabilities	56,643	35,119
	Total	175,472	304,290
7	Equity		
	Newbale Clothing Nominees P/L		
	ATF Newbale Clothing Unit Trust	2,950,587	2,950,587
		2,950,587	2,950,587
8	Retained Earnings		
	Retained Earnings: Prior Years	(1,595,022)	(1,232,635)
	Current Earnings	1,646,532	(362,387)
	Retained earnings at the end of the financial year	51,510	(1,595,022)
9	Equity Shareholding for the period ending 30th June		
	Newbale Clothing Nominees P/L		
	ATF Newbale Clothing Unit Trust		
	Opening Balance	2,950,587	1,975,424
	Changes during the year	=	975,163
	Closing Balance	2,950,587	2,950,587

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Compilation Report

Your directors present their report for the financial year ended 30th June 2013

Directors

The names of the directors in office at any time during or since the end of the year are:

Date of commencement if during the course of the reporting financial year.

Name 1 : Matt Jensen

Name 2 : Matt Rogers

Name 3 : Stuart King

Name 4 : Neil Livingstone (resigned June 2013)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The director of the company declares that the company is a reporting entity and that this financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

Director's Declaration

The director of the company declares that:

1. The financial statements and notes, as set out on pages 1 to 8 present fairly the Company's financial position as at 30th June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;

Review of operations and financial results

A review of the operations of the Company during the financial year and the results of those operations found that the net profit of the Company for the financial year after providing for income tax amounted to **\$1,646,532**

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Company during the financial year were:
(to include the principal activities of the business)

There have been no significant changes in the nature of these activities during the year.

Events arising since the end of the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future development, prospects and business strategies

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Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Director : 

Dated this day of : 26 July 2013

Name of Company : Newbale Clothing Pty Ltd

Name of Director : Matt Jensen

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Detailed Profit & Loss Statement

	2013	2012
	\$	\$
Sales		
Sales	10,516,739	4,688,409
Less: Manufacturing Costs		
Cost of Sales	4,400,908	2,141,576
Gross Profit From Trading	6,115,831	2,546,833
Other Income		
Interest Income and Currency Gain	13,351	28,514
	6,129,182	2,575,347
Expenses		
Accounting Fees	45,609	40,373
Advertising	209,213	138,624
Alterations	926	-
Bank Charges	131,857	59,752
Book Keeping Expenses	62,758	40,941
Campaign Production	77,454	174,600
Client Entertainment	1,915	3,627
Consultancy Fees	51,344	67,753
Depreciation	49,566	49,566
Design & Sampling Cost	4,298	601
Donations	100	-
Electricity	27,233	10,760
Events/Sponsorship	5,138	3,661
Foreign Currency Gains and Losses	51	-
Freight & Distribution	80,724	44,503
Insurance	22,751	21,732
Interest Paid	138,455	-
Internet and Phone	25,032	21,605
Legal Fees	27,874	30,897
Motor Vehicle (incl. parking)	1,525	4,483
Office Amenities	1,588	5,226
Online	63,267	33,600
Packaging & Labels Cost	81,631	38,269

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	2013	2012
	\$	\$
Payroll Tax Expense	43,157	20,000
POS/ Retail Marketing	50,700	34,509
PR	64,817	73,269
Printing, Stationery, Courier	20,858	10,383
Professional Fees	-	302
Promotions	11,780	1,455
Recruitment Expenses	18,917	20,800
Rent	982,908	689,046
Repairs & Maintenance	15,717	8,984
Salaries and Wages	1,686,315	866,835
Software & IT Support/ Maintena	35,349	34,509
Staff Casual/Permanent –Super	140,853	82,874
Staff Compensation Expense	46,476	28,087
Staff Contractors	30,372	160,341
Staff Entertainment	4,656	2,125
Store Expenses	28,696	19,458
Sundry	18,722	35,391
Sundry - Mgt Expenses	42,450	11,905
Training - External	8,444	-
Travel & Accommodation	101,785	54,239
Workers Compensation	19,369	-
Write off - Expense	-	(7,350)
	4,482,650	2,937,734
Net Profit / (Loss) before tax	1,646,532	(362,387)

Newbale Clothing Pty Ltd

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Compilation Report

Scope

On the basis of information provided by the Director's, we have compiled in accordance with APES 315: 'Compilation of Financial Information' the special purpose financial report of the company for the period ended 30th June 2013.

The specific purpose for which the special purpose financial report has been prepared is set out in the Notes (pg 4). The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is also set out in the Notes.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the company and are appropriate to meet the needs of the directors.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely upon the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the company and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Twelve Pty Ltd



Paul Mattock

Suite 2, Level 1, 10-14 Boyle Street SUTHERLAND NSW 2232