

[Date]

[Auditor Name]

[Audit Firm Name]

[Address]

Subject: Representation Letter Regarding Inventory Existence and Completeness

Dear [Auditor Name],

This representation letter is provided in connection with your audit of the financial statements of [Company Name] for the period ended [Date]. We confirm, to the best of our knowledge and belief, the following representations regarding the existence and completeness of inventory:

1. **Existence:** All inventories included in the balance sheet at [Date] physically existed and were held by the Company or by third parties on behalf of the Company at that date.
2. **Completeness:** The inventory quantities recorded at [Date] represent a complete record of all goods owned by the Company. No items of inventory have been omitted from the accounts.
3. **Title and Ownership:** The Company has clear title to all recorded inventory. None of the inventory is held on consignment for third parties, and all inventory held by third parties for the Company has been included in the physical count or confirmed.
4. **Cut-off:** All purchases of goods and all sales of finished goods have been recorded in the correct accounting period. Items in transit at year-end have been properly accounted for based on the agreed shipping terms (FOB Shipping Point/Destination).
5. **Physical Count:** The physical inventory count was performed on [Date] under management supervision. Any discrepancies between the physical count and the perpetual records have been investigated and adjusted in the accounting records.
6. **Condition:** All inventories are in good and saleable condition. Provision has been made for slow-moving, obsolete, or damaged stock to ensure inventory is valued at the lower of cost or net realizable value.

We confirm that we are responsible for the fair presentation of the inventory figures in accordance with [Applicable Financial Reporting Framework].

Sincerely,

[Signature]

[Name of Chief Executive Officer/Manager]

[Title]

[Signature]

[Name of Chief Financial Officer/Controller]

[Title]