

Form 388

Corporations Act 2001

294, 295, 298-300, 307, 308, 319, 321, 322

Corporations Regulations

1.0.08

Copy of financial statements and reports

Company details

Company name

SAVEBA PTY LTD

ACN

002 728 985

Lodgement details

Registered agent number

1334

Registered agent name

STEWARTBROWN

Reason for lodgement of statement and reports

A large proprietary company that is not a disclosing entity

Dates on which financial
year ends

Financial year end date

30-06-2019

Details of large proprietary company

What is the consolidated revenue of the large proprietary company and the entities that it controls?

96572629

What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

53825096

How many employees are employed by the large proprietary company and the entities that it controls?

296

How many members does the large proprietary company have?

5

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

No

Details of current auditor or auditors

Current auditor

Date of appointment **19-03-2010**

Name of auditor

STEWART BROWN & CO

Address

**'TOWER 1' LEVEL 2
495 VICTORIA AVENUE
CHATSWOOD NSW 2067**

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form

Director

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been authenticated by

Name **STEWARTBROWN**

This form has been submitted by

Name **Matthew DAVIE**

Date **30-09-2019**

For more help or information

Web

www.asic.gov.au

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SAVEBA PTY LIMITED
ABN 64 002 728 985

FINANCIAL REPORT - 30 JUNE 2019

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	3
Statement of Financial Position	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	21
Independent Auditor's Report	22

The accompanying special purpose financial report has been prepared for the exclusive use of the Directors and members. This financial report is not to be used by any other party unless accompanied with additional information concerning the company or the company's financial position.

SAVEBA PTY LIMITED**ABN 64 002 728 985****FINANCIAL REPORT - 30 JUNE 2019****DIRECTORS' REPORT**

The Directors present the financial report on the year ended 30 June 2019 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows:

Paul Spon-Smith
Anthony Spon-Smith
Jeremy Byrne

The Directors were in office for the entire period unless otherwise stated.

COMPANY SECRETARY

The company secretary is Mr Paul Spon-Smith. Mr Spon-Smith has been a Director of the company since 1984, and was appointed the company secretary on 17 January 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the retail selling of quality furniture and homewares, providing interior design and property styling services and the management of a design school.

OPERATING RESULT

The profit of the company for the financial year after providing for income tax amounted to \$3,555,874 (2018: \$2,091,792).

REVIEW OF OPERATIONS

The company has reported increased total sales in the current financial year, up 17% on last year's results.

GOING CONCERN

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The company had \$7.8m in available bank facilities at 30 June 2019 (2018: \$7.5m).

DIVIDENDS PAID OR RECOMMENDED

Fully franked dividends of \$1,750,000 were declared and paid during the year ended 30 June 2019.

Fully franked dividends of \$1,000,000 were declared and paid during the year ended 30 June 2018.

OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs of the company during the financial year.

SAVEBA PTY LIMITED

ABN 64 002 728 985

FINANCIAL REPORT - 30 JUNE 2019

DIRECTORS' REPORT

AFTER BALANCE DATE EVENTS

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 DEVELOPMENTS

Likely developments in the operations of the company and the expected result 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.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Key man insurance premiums with respect to Directors and Officers have been paid during the current financial year. No other indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

ENVIRONMENTAL REGULATION

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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 part of those proceedings. Other than the matter mentioned, the company was not a party to any such proceedings during the year.

INDEPENDENCE DECLARATION

The auditor's independence declaration as required under s307C of the *Corporations Act 2001* for the year ended 30 June 2019 has been received and is on the following page, which forms part of the Directors' Report.

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


Paul Spon-Smith
Director

26 September 2019

SAVEBA PTY LIMITED

ABN 64 002 728 985

FINANCIAL REPORT - 30 JUNE 2019

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
SAVEBA PTY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there has been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

26 September 2019

SAVEBA PTY LIMITED
ABN 64 002 728 985

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	81,959	105,847
Trade and other receivables	9	5,301,214	6,827,173
Inventories	10	29,532,667	26,991,165
Current tax assets	7	-	78,377
<i>Total current assets</i>		<u>34,915,840</u>	<u>34,002,562</u>
Non-current assets			
Trade and other receivables	9	425,112	475,146
Deferred tax assets	7	556,312	494,390
Capital work in progress	11	1,005,391	-
Property, plant and equipment	12	15,196,696	14,576,418
Intangible assets	13	1,725,745	1,818,716
<i>Total non-current assets</i>		<u>18,909,256</u>	<u>17,364,670</u>
TOTAL ASSETS		<u>53,825,096</u>	<u>51,367,232</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	26,214,887	24,878,370
Current tax liabilities	7	1,155,804	-
Borrowings	15	1,684,242	2,788,795
Employee benefits	16	1,093,320	1,048,409
<i>Total current liabilities</i>		<u>30,148,253</u>	<u>28,715,574</u>
Non-current liabilities			
Borrowings	15	12,079,627	11,344,521
Deferred tax liabilities	7	2,020,393	2,695,361
Employee benefits	16	266,366	182,625
<i>Total non-current liabilities</i>		<u>14,366,386</u>	<u>14,222,507</u>
TOTAL LIABILITIES		<u>44,514,639</u>	<u>42,938,081</u>
NET ASSETS		<u>9,310,457</u>	<u>8,429,151</u>
EQUITY			
Issued capital	17	1,000	1,000
Reserves	18	200	200
Retained earnings		<u>9,309,257</u>	<u>8,427,951</u>
TOTAL EQUITY		<u>9,310,457</u>	<u>8,429,151</u>

The accompanying notes form part of these financial statements.

SAVEBA PTY LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue			
Sales	4	96,572,629	82,559,248
Cost of sales		(46,568,451)	(41,220,316)
Gross profit		<u>50,004,178</u>	<u>41,338,932</u>
Expenses			
Administration and other expenses		(6,418,737)	(4,562,035)
Advertising and marketing		(2,944,259)	(2,193,197)
Depreciation and amortisation	5	(1,034,910)	(997,426)
Finance costs	5	(1,664,882)	(1,715,955)
Occupancy expenses		(10,301,987)	(8,617,576)
Repairs and maintenance		(318,661)	(193,623)
Salaries and employee benefits		(22,089,944)	(19,967,617)
		<u>(44,773,380)</u>	<u>(38,247,429)</u>
Profit before income tax		5,230,798	3,091,503
Income tax expense		<u>(1,674,924)</u>	<u>(999,711)</u>
Profit for the year		3,555,874	2,091,792
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>3,555,874</u></u>	<u><u>2,091,792</u></u>

The accompanying notes form part of these financial statements.

SAVEBA PTY LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital \$	Retained Earnings \$	Capital Profits Reserve \$	Total \$
Balance at 1 July 2017	1,000	7,336,159	200	7,337,359
Comprehensive income				
Profit for the year	-	2,091,792	-	2,091,792
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	2,091,792	-	2,091,792
Dividends provided or paid	-	(1,000,000)	-	(1,000,000)
Balance at 30 June 2018	1,000	8,427,951	200	8,429,151
Balance at 1 July 2018	1,000	8,427,951	200	8,429,151
Adjustment from the adoption of AASB 15	-	(924,568)	-	(924,568)
Adjusted balance at 1 July 2018	1,000	7,503,383	200	7,504,583
Comprehensive income				
Profit for the year	-	3,555,874	-	3,555,874
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	3,555,874	-	3,555,874
Dividends provided or paid	-	(1,750,000)	-	(1,750,000)
Balance at 30 June 2019	1,000	9,309,257	200	9,310,457

The accompanying notes form part of these financial statements.

SAVEBA PTY LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		99,572,313	86,367,505
Payments to suppliers and employees		(92,276,761)	(78,128,979)
Income tax paid (refunded)		(781,382)	79,592
<i>Net cash flows from operating activities</i>	19	<u>6,514,170</u>	<u>8,318,118</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2,024,795	1,364,985
Purchase of capital work in progress		(1,005,391)	-
Purchase of property, plant and equipment		(3,487,862)	(2,935,199)
Purchase of intangible assets		(99,150)	(115,130)
<i>Net cash flows from investing activities</i>		<u>(2,567,608)</u>	<u>(1,685,344)</u>
Cash flows from financing activities			
Proceeds (repayments) of borrowings (net)		(1,129,852)	(4,035,292)
Finance costs		(1,633,613)	(1,681,597)
Proceeds (repayments) of related entity loans (net)		561,088	196,875
Payment of hire purchase liabilities		(18,073)	(134,228)
Dividends paid		(1,750,000)	(1,000,000)
<i>Net cash flows from financing activities</i>		<u>(3,970,450)</u>	<u>(6,654,242)</u>
Net increase (decrease) in cash and cash equivalents		(23,888)	(21,468)
Cash and cash equivalents at the beginning of the financial year		<u>105,847</u>	<u>127,315</u>
Cash and cash equivalents at the end of the financial year	8	<u>81,959</u>	<u>105,847</u>

The accompanying notes form part of these financial statements.

SAVEBA PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1 - Reporting entity

The special purpose financial report includes the financial statements and notes of Saveba Pty Limited for the year ended 30 June 2019. Saveba Pty Limited is incorporated as a company limited by shares and domiciled in Australia. The address of the company's principal place of business is 24 O'Riordan St, Alexandria, NSW, 2015.

Note 2 - Basis of preparation

Statement of compliance

The financial report is a special purpose financial report that has been prepared in order to satisfy the company's financial report preparation requirements under the *Corporations Act 2001*.

The special purpose financial statements include only the disclosure requirements of the following AASBs and those disclosures considered necessary by the Directors to meet the needs of the members:-

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048:	Interpretation and Application of Standards
AASB 1054:	Australian Additional Disclosures

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on the historical cost basis. These special purpose financial statements are presented in Australian dollars, which is the company's functional currency.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key judgements

Impairment

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

SAVEBA PTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 2 - Basis of preparation (continued)

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The ability of the company to continue as going concerns is dependent upon its ability to:-

- Continue to achieve future profitable trading results;
- Continue to generate sufficient cash flows from operations to meet the working capital obligations; and/or
- Continue to meet the external loan financing obligations.

Comparatives

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

New and revised standards that are effective for these financial statements

AASB 9 *Financial Instruments* is effective for the year ended 30 June 2019 however its application has not significantly impacted the company's financial statements.

AASB 15 *Revenue from Contracts with Customers* is effective for the year ended 30 June 2019. AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach.

Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018 and subsequent.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the company. These include:

- AASB 16 *Leases* (effective for the year ending 30 June 2020)

The Directors expect that AASB 16 *Leases* will require the company to recognise a "right to use" lease asset and a lease liability approximate to the total of operating lease commitments disclosed in Note 20 of the financial statements at amounts committed under operating leases at that date.

Future lease payments will be split between a lease liability reduction component and an interest expense component; and the "right to use" lease asset will be amortised on a straight-line basis over the terms of the leases that the company has entered into.

The Directors expect that in future years the aggregate of the lease interest expense and the lease amortisation expense will not be materially different from amounts currently expensed in the statement of profit or loss and other comprehensive income as operating lease occupancy expenses.

SAVEBA PTY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2019**Note 3 - Significant accounting policies**

The principal accounting policies adopted in the preparation of the special purpose financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

SAVEBA PTY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2019**Note 3 - Significant accounting policies (continued)*****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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery.

Service revenue

Revenue relating to the provision of a service is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. The company had no bank overdraft at balance date.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**Note 3 - Significant accounting policies (continued)*****Borrowing costs***

Borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period they are incurred.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in, first-out basis.

Property, plant and equipmentRecognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Plant and equipment

Plant and equipment are carried at cost. The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

SAVEBA PTY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019****Note 3 - Significant accounting policies (continued)****Property, plant and equipment (continued)**

The depreciation rates used for each class of depreciable assets are:

Leasehold improvements	2.5% - 66.67%
Rental furniture	0% - 40%
Furniture and equipment	7.5% - 40%
Computer equipment	37.5% - 66.67%
Motor vehicles	18.75% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Customer lay-buys

Customer lay-buys that are received before the service to which the payment relates has been provided and is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SAVEBA PTY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2019**Note 3 - Significant accounting policies (continued)*****Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facilities are recognised in the statement of profit or loss and other comprehensive income when they are incurred.

Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the company at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<u>Note 4 - Revenue</u>		
Revenue		
Sales	96,572,629	82,559,248
<i>Total revenue</i>	<u>96,572,629</u>	<u>82,559,248</u>
<u>Note 5 - Expenses</u>		
Amortisation - intangible assets	192,121	355,847
Depreciation - property, plant and equipment	842,789	641,579
Foreign exchange loss	86,394	-
Impairment - trade receivables	-	3,603
Finance costs		
Interest	799,873	825,496
Other finance costs	865,009	890,459
<i>Total finance costs</i>	<u>1,664,882</u>	<u>1,715,955</u>
<u>Note 6 - Dividends</u>		
Special fully franked dividends of \$1,750 (2018: \$1,000) per share paid - franked at tax rate of 30%.	<u>1,750,000</u>	<u>1,000,000</u>
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	<u>3,276,538</u>	<u>2,089,352</u>
<u>Note 7 - Income tax</u>		
<u>Assets</u>		
<u>Current</u>		
Income tax receivable	<u>-</u>	<u>78,377</u>
<u>Non-current</u>		
Deferred tax assets	<u>556,312</u>	<u>494,390</u>
<u>Liabilities</u>		
<u>Current</u>		
Income tax payable	<u>1,155,804</u>	<u>-</u>
<u>Non-current</u>		
Deferred tax liabilities	<u>2,020,393</u>	<u>2,695,361</u>

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<u>Note 8 - Cash and cash equivalents</u>		
Cash at bank and on hand	81,959	105,847
<i>Total cash and cash equivalents</i>	<u>81,959</u>	<u>105,847</u>
<u>Note 9 - Trade and other receivables</u>		
<u>Current</u>		
Trade receivables	1,442,773	2,074,048
Provision for impairment	(2,636)	(2,636)
	<u>1,440,137</u>	<u>2,071,412</u>
Other receivables	391,857	1,622,211
Prepayments	2,603,598	2,504,083
Loans - related entities	865,622	629,467
<i>Total current trade and other receivables</i>	<u>5,301,214</u>	<u>6,827,173</u>
<u>Non-current</u>		
Loans - related entities	425,112	475,146
<i>Total non-current trade and other receivables</i>	<u>425,112</u>	<u>475,146</u>
<u>Note 10 - Inventories</u>		
Stock on hand	29,532,667	26,991,165
<i>Total inventories</i>	<u>29,532,667</u>	<u>26,991,165</u>
Inventory	20,193,950	17,936,056
Rental inventory	9,338,717	9,055,109
	<u>29,532,667</u>	<u>26,991,165</u>
Rental furniture (<i>net carrying amount note 12</i>)	7,702,423	9,211,124
<i>Total</i>	<u>37,235,090</u>	<u>36,202,289</u>
<u>Note 11 - Capital work in progress</u>		
Cost	1,005,391	-
<i>Total capital work in progress</i>	<u>1,005,391</u>	<u>-</u>
<u>Movements in carrying amounts</u>		
Opening net carrying amount	-	-
Additions	1,005,391	-
Closing net carrying amount	<u>1,005,391</u>	<u>-</u>

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019Note 12 - Property, plant and equipment

	Leasehold Improvements \$	Rental Furniture \$	Plant and Equipment \$	Total \$
At 30 June 2018				
Cost	6,094,248	9,211,124	3,583,748	18,889,120
Accumulated depreciation	(1,793,418)	-	(2,519,284)	(4,312,702)
<i>Net carrying amount</i>	<u>4,300,830</u>	<u>9,211,124</u>	<u>1,064,464</u>	<u>14,576,418</u>
Movements in carrying amounts				
Opening net carrying amount	4,300,830	9,211,124	1,064,464	14,576,418
Additions	2,390,495	516,094	581,273	3,487,862
Disposals	-	(2,024,795)	-	(2,024,795)
Depreciation charge for the year	(550,133)	-	(292,656)	(842,789)
Closing net carrying amount	<u>6,141,192</u>	<u>7,702,423</u>	<u>1,353,081</u>	<u>15,196,696</u>
At 30 June 2019				
Cost	8,484,744	7,702,423	4,165,019	20,352,186
Accumulated depreciation	(2,343,552)	-	(2,811,938)	(5,155,490)
<i>Net carrying amount</i>	<u>6,141,192</u>	<u>7,702,423</u>	<u>1,353,081</u>	<u>15,196,696</u>

Note 13 - Intangible assets

	Patents, Brands and Trademarks \$	Software \$	Website \$	Total \$
At 30 June 2018				
Cost	799,513	1,278,730	915,154	2,993,397
Accumulated amortisation	(15,441)	(737,960)	(421,280)	(1,174,681)
<i>Net carrying amount</i>	<u>784,072</u>	<u>540,770</u>	<u>493,874</u>	<u>1,818,716</u>
Movements in carrying amounts				
Opening net carrying amount	784,072	540,770	493,874	1,818,716
Additions	3,170	80,005	15,975	99,150
Amortisation charge for the year	(8,294)	(81,901)	(101,926)	(192,121)
Closing net carrying amount	<u>778,948</u>	<u>538,874</u>	<u>407,923</u>	<u>1,725,745</u>
At 30 June 2019				
Cost	802,683	1,358,735	931,129	3,092,547
Accumulated amortisation	(23,735)	(819,861)	(523,206)	(1,366,802)
<i>Net carrying amount</i>	<u>778,948</u>	<u>538,874</u>	<u>407,923</u>	<u>1,725,745</u>

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<u>Note 14 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	6,692,182	5,595,950
Customer lay-buys	14,930,180	12,995,854
Other payables	4,592,525	6,286,566
<i>Total current trade and other payables</i>	<u>26,214,887</u>	<u>24,878,370</u>
<u>Note 15 - Borrowings</u>		
<u>Current</u>		
Bank loans and overdraft facilities - secured	1,553,182	2,683,034
Hire purchase liabilities	160,168	136,173
Unexpired hire purchase liability	(29,108)	(30,412)
<i>Total current loans and borrowings</i>	<u>1,684,242</u>	<u>2,788,795</u>
<u>Non-current</u>		
Bank loans and overdraft facilities - secured	10,000,000	10,000,000
Hire purchase liabilities	485,701	511,684
Unexpired hire purchase liability	(23,770)	(37,650)
Loans - related entities	1,617,696	870,487
<i>Total non-current loans and borrowings</i>	<u>12,079,627</u>	<u>11,344,521</u>
<i>Total borrowings</i>	<u>13,763,869</u>	<u>14,133,316</u>
<u>Note 16 - Employee benefits</u>		
<u>Current</u>		
Annual leave	850,222	811,663
Long service leave	243,098	236,746
<i>Total current employee benefits</i>	<u>1,093,320</u>	<u>1,048,409</u>
<u>Non-current</u>		
Long service leave	266,366	182,625
<i>Total non-current employee benefits</i>	<u>266,366</u>	<u>182,625</u>
<u>Note 17 - Issued capital</u>		
<i>Issued capital</i>		
1,000 (2018: 1,000) fully paid ordinary shares	<u>1,000</u>	<u>1,000</u>

The company has authorised share capital amounting to \$1,000,000 ordinary shares of no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
Note 18 - Reserves		
Capital profits reserve	200	200
<i>Total reserves</i>	<u>200</u>	<u>200</u>
Nature and purpose of reserves		
The capital profits reserve records realised gains on sale of certain non-current assets.		
Note 19 - Cash flow information		
Reconciliation of net profit after tax to net cash flows from operations		
Profit after income tax	3,555,874	2,091,792
<i>Adjustments for:</i>		
Non cash flows and cash flow amounts reclassified		
Depreciation and amortisation	1,034,910	997,426
Finance costs (hire purchase)	31,269	34,358
Finance costs (loans and overdraft facilities)	1,633,613	1,681,597
Impairment - trade receivables	-	3,603
<i>Changes in assets and liabilities</i>		
(Increase) decrease in trade and other receivables	540,810	683,614
(Increase) decrease in prepayments	(99,515)	(591,546)
(Increase) decrease in inventories	(2,541,502)	(1,479,853)
(Increase) decrease in current tax assets	78,377	308,809
(Increase) decrease in deferred tax assets	(61,922)	(57,225)
(Decrease) increase in trade and other payables	1,336,517	3,650,436
(Decrease) increase in current tax liability	1,552,055	-
(Decrease) increase in deferred tax liability	(674,968)	827,719
(Decrease) increase in employee benefits	128,652	167,388
<i>Net cash from operating activities</i>	<u>6,514,170</u>	<u>8,318,118</u>

SAVEBA PTY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<u>Note 20 - Commitments</u>		
<i>Hire purchase commitments</i>		
Payable:		
Within one year	160,168	136,173
Later than one year but no later than five years	485,701	511,684
Minimum hire purchase payments	645,869	647,857
Less future finance charges	(52,878)	(68,062)
<i>Total hire purchase liabilities</i>	<u>592,991</u>	<u>579,795</u>
<i>Operating lease commitments (property leases)</i>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements solely relating to the leasing of real property for retail and warehousing activities:		
Payable:		
Within one year	9,570,258	7,557,660
Later than one year but no later than five years	26,007,715	25,389,021
Greater than five years	17,547,713	8,321,839
	<u>53,125,686</u>	<u>41,268,520</u>
<i>Operating lease commitments (other)</i>		
Other non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable:		
Within one year	1,406,361	980,273
Later than one year but no later than five years	539,163	1,317,350
	<u>1,945,524</u>	<u>2,297,623</u>
<i>Total operating lease commitments</i>	<u>55,071,210</u>	<u>43,566,143</u>

SAVEBA PTY LIMITED

ABN 64 002 728 985

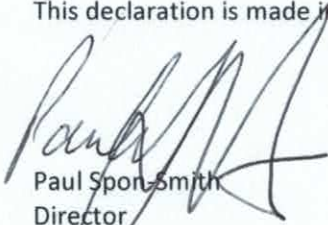
FINANCIAL REPORT - 30 JUNE 2019

DIRECTORS' DECLARATION

In the opinion of the Directors of Saveba Pty Limited:

- (a) the company is not a reporting entity;
- (b) the financial statements and notes, set out on pages 4 to 20, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the company as at 30 June 2019 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 2; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) to the extent described in Note 2, and the *Corporations Regulations 2001*; and
- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Paul Spon-Smith
Director

Sydney, 26 September 2019

SAVEBA PTY LIMITED
ABN 64 002 728 985

FINANCIAL REPORT - 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SAVEBA PTY LIMITED

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Saveba Pty Limited which comprises the statement of financial position as at 30 June 2019 the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion the financial report of Saveba Pty Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Notes 1 and 2 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Notes 1 and 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Directors to meet the requirements of the *Corporations Act 2001*. As a result, the special purpose financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

SAVEBA PTY LIMITED
ABN 64 002 728 985

FINANCIAL REPORT - 30 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SAVEBA PTY LIMITED

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stewart Brown
Chartered Accountants



S.J. Hutcheon
Partner
26 September 2019