



UNDERCOVERWEAR
COLLECTION

UNDERCOVERWEAR COLLECTION
ABN. 80 460 733 471
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2003

UNDERCOVERWEAR COLLECTION

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FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2003**

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UNDERCOVERWEAR COLLECTION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2003

	NOTE	2003 \$	2002 \$
Sales Revenue	2	28,162,145	23,315,589
Cost of Sales		(11,139,747)	(9,859,675)
Gross Profit		17,022,398	13,455,914
Other Revenues from Operating Activities	2	25,391	15,324
Distribution Expenses		(1,309,650)	(1,058,505)
Marketing Expenses		(7,190,546)	(5,835,604)
Occupancy Expenses		(765,601)	(740,854)
Administration Expenses		(4,098,386)	(3,213,466)
Borrowing Costs Expense		(210,654)	(359,039)
Other Expenses from Ordinary Activities		(1,322,306)	(1,070,771)
Profit from Ordinary Activities		2,150,646	1,192,999

UNDERCOVERWEAR COLLECTION

The accompanying notes form part of these financial statements.

**UNDERCOVERWEAR
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**UNDERCOVERWEAR COLLECTION
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2003**

	NOTE	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	4	106,061	112,485
Receivables	5	382,468	105,222
Inventories	6	4,308,109	4,365,839
Other	7	258,302	78,708
TOTAL CURRENT ASSETS		5,054,940	4,662,254
NON-CURRENT ASSETS			
Property, plant and equipment	8	670,335	623,797
Intangible assets	9	1,200,000	1,200,000
TOTAL NON-CURRENT ASSETS		1,870,335	1,823,797
TOTAL ASSETS		6,925,275	6,486,051
CURRENT LIABILITIES			
Payables	10	1,907,132	1,189,274
Interest bearing liabilities	11	1,301,357	4,070,437
Provisions	12	824,726	550,596
Other	13	337,665	290,675
TOTAL CURRENT LIABILITIES		4,370,880	6,100,982
NON CURRENT LIABILITIES			
Provisions	12	139,595	120,913
TOTAL LIABILITIES		4,510,475	6,221,895
NET ASSETS		2,414,800	264,156

UNDERCOVERWEAR COLLECTION

The accompanying notes form part of these financial statements.

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UNDERCOVERWEAR COLLECTION
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2003

	NOTE	2003 \$	2002 \$
PARTNERSHIP EQUITY			
Partners' Capital			
Undercoverwear Unit Trust	14	2,212,998	248,944
Hybrid Investments No.2 Pty Limited	14	201,802	15,212
TOTAL PARTNERSHIP EQUITY		2,414,800	264,156

UNDERCOVERWEAR COLLECTION

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report prepared for use by the partners. The partners have determined that the partnership is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Accounting Standards:

AAS 1:	Statement of Financial Performance
AAS 5:	Materiality
AAS 8:	Events Occurring After Reporting Date
AAS 36:	Statement of Financial Position
AAS 37:	Financial Report Presentation and Disclosures

The requirements of these accounting standards have been applied to the extent applicable to financial reporting for a partnership.

No other Australian Accounting Standards or mandatory professional reporting requirements have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Property, Plant & Equipment

Each class of property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

(b) Depreciation

All assets are depreciated on a straight line basis over their useful lives to the partnership.

(c) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest and dividend revenue is recognised upon receipt.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(e) Leases

All leases including finance leases are treated as operating leases where lease payments are charged as expenses in the periods in which they are incurred. No amounts are recognised within property, plant and equipment in relation to leased assets nor are the corresponding lease liabilities included within borrowings in the statement of financial position.

UNDERCOVERWEAR COLLECTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Goodwill

Goodwill is recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. The partnership does not amortise goodwill. The carrying value of goodwill is reviewed annually to ensure it does not exceed the future economic benefits embodied in the asset.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. All employee benefits are measured at their nominal amounts based on current wage rates. Long service leave is provided for employees with greater than five years of service as at balance date.

(h) Provision for Promotion

Provision for promotion consists of various provisions for conferences and bonuses. The company's managers conference is held in July and fully provided for as of 30 June 2003. For other bonus and conference incentives, which are based on sales, are provided for throughout the year based on monthly sales.

(i) 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 Taxation Office. 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 Statement of Financial Position are shown inclusive of GST.

(j) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 2 – REVENUE		
Operating Activities		
- Sale of goods	28,162,145	23,315,589
- Discount received	12,990	9,970
- Interest	2 (a) 9,951	3,433
- Dividends	2 (b) 40	(11)
- Other income	2,410	155
- Profit on sale of leased asset	-	1,777
	<u>28,187,536</u>	<u>23,330,913</u>
 (a) Interest from:		
- Other Entities	<u>9,951</u>	<u>3,433</u>
 (b) Dividends from:		
- Other Corporations	<u>40</u>	<u>(11)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Borrowing Costs	210,654	359,039
Depreciation of Property, Plant & Equipment	170,613	190,202
Bad and Doubtful Debts	49,300	58,191
Remuneration of Auditor		
- Audit of the financial report	23,000	20,000
- Other Services	500	500
Rental expense on operating leases		
- Minimum Lease Payments	39,571	44,463
Realised Foreign Currency Translation Losses	153,560	217,901
(b) Significant revenues and expenses		
The following revenue and expense items are relevant in explaining the financial performance of the partnership:		
Write-off of obsolete inventory	517,870	345,299
NOTE 4 – CASH ASSETS		
Cash on Hand	859	715
Cash at Bank	105,202	111,770
	<hr/>	<hr/>
	106,061	112,485
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 5 - RECEIVABLES		
Current		
Trade Debtors	480,017	167,985
Less: Provision for Doubtful Debts	(101,492)	(64,293)
	<u>378,525</u>	<u>103,692</u>
Other Debtors	3,943	1,530
	<u>382,468</u>	<u>105,222</u>
NOTE 6 - INVENTORIES		
Current		
At Cost		
Stock in Transit	219,573	114,834
Finished Goods	4,025,356	4,211,797
Work in Progress	63,180	39,208
	<u>4,308,109</u>	<u>4,365,839</u>
NOTE 7 - OTHER ASSETS		
Current		
Prepayments	258,302	78,708
	<u>258,302</u>	<u>78,708</u>

UNDERCOVERWEAR COLLECTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 8 -PROPERTY, PLANT AND EQUIPMENT		
Plant & Equipment - at Cost	442,663	424,148
Less: Accumulated Depreciation	368,735	307,029
	<u>73,928</u>	<u>117,119</u>
Motor Vehicles - at Cost	26,100	12,100
Less: Accumulated Depreciation	6,186	4,324
	<u>19,914</u>	<u>7,776</u>
Office Equipment - at Cost	115,275	108,712
Less: Accumulated Depreciation	109,136	101,478
	<u>6,139</u>	<u>7,234</u>
Computer Equipment - at Cost	756,123	619,046
Less: Accumulated Depreciation	580,069	499,156
	<u>176,054</u>	<u>119,890</u>
Furniture & Fittings - at Cost	146,122	134,696
Less: Accumulated Depreciation	119,101	102,224
	<u>27,021</u>	<u>32,472</u>

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)		
Staff Amenities - at Cost	8,189	7,771
Less: Accumulated Depreciation	7,787	7,465
	<u>402</u>	<u>306</u>
Computer Software - at Cost	890,150	705,150
Less: Accumulated Amortisation	552,150	366,150
	<u>338,000</u>	<u>339,000</u>
Leasehold Improvements - at Cost	29,804	-
Less: Accumulated Depreciation	927	-
	<u>28,877</u>	<u>-</u>
Total Property, Plant & Equipment	<u>670,335</u>	<u>623,797</u>
NOTE 9 - INTANGIBLE ASSETS		
Goodwill at cost	<u>1,200,000</u>	<u>1,200,000</u>

UNDERCOVERWEAR COLLECTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 10 -- PAYABLES		
Current		
Trade Creditors	754,120	371,323
Other Creditors & Accruals	1,153,012	817,951
	<u>1,907,132</u>	<u>1,189,274</u>

**NOTE 11 -- INTEREST BEARING
LIABILITIES**

Current		
Bank Overdraft	251,357	547,104
Loan - Everett Family Trust	350,000	425,000
Loan - Quadrant Capital Fund	350,000	2,673,333
Loan - Recone Pty Ltd	350,000	425,000
	<u>1,301,357</u>	<u>4,070,437</u>

The bank overdraft and loan from Quadrant Capital Fund are secured by floating charges over the assets of the partnership.

UNDERCOVERWEAR COLLECTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 12 - PROVISIONS		
Current		
Provision for Employee Benefits	332,090	269,065
Provision for Promotional Activities	492,636	281,531
	<u>824,726</u>	<u>550,596</u>
Non-Current		
Provision for Employee Benefits	139,595	120,913
	<u>139,595</u>	<u>120,913</u>
	No.	No.
Number of employees at year end	80	73
NOTE 13 - OTHER		
Current		
Unearned Income	337,665	290,675
	<u>337,665</u>	<u>290,675</u>

UNDERCOVERWEAR COLLECTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	\$	\$
NOTE 14 – CAPITAL ACCOUNTS		
<u>Undercoverwear Unit Trust</u>		
Opening Balance	248,944	120,233
Share of Profit	1,964,054	1,089,494
	<u>2,212,998</u>	<u>1,209,727</u>
Drawings	-	960,783
	<u>2,212,998</u>	<u>248,944</u>
<u>Hybrid Investments No. 2 Pty Limited</u>		
Opening Balance	15,212	(15,342)
Share of Profit	186,590	103,505
	<u>201,802</u>	<u>88,163</u>
Drawings	-	72,951
	<u>201,802</u>	<u>15,212</u>
	<u>2,414,800</u>	<u>264,156</u>

UNDERCOVERWEAR COLLECTION



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2003**

NOTE 15 - PARTNERSHIP DETAILS

Undercoverwear Collection is a partnership between Undercoverwear Pty Limited as trustee for Undercoverwear Unit Trust and Hybrid Investments No. 2 Pty Limited and is domiciled in Australia.

The principal activity of the partnership is import and local manufacture of garments for direct sale in Australia and New Zealand.

The principal place of business of the partnership is 8 Solent Circuit, Norwest Business Park, Baulkham Hills NSW 2153.

UNDERCOVERWEAR COLLECTION

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**STATEMENT BY PARTNERS
FOR THE YEAR ENDED 30 JUNE 2003**

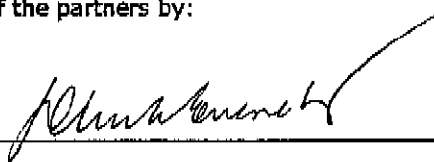
The partners have determined that the partnership is not a reporting entity. The partners have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the partners:

1. The financial statements and notes, as set out on pages 1 to 14 present fairly the partnership's financial position as at 30 June 2003 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. At the date of this statement, there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the partners and is signed for and on behalf of the partners by:

Partner



John Everett
Director
Undercoverwear Pty Ltd

Partner



Chris Hadley
Director
Hybrid Investments No. 2
Pty Limited

Dated this 19th day of September, 2003

UNDERCOVERWEAR COLLECTION

Chartered Accountants
Business Advisers and Consultants

Grant Thornton 

INDEPENDENT AUDIT REPORT
TO THE PARTNERS OF UNDERCOVERWEAR COLLECTION

Scope

The financial report and directors' responsibility

The financial report, being a special purpose financial report, comprises the statement of financial position, statement of financial performance, accompanying notes to the financial statements, and the statement by partners for UnderCoverWear Collection, for the year ended 30 June 2003.

The partners of the partnership are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The partners have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the needs of the partners.

The financial report has been prepared for distribution to the partners for the purpose of fulfilling the partners' financial reporting requirements under the partnership agreement. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the partners, or for any purpose other than that for which it was prepared.

Audit approach

We conducted an independent audit in order to express an opinion to the partners. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, a view which is consistent with our understanding of the partnership's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to meet the needs of the partners.

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Business Advisers and Consultants

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**INDEPENDENT AUDIT REPORT
TO THE PARTNERS OF UNDERCOVERWEAR COLLECTION (cont)**

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion, the financial report of UnderCoverWear Collection presents fairly, in accordance with the accounting policies described in Note 1, the financial position of UnderCoverWear Collection as at 30 June 2003 and the results of its operations for the year then ended.



GRANT THORNTON NSW
Chartered Accountants



M.A. ADAM-SMITH
Partner

Sydney

19 September 2003

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ABN. 80 460 733 471
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2002

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UNDERCOVERWEAR COLLECTION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2002

	NOTE	2002 \$	2001 \$
Sales Revenue	2	23,315,589	19,851,938
Cost of Sales		(9,859,675)	(9,609,765)
Gross Profit		13,455,914	10,242,173
Other Revenues from Operating Activities		15,324	9,865
Distribution Expenses		(925,936)	(824,004)
Marketing Expenses		(5,835,604)	(4,881,950)
Occupancy Expenses		(740,854)	(576,492)
Administration Expenses		(2,751,835)	(2,560,438)
Borrowing Costs Expense		(359,039)	(544,095)
Other Expenses from Ordinary Activities		(1,664,971)	(1,855,353)
Profit from Ordinary Activities		1,192,999	(990,294)

UNDERCOVERWEAR COLLECTION

The financial statements should be read in conjunction
with the accompanying notes.

UNDERCOVERWEAR
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UNDERCOVERWEAR COLLECTION
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2002

	NOTE	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets	4	112,485	126,759
Receivables	5	105,222	124,186
Inventories	6	4,365,839	4,619,887
Other	7	78,708	81,933
TOTAL CURRENT ASSETS		4,662,254	4,952,765
NON-CURRENT ASSETS			
Property, plant and equipment	8	623,797	686,896
Intangible assets	9	1,200,000	1,200,000
TOTAL NON-CURRENT ASSETS		1,823,797	1,886,896
TOTAL ASSETS		6,486,051	6,839,661
CURRENT LIABILITIES			
Payables	10	1,479,949	1,596,754
Interest bearing liabilities	11	4,070,437	4,563,308
Provisions	12	671,509	574,708
TOTAL CURRENT LIABILITIES		6,221,895	6,734,770
TOTAL LIABILITIES		6,221,895	6,734,770
NET ASSETS		264,156	104,891

UNDERCOVERWEAR COLLECTION

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with the accompanying notes.

UNDERCOVERWEAR
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UNDERCOVERWEAR COLLECTION
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2002

	NOTE	2002 \$	2001 \$
PARTNERSHIP EQUITY			
Partners' Capital			
Undercoverwear Unit Trust	13	248,944	120,233
Hybrid Investments No.2 Pty Limited	13	15,212	(15,342)
TOTAL PARTNERSHIP EQUITY		264,156	104,891

UNDERCOVERWEAR COLLECTION

The financial statements should be read in conjunction
with the accompanying notes.

UNDERCOVERWEAR
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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AAS 37:	Financial Report Presentation & Disclosures

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All assets are depreciated on a straight line basis over their useful lives to the partnership.

(c) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest and dividend revenue is recognised upon receipt.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(e) Leases

All leases including finance leases are treated as operating leases where lease payments are charged as expenses in the periods in which they are incurred.

UNDERCOVERWEAR COLLECTION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Goodwill

Goodwill is recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. The partnership does not amortise goodwill. The carrying value of goodwill is reviewed annually to ensure it does not exceed the future economic benefits embodied in the asset.

(g) Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. All employee entitlements are measured at their nominal amounts. Long service leave is provided for employees with greater than five years of service as at balance date.

(h) 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 Taxation Office. 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 Statement of Financial Position are shown inclusive of GST.

(i) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

NOTE 2 - REVENUE

	2002	2001
	\$	\$
Operating Activities		
- Sales	23,315,589	19,851,938
- Discount received	9,970	927
- Interest	2 (a) 3,433	4,537
- Dividends	2 (b) (11)	33
- Other income	155	4,368
- Profit on sale of leased asset	1,777	-
	<hr/> 23,330,913 <hr/>	<hr/> 19,861,803 <hr/>

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

	2002	2001
	\$	\$
NOTE 2 – REVENUE (Continued)		
(a) Interest from:		
- Other Entities	3,433	4,537
	<hr/>	<hr/>
(b) Dividends from:		
- Other Corporations	(11)	33
	<hr/>	<hr/>
NOTE 3 – PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Cost of Sales	9,859,675	9,607,088
Borrowing Costs	359,039	544,095
Depreciation of Property, Plant & Equipment	190,202	209,877
Bad and Doubtful Debts	58,191	38,503
Rental expense on operating leases		
- Minimum Lease Payments	44,463	55,299
Foreign Currency Translation Losses		
- Realised	217,901	257,075

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

	2002	2001
	\$	\$
NOTE 4 - CASH ASSETS		
Cash on Hand	715	715
Cash at Bank	111,770	125,494
Security Deposits	-	550
	<u>112,485</u>	<u>126,759</u>
NOTE 5 - RECEIVABLES		
Current		
Trade Debtors	167,985	154,049
Provision for Doubtful Debts	(64,293)	(31,916)
Other Debtors	1,530	2,053
	<u>105,222</u>	<u>124,186</u>
NOTE 6 - INVENTORIES		
Current		
Stock in Transit - at Cost	114,834	215,903
Stock on Hand - at Cost	4,211,797	4,391,142
Work in Progress - at Cost	39,208	12,842
	<u>4,365,839</u>	<u>4,619,887</u>
NOTE 7 - OTHER		
Current		
Prepayments	63,992	40,201
Prepayments - Commissions	14,716	41,732
	<u>78,708</u>	<u>81,933</u>

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

	2002	2001
	\$	\$
NOTE 8 -PROPERTY PLANT AND EQUIPMENT		
Plant & Equipment - at Cost	424,148	419,198
Less Prov'n for Depreciation	307,029	240,416
	<u>117,119</u>	<u>178,782</u>
Motor Vehicles - at Cost	12,100	12,600
Less Prov'n for Depreciation	4,324	2,346
	<u>7,776</u>	<u>10,254</u>
Office Equipment - at Cost	108,712	106,943
Less Prov'n for Depreciation	101,478	90,677
	<u>7,234</u>	<u>16,266</u>
Computer Equipment - at Cost	619,046	549,412
Less Prov'n for Depreciation	499,156	409,411
	<u>119,890</u>	<u>140,001</u>
Furniture & Fittings - at Cost	134,696	134,696
Less Prov'n for Depreciation	102,224	82,837
	<u>32,472</u>	<u>51,859</u>

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

	2002	2001
	\$	\$
NOTE 8 - PROPERTY PLANT AND EQUIPMENT (Continued)		
Staff Amenities - at Cost	7,771	7,771
Less Prov'n for Depreciation	7,465	6,067
	<u>306</u>	<u>1,704</u>
Computer Software - at Cost	705,150	510,150
Less Prov'n for Depreciation	366,150	222,120
	<u>339,000</u>	<u>288,030</u>
	<u>623,797</u>	<u>686,896</u>
NOTE 9 - INTANGIBLE ASSETS		
Goodwill	1,200,000	1,200,000
NOTE 10 - PAYABLES		
Current		
Trade Creditors	371,323	761,152
Other Creditors & Accruals	817,951	482,061
Unearned Income	290,675	353,541
	<u>1,479,949</u>	<u>1,596,754</u>

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

	2002	2001
	\$	\$
NOTE 11 - INTEREST BEARING LIABILITIES		
Current		
Bank Overdraft	547,104	779,975
Loan - C Everingham	-	100,000
Loan - Everett Family Trust	425,000	505,000
Loan - Quadrant Capital Fund	2,673,333	2,673,333
Loan - Recone Pty Ltd	425,000	505,000
	<u>4,070,437</u>	<u>4,563,308</u>

The bank overdraft and loan from Quadrant Capital Fund are secured by floating charges over the assets of the partnership.

NOTE 12 - PROVISIONS

	2002	2001
Current		
Provision for Annual Leave	170,164	180,611
Provision for Long Service Leave	219,814	212,405
Provision for Promotions	281,531	181,692
	<u>671,509</u>	<u>574,708</u>

Number of employees at year end	73	80
---------------------------------	----	----

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002

	2002	2001
	\$	\$
NOTE 13 – CAPITAL ACCOUNTS		
<u>Undercoverwear Unit Trust</u>		
Opening Balance	120,233	1,074,609
Capital Contributed	-	-
Share of Profit / (Loss)	1,089,494	(904,376)
	<hr/>	<hr/>
	1,209,727	170,233
Drawings	960,783	50,000
	<hr/>	<hr/>
	248,944	120,233
	<hr/>	<hr/>
<u>Hybrid Investments No. 2 Pty Limited</u>		
Opening Balance	(15,342)	95,576
Share of Profit / (Loss)	103,505	(85,918)
	<hr/>	<hr/>
	88,163	9,658
	<hr/>	<hr/>
Drawings	72,951	25,000
	<hr/>	<hr/>
	15,212	(15,342)
	<hr/>	<hr/>
	264,156	104,891
	<hr/>	<hr/>

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2002**

	2002	2001
	\$	\$
NOTE 14 – AUDITORS' REMUNERATION		
Audit of Financial Report		
- Current auditor (Grant Thornton)	20,000	-
- Previous auditor (Fleming Moynihan & Kay)	(4,250)	33,500
	15,750	33,500
Other Services		
- Current auditor (Grant Thornton)	500	-
- Previous auditor (Fleming Moynihan & Kay)	5,022	715
	5,522	715

NOTE 15 – PARTNERSHIP DETAILS

Undercoverwear Collection is a partnership between Undercoverwear Pty Limited as trustee for Undercoverwear Unit Trust and Hybrid Investments No. 2 Pty Limited and is domiciled in Australia.

The principal activity of the partnership is import and local manufacture of garments for direct sale in Australia and New Zealand.

The principal place of business of the partnership is 8 Solent Circuit, Norwest Business Park, Baulkham Hills NSW 2153.

UNDERCOVERWEAR COLLECTION



UNDERCOVERWEAR
COLLECTION

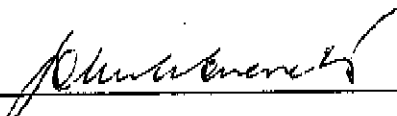
**STATEMENT BY PARTNERS
FOR THE YEAR ENDED 30 JUNE 2002**


The partners have determined that the partnership is not a reporting entity. The partners have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

In the opinion of the partners:

1. The financial statements and notes, as set out on pages 1 to 12 present fairly the partnership's financial position as at 30 June 2002 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. At the date of this statement, there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the partners and is signed for and on behalf of the partners by:

Partner  Undercoverwear Unit Trust

Partner  Hybrid Investments No. 2 Pty Limited

Dated this 16th day of November, 2002

UNDERCOVERWEAR COLLECTION

Chartered Accountants
Business Advisers and Consultants

Grant Thornton 

INDEPENDENT AUDIT REPORT TO THE PARTNERS OF UNDERCOVERWEAR COLLECTION

Scope

We have audited the financial report, being a special purpose financial report of UnderCoverWear Collection for the year ended 30 June 2002, as set out on pages 1 to 13. The partners are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the needs of the partners. We have conducted an independent audit of the financial report in order to express an opinion to the partners. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the partners.

The financial report has been prepared for distribution to partners for the purpose of fulfilling the requirements of the partnership agreement. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the partners, or for any purpose other than that for which it was prepared.


Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the partnership's financial position and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

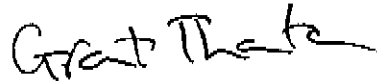
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Grant Thornton **Audit opinion**

In our opinion, the financial report of UnderCoverWear Collection presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of UnderCoverWear Collection as at 30 June 2002 and the results of its operations for the year then ended.



GRANT THORNTON
Chartered Accountants



M A ADAM-SMITH
Partner

Sydney

14 November 2002

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UNDERCOVERWEAR
COLLECTION

UNDERCOVERWEAR COLLECTION
ABN. 80 460 733 471
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2001

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION



UNDERCOVERWEAR
COLLECTION

**UNDERCOVERWEAR COLLECTION
ABN. 80 460 733 471
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2001
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TRADING ACCOUNT

PROFIT AND LOSS ACCOUNT

BALANCE SHEET

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

STATEMENT BY PARTNERS

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**UNDERCOVERWEAR COLLECTION
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2001**

	NOTE	2001 \$	6 months ended 30 June 2000 \$
TRADING ACCOUNT			
Sales		19,851,938	12,029,435
LESS COST OF SALES			
Opening Stock		5,165,141	4,377,800
Purchases		8,052,277	4,902,404
Cutting		226,248	120,178
Holiday Pay Provision		(968)	-
Long Service Leave Provision		(1,709)	-
Development		250,185	124,969
Indent		80,264	41,208
Packaging		455,537	238,033
		<u>14,226,975</u>	<u>9,804,592</u>
Closing Stock		4,619,887	5,165,141
		<u>9,607,088</u>	<u>4,639,451</u>
		10,244,850	7,389,984
Direct Expenses			
Commission Paid		4,232,436	2,632,221
Foreign Exchange Adjustments		261,042	109,061
Freight Costs		711,523	389,291
NZ Customs		134,158	50,206
Promotions		240,723	236,284
		<u>5,579,882</u>	<u>3,417,063</u>
TOTAL TRADING PROFIT		<u>4,664,968</u>	<u>3,972,921</u>

UNDERCOVERWEAR COLLECTION

The accompanying notes form part of these
financial statements

**UNDERCOVERWEAR
COLLECTION**

**UNDERCOVERWEAR COLLECTION
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2001**

	NOTE	2001 \$	6 months ended 30 June 2000 \$
Gross Profit Trading		4,664,968	3,972,921
Discount Received		927	19,242
Dividends Received		33	47
Interest Received		4,537	2,459
Other Income		4,368	.80
TOTAL INCOME		4,674,833	3,994,749
EXPENSES			
Accountancy		34,403	5,372
Administration Fee - NZ		30,280	15,000
Advertising & Promotion		101,812	42,045
Artwork & Desktop Publishing		-	6,845
Awards & Recognition		3,485	35
Bad Debts		38,503	17,643
Bank Charges		215,632	115,489
Cleaning		42,247	29,642
Commission		225,502	102,032
National Manger's Commission		49,389	23,080
Computer Expenses		229,357	69,247
Conference Expenses		115,109	50,490
Conference State Managers		23,271	11,789
Consultancy Fees		210,000	106,415
Couriers		4,477	2,916
Customer Loyalty Programme		5,250	-
Debt Collection Expenses		1,003	-
Depreciation		209,877	107,566
Design Samples		8,567	8,385
Donations		21,590	24,635
Electricity		17,736	7,052
Filing Fees		5,929	445

The accompanying notes form part of these
financial statements

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

UNDERCOVERWEAR COLLECTION
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2001

	NOTE	2001 \$	6 months ended 30 June 2000 \$
Fringe Benefits Tax		24,015	5,158
General Expenses		263	-
Holiday Pay Provision		(1,443)	(8,737)
Insurance		106,965	69,664
Interest		64,009	29,881
Interest-Shareholders		480,086	230,048
Internet and Mail Order		19,948	-
Leasing Charges		55,299	33,368
Legal Costs		-	44,053
Long Service Leave Provision		(28,944)	(73,890)
Loss on Sale of Fixed Assets		3,087	281
Motor Vehicle Expenses		128,987	52,927
Newsletter		26,838	22,731
Office Expenses		1,546	875
Packaging & Despatch Materials		21,465	8,302
Payroll Tax		113,303	61,728
Postage		66,591	29,949
Printing & Stationery		90,109	50,727
Rates & Taxes		35,433	27,945
Rent		455,500	151,900
Repairs & Maintenance		9,264	2,745
Salaries & Wages		1,828,370	1,136,838
Security		6,305	4,577
Staff Placement Fees		10,010	4,771
Staff Amenities		19,069	10,303
Subscriptions & Journals		13,074	2,073
Superannuation		183,004	72,255
Telephone		157,440	88,866
Training Agents & Staff		104,559	18,914
Travelling		25,122	12,397
Travelling Expenses - Overseas		43,082	39,526

The accompanying notes form part of these
financial statements

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**UNDERCOVERWEAR COLLECTION
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2001**

	NOTE	2001 \$	6 months ended 30 June 2000 \$
Warehousing Expenses		3,137	1,231
Waste Disposal		16,134	15,615
TOTAL EXPENSES		5,675,046	2,893,144
OPERATING PROFIT		(1,000,213)	1,101,605
Abnormal Items		9,919	-
		(990,294)	1,101,605
Distributions to Partners			
Undercoverwear Unit Trust		(904,376)	1,006,029
Hybrid Investments No.2 Pty Limited		(85,918)	95,576
		(990,294)	1,101,605

UNDERCOVERWEAR COLLECTION

The accompanying notes form part of these
financial statements

**UNDERCOVERWEAR
COLLECTION**

**UNDERCOVERWEAR COLLECTION
BALANCE SHEET AS AT 30TH JUNE 2001**

	NOTE	2001 \$	2000
CURRENT ASSETS			
Cash	2	126,759	111,392
Receivables	3	124,186	194,846
Inventories	4	4,619,887	5,165,141
Other	5	81,933	224,818
TOTAL CURRENT ASSETS		4,952,765	5,696,197
NON-CURRENT ASSETS			
Property Plant and Equipment	6	686,896	833,102
Intangibles	7	1,200,000	1,200,000
TOTAL NON-CURRENT ASSETS		1,886,896	2,033,102
TOTAL ASSETS		6,839,661	7,729,299
CURRENT LIABILITIES			
Accounts Payable	8	1,596,754	1,872,253
Borrowings	9	4,563,308	3,930,277
Provisions	10	574,708	756,584
TOTAL CURRENT LIABILITIES		6,734,770	6,559,114
TOTAL LIABILITIES		6,734,770	6,559,114
NET ASSETS		104,891	1,170,185

UNDERCOVERWEAR COLLECTION

The accompanying notes form part of these
financial statements

**UNDERCOVERWEAR
COLLECTION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are a special purpose financial report prepared for use by the partners. The partners have determined that the business is not a reporting entity.

The statements have been prepared in accordance with the requirements of the following applicable Accounting Standards and other mandatory professional reporting requirements:

- AASB 1002: Events Occurring After Reporting Date
- AASB 1018: Profit and Loss Accounts
- AASB 1031: Materiality
- AASB 1034: Information to be Disclosed in Financial Reports

No other applicable Accounting Standards or mandatory professional reporting requirements have been applied.

The statements have been prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

	2001	2000
	\$	\$
NOTE 2 - CASH		
Cash in Hand	715	515
Cash at Bank	125,494	110,127
Security Deposits	550	750
	<hr/>	<hr/>
	126,759	111,392
	<hr/>	<hr/>

NOTE 3 - RECEIVABLES

Current

Trade Debtors	154,049	114,915
Provision for Doubtful Debts	(31,916)	-
Other Debtors	2,053	79,931
	<hr/>	<hr/>
	124,186	194,846
	<hr/>	<hr/>

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

	2001	2000
	\$	\$
NOTE 4 - INVENTORIES		
Current		
Stock in Transit - at Cost	215,903	189,532
Stock on Hand - at Cost	4,391,142	4,921,869
Work in Progress - at Cost	12,842	53,740
	<u>4,619,887</u>	<u>5,165,141</u>
NOTE 5 - OTHER		
Current		
Prepayments	40,201	202,453
Prepayments - Commissions	41,732	22,365
	<u>81,933</u>	<u>224,818</u>
NOTE 6 - PROPERTY PLANT AND EQUIPMENT		
Plant & Equipment - at Cost	419,198	419,198
Less Prov'n for Depreciation	240,416	173,496
	<u>178,782</u>	<u>245,702</u>
Motor Vehicles - at Cost	12,600	17,540
Less Prov'n for Depreciation	2,346	1,496
	<u>10,254</u>	<u>16,044</u>

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

**NOTE 6 - PROPERTY PLANT AND
EQUIPMENT (Continued)**

	2001	2000
	\$	\$
Office Equipment - at Cost	106,943	104,276
Less Prov'n for Depreciation	90,677	73,089
	<u>16,266</u>	<u>31,188</u>
Computer Equipment - at Cost	549,412	532,914
Less Prov'n for Depreciation	409,411	309,831
	<u>140,001</u>	<u>223,083</u>
Furniture & Fittings - at Cost	134,696	134,469
Less Prov'n for Depreciation	82,837	61,719
	<u>51,859</u>	<u>72,750</u>
Staff Amenities - at Cost	7,771	7,771
Less Prov'n for Depreciation	6,067	3,526
	<u>1,704</u>	<u>4,245</u>
Computer Software - at Cost	510,150	330,150
Less Prov'n for Depreciation	222,120	90,060
	<u>288,030</u>	<u>240,090</u>
	<u>686,896</u>	<u>833,102</u>

UNDERCOVERWEAR COLLECTION

**UNDERCOVERWEAR
COLLECTION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001**

	2001	2000
NOTE 7 - INTANGIBLES	\$	\$
Goodwill	1,200,000	1,200,000
<hr/>		
NOTE 8 - ACCOUNTS PAYABLE		
Current		
Trade Creditors	761,152	1,117,512
Other Creditors & Accruals	482,061	582,238
Unearned Income	353,541	172,503
	<hr/>	<hr/>
	1,596,754	1,872,253
<hr/>		
NOTE 9 - BORROWINGS		
Current		
Bank Overdraft	779,975	406,944
Loan - C Everingham	100,000	-
Loan - Everett Family Trust	505,000	425,000
Loan - Quadrant Capital Fund	2,673,333	2,673,333
Loan - Recon Pty Ltd	505,000	425,000
	<hr/>	<hr/>
	4,563,308	3,930,277
<hr/>		

UNDERCOVERWEAR COLLECTION

UNDERCOVERWEAR
COLLECTION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2001

	2001	2000
	\$	\$
NOTE 10 - PROVISIONS		
Current		
Provision for Holiday Pay	180,611	183,022
Provision for Long Service Leave	212,405	243,058
Provision for Promotions	181,692	330,504
	<u>574,708</u>	<u>756,584</u>
NOTE 11 - CAPITAL ACCOUNTS		
<u>Undercoverwear Unit Trust</u>		
Opening Balance	1,074,609	71,515
Capital Contributed	-	41,743
Share of (Loss)/ Profit	(904,376)	1,006,029
	<u>170,233</u>	<u>1,119,287</u>
Drawings	50,000	44,678
	<u>120,233</u>	<u>1,074,609</u>
<u>Hybrid Investments No. 2 Pty Limited</u>		
Opening Balance	95,576	0
Share of (Loss) / Profit	(85,918)	95,576
	<u>9,658</u>	<u>95,576</u>
Drawings	25,000	-
	<u>(15,342)</u>	<u>95,576</u>
	<u>104,891</u>	<u>1,170,185</u>

UNDERCOVERWEAR COLLECTION



UNDERCOVERWEAR
COLLECTION

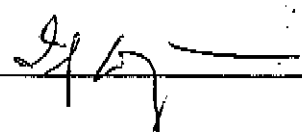
**STATEMENT BY PARTNERS
FOR THE YEAR ENDED 30 JUNE 2001**

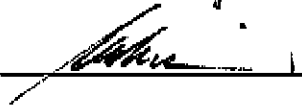
The partners have determined that the partnership is not a reporting entity. The partners have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

In the opinion of the partners:

1. The financial statements and notes, as set out on pages 1 to 11 present fairly the partnership's financial position as at 30 June 2001 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. At the date of this statement, there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the partners and is signed for and on behalf of the partners by:

Partner  Undercoverwear Unit Trust

Partner  Hybrid Investments No. 2
Pty Limited

Dated this 22nd day of APRIL, 2001

UNDERCOVERWEAR COLLECTION



UNDERCOVERWEAR
COLLECTION

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
UNDERCOVERWEAR LINGERIE PARTIES**

Scope

We have audited the attached financial report, being a special purpose financial report of Undercoverwear Collection for the year ended 30 June 2001, as set out on pages 1 to 12. The partners are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the needs of the partners. We have conducted an independent audit of the financial report in order to express an opinion on it to the partners. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the partners.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the partnership's financial position, and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Undercoverwear Collection as at 30 June 2001 and the results of its operations for the year then ended.

George Fleming

Dated this 22nd day of APRIL, 2002

Fleming Moynihan & Kay
Suite 16, Level 2
25 Solent Circuit
BAULKHAM HILLS NSW 2153

UNDERCOVERWEAR COLLECTION

29 April 2004

Our Ref: PFS:LXC

Matter No: 8904791

Avery Partners
Lawyers
DX 70603
MOONAH

Attention: Mr John Avery

Dear Mr Avery

Hobart City Council ats Allan Moul

As you are aware, we have been instructed on behalf of the defendant.

We refer to the report of Mr McGrath, hydraulics officer, dated 14 October 2003 obtained on behalf of the plaintiff. In that report, Mr McGrath refers to images number 012 and 13. We request copies of these images.

Mr McGrath's report, also refers to "the report of the insurer". We also request a copy of that report.

We also request details of the date, or dates that Mr McGrath visited 256 Bathrust Street for the purpose of preparing his report and taking photographs.

We look forward to hearing from you.

Yours faithfully
HUNT & HUNT

Louise Cooper
Associate

Alternative contact: Emily Page, Solicitor
Email: emily_page@hunthunt.com.au