

# *Joyce Corporation Ltd*

ACN 009 116 269 ABN 80 009 116 269

28 August 2014

Company's Announcement Office  
Australian Stock Exchange Limited

Dear Sir / Madam,

## **Correction to PDF print copy 30 June 2014 Appendix 4E**

On review of the Appendix 4E release an error occurred on the PDF version on page 12 notes. There are no other changes impacted by the print error to PDF.

A corrected version is attached.

Yours faithfully  
By Order of the Board

K Gray  
Company Secretary

**JOYCE CORPORATION LTD**

**ABN 80 009 116 269**

---

**Appendix 4E**

**Preliminary Final Report  
For the year ended 30 June, 2014  
(previous corresponding period being  
the year ended 30 June, 2013)**

---

**APPENDIX 4E**

**Results for Announcement to the Market**

**JOYCE CORPORATION LTD  
FOR THE YEAR ENDED 30 June 2014**

<b>Name of Entity:</b>	Joyce Corporation Ltd	
ABN:	80 009 116 269	
<b>1. Details of the current and prior reporting period</b>		
Current Period:	1 July 2013 to 30 June 2014	
Prior Period:	1 July 2012 to 30 June 2013	
<b>2. Results for announcement to the market</b>		
		\$A'000
2.1 Revenues from ordinary activities (excludes property revaluations) Total Revenue	Down 20.4% to	15,056
<b>Revenues from ordinary continuing activities</b>	<b>Up 1.5% to</b>	<b>14,832</b>
<b>Refer to Results Highlights</b>		
2.2 Profit from ordinary activities after tax attributable to members	Up 135% to	1,570
2.3 Net profit for the period attributable to members	UP 135% to	1,570
2.4 Dividend distributions	Amount per security	Franked amount per security
Dividend paid 31 July 2014	1.5 cents per share	Nil
Dividend paid 21 November 2013	2.0 cents per share	Nil
Dividend paid 24 July 2013	1.0 cents per share	Nil
Previous corresponding period		
Dividend paid 23 July 2012	1.5 cents per share	Nil
Dividend paid 28 February 2013	0.65 cents per share	Nil
2.5 Record date for determining entitlements to the dividend		
2.6 Explanation of any of the figures in 2.1 to 2.5 that may be required.	Refer attached	

Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report

<b>3. Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	Refer attached	
<b>4. Consolidated Statement of Financial Position</b>	Refer attached	
<b>5. Consolidated Statement of Cash Flows</b>	Refer attached	
<b>6. Details of Dividends or Distributions</b>		
	Amount per security	Franked amount per security
Dividend paid 31 July 2014	1.5 Cents	Nil
Dividends declared	Nil	Nil
<b>7. Details of dividend reinvestment plan</b>	The Company's dividend reinvestment plan is currently suspended.	
<b>8. Statement of Retained earnings showing movements</b>	Refer attached	
	Current Period	Previous Corresponding Period
<b>9. Net tangible asset backing per ordinary security (Diluted)</b>	\$0.47	\$0.43
<b>Net asset backing per ordinary security (Diluted)</b>	\$0.81	\$0.79
<b>10. Control Gained over entities during the period</b>	N/A	
10.1 Name of entity	N/A	
10.2 The date of the gain or loss of control	N/A	
10.3 Where material, the contribution of above entities to the consolidated result.	N/A	
<b>11 Details of associates and joint venture entities</b>	KWB Group Pty Ltd – 32% Equity Interest	

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report**

<b>12. Other Significant Information</b>		
<p>The investment property in New South Wales was independently valued as at 31 December 2013 for \$18.4 M less an adjustment for discounted rent until November 2015. This property is classified as investment properties and the valuations took into account existing leasing arrangements. The property this financial year has been adjusted by the Directors to reflect the pro-rata expiration of the remaining discounted rental period that was assessed by an external valuer.</p> <p>The Directors have also further valued the property based on market information from valuers, recent sales values and recent rental rates received from independent third parties. The Directors have resolved to take up a total of \$948K to the total value of \$17.3M.</p> <p>Asset valuation at 31 December 2013 was completed by a qualified valuer in accordance with AASB 140.</p> <p>All bank covenants were met during the year. All bank debt that has more than one year to maturity has been classified as non-current debt net of offsetting secured deposits.</p> <p>The Directors have resolved to take up an impairment of goodwill of \$0.15 million against a company owned store based on value in use calculations.</p>		
<b>13. Accounting Standards used by foreign entities</b>	N/A	
<b>14. Commentary on the result for the period</b>		
14.1 Earnings per share overall operations (undiluted) after tax	2014 –5.7 cents	2013 – 2.4 cents
14.2 Distributions to Shareholders	refer 2.4 and 2.5	
A final Dividend is yet to be declared and will be subject to market conditions and satisfactory cash position.		
14.3 Significant features of operating performance	Refer attached	
14.4 Segment Results	Refer attached	
<b>15. Status of audit or review</b>	This report is based on accounts that are in the process of being audited.	
<b>16. Dispute or qualification – accounts not yet audited</b>	N/A	
<b>17. Qualifications of audit / review</b>	N/A	

## **RESULTS HIGHLIGHTS FOR YEAR ENDED 30 JUNE 2014 AND APPENDIX 4E**

Please find attached the Preliminary Final Report (Appendix 4E) for Joyce Corporation Ltd. ("Joyce" or "the Company") (ASX: JYC) for the financial year ended 30 June 2014.

### **Operational Review**

Bedshed, one of our core Business Units (BU's), managed to expand its network sales in Mattresses during the year, furniture sales declined due to the impact of import devaluation and overall softer consumer demand. The Bedshed Company stores traded profitably and improved overall performance significantly due to the strategy undertaken by the Board in the previous period.

Our Evolution fit-out program is progressing, with additional stores scheduled to take part in the next 12 months.

A new franchisee was approved to take over from the Nunawading Victorian Franchise store which ceased operations in January 2013. This store is fully operational and is performing very well.

The Company completed works on our Moorebank Property, a 41,840 square meter site located near the Georges River and in proximity to the publicised proposed \$400M Inter-modal development in 2015/16, aimed at relieving container freight away from busy Port Botany and improving congestion on the busy M5 Motorway that leads to the site.

The existing tenant, Australia's leading foam manufacturer, has indicated their desire to progress with the 5 plus 5 - year lease option in 2015, should they not be successful in purchasing the property.

The market rent at the end of the lease in Nov 2015 is anticipated to lift current sub-economic net rents by up to approximately \$1M pa.

The property has been carried in our books on the basis of the sub-economic rent valuations. This will cease in late November 2015, when rents move to market rents. With each year approaching 2015 the valuation approaches the commercialisation rents and as such an appropriate lift in the property value is taken up toward the value based on an independent registered valuer's report.

The Directors have obtained an independent Valuation on 31 December 2013, and have adopted this value of \$18.4M less the wind-back of sub-economic rent adjustment in our carrying value in 2014. We also further reviewed the value based on published market information from external valuer's recent sales values and recent rents achieved that are published by independent third parties.

The Company not only took part in cost reduction programs set to guide the group into maintainable future profits; it also enhanced the Company's prospects considerably. A Joyce Corporation subsidiary decided to convert part of our Convertible Notes (CN's) investment in KWB Group Pty Ltd (KWB). We now hold 32% equity in this associate company after electing to convert our CN's in late January 2014. We have a further potential 25% investment via the CN's, that the board has not yet made any determination on and still earns interest and management fees for Joyce from this investment. The Associate contributed \$255 K pre-tax in profits to our group results in 2014 in the five months since the first tranche of notes were converted. This overall contribution is expected to increase significantly in 2015.

KWB group is the largest specialty independent retailer of kitchens and wardrobes in Australia, with 12 stores in Qld, SA and NSW at 30 June 2014. It owns the brands Kitchen Connection and Wallspan. KWB is totally cash funded and has plans to expand with additional stores in the next 12 months.

Joyce aims to eventually enhance the group by assisting with the introduction of a suitable structure for their franchise business expansion across Australia. We anticipate that this group's footprint into the premium "do it for me" market of Kitchen and Wardrobe renovation will grow significantly in the coming two years.

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report**

**Future Outlook**

The Company has concluded its recent restructure program of closing underperforming Bedshed Company owned stores. The discontinuing store recorded a loss of \$59K in the year. The remaining Company owned stores are all generating operating profits. Cash flow is anticipated to improve as the remaining store-exit payments conclude this coming year. These exit payments impacted 2014 cash, this will not have the same effect next year, and while these costs are all provided for in the company books in prior years, it leaves additional potential for the Company to consider options of either additional dividends or partial share buy backs or both.

The Company's prospects are positive given the recent lift in activity in its core Bedshed business. Currently operations are meeting profit expectations in a challenging retail environment. The Company's significant property asset at Moorebank will underpin the group's activities and growth plans in the near future.

The Company has a strong robust plan to enhance its earnings in its Associate company KWB. We anticipate a cash dividend will be payable back to Joyce from this Associate in the year ahead.

The outlook remains positive whilst continuing to be subject to overall economic activity.

**Rounding of Amounts**

The Consolidated entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the Directors' Report have been rounded off to the nearest \$1,000.

This report is signed in accordance with a resolution of the Board of Directors

Mr A. Mankarios  
Executive Director  
Joyce Corporation Ltd  
Mobile 0438 553 403

Mr D Smetana  
Chairman  
Joyce Corporation Ltd  
Mobile 0417 842 781

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Consolidated	
		2014	2013
		\$'000	\$'000
<b>Continuing Operations</b>			
Revenue		14,832	14,608
Cost of sales		(5,371)	(5,431)
Gross profit		9,461	9,177
Other income		918	826
Share of net profit of Associate	4	255	-
Revaluation of Investment property	3	949	1,261
Distribution expenses		(948)	(885)
Marketing expenses		(590)	(684)
Occupancy expenses		(1,768)	(1,500)
Administration expenses		(5,564)	(5,386)
Profit on disposal of assets		10	-
Finance Costs		(341)	(519)
Other expenses		(36)	(39)
Profit from continuing operations before income tax		2,346	2,251
Income tax expense/(benefit) relating to ordinary activities		717	(115)
<b>Profit from continuing operations after tax</b>		<b>1,629</b>	<b>2,366</b>
<b>Discontinued Operations</b>			
Loss and provisions for the year from discontinuing operations	1	(59)	(1,698)
<b>Profit for the year</b>		<b>1,570</b>	<b>668</b>
<b>Total Comprehensive Income for the year</b>		<b>1,570</b>	<b>668</b>

**Earnings per share for profit attributable to ordinary shareholders**

**Overall Operations**

Basic earnings per share (cents per share) after tax	5.7	2.4
Dilutive earnings per share (cents per share) after tax	5.6	2.4

**Continuing Operations**

Basic earnings per share (cents per share) after tax	5.9	8.6
Dilutive earnings per share (cents per share) after tax	5.8	8.5

The accompanying notes form part of these financial statements



Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

		Consolidated	
		30.06.2014	30.06.2013
		\$'000	\$'000
<b>ASSETS</b>	Note		
<b>Current Assets</b>			
Cash and cash equivalents	7	816	1,482
Trade and other receivables		416	1,003
Inventories		2,108	1,960
Other assets		232	311
Other financial assets		1,892	2,911
		5,464	7,667
Non-current assets classified as held for sale		-	41
<b>Total Current Assets</b>		5,464	7,708
<b>Non-Current Assets</b>			
Trade and other receivables		335	72
Other financial assets		755	-
Property, plant and equipment		497	612
Investment property	3	17,315	16,283
Deferred tax asset		2,280	2,629
Intangible assets		9,972	10,122
<b>Total Non-Current Assets</b>		31,154	29,718
<b>TOTAL ASSETS</b>		36,618	37,426
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables		3,464	5,302
Interest-bearing liabilities	8	102	70
Provisions		401	890
<b>Total Current Liabilities</b>		3,967	6,262
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	8	6,923	6,374
Deferred tax liabilities		2,765	2,399
Provisions		233	258
<b>Total Non-Current Liabilities</b>		9,921	9,031
<b>TOTAL LIABILITIES</b>		13,888	15,293
<b>NET ASSETS</b>		22,730	22,133

Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	Consolidated	
	30.06.2014	30.06.2013
	\$'000	\$'000
<b>EQUITY</b>		
Contributed equity	17,891	17,845
Reserves	5,321	5,321
Retained profits	(482)	(1,033)
<b>TOTAL EQUITY</b>	<u>22,730</u>	<u>22,133</u>

The accompanying notes form part of these financial statements

Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014**

	Issued Capital Ordinary \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 1 July 2012</b>	17,814	5,321	(1,211)	21,924
Payment Partly Paid shares	31	-	-	31
Total comprehensive income for the year	-	-	668	668
Dividends paid or provided for	-	-	(490)	(490)
<b>Balance at 30 June 2013</b>	17,845	5,321	(1,033)	22,133
Transfers to and from retained earnings	-	-	(6)	(6)
Payment Partly Paid shares	46	-	(34)	12
Total comprehensive income for the year	-	-	1,570	1,570
Dividends paid or provided for	-	-	(979)	(979)
<b>Balance at 30 June 2014</b>	17,891	5,321	(482)	22,730

The accompanying notes form part of these financial statements.

Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities

Preliminary Final Report

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	Consolidated	
		2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		19,025	22,813
Interest received		129	167
Payments to suppliers and employees		(17,631)	(20,824)
Borrowing costs		(341)	(520)
Operating Net Cash flow		1,182	1,636
Store closure costs		(665)	(899)
Net cash provided by /(used in) operating activities		517	737
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		19	110
Proceeds from sale of other assets		59	-
Proceeds from security deposit		600	900
Purchase of convertible notes		-	(900)
Loan to franchisee		(240)	(100)
Purchase of property, plant and equipment		(51)	(344)
Payment to trust account		(716)	0
<b>Net cash (used in) / provided by investing activities</b>		<b>(329)</b>	<b>(334)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		50	141
Repayment of borrowings		(69)	(60)
Dividends paid by parent entity		(835)	(593)
<b>Net cash (used in) financing activities</b>		<b>(854)</b>	<b>(512)</b>
Net increase(decrease) in cash and cash equivalents		(666)	(109)
Cash and cash equivalents at beginning of year		1,482	1,591
<b>Cash and cash equivalents at end of year</b>		<b>816</b>	<b>1,482</b>

The accompanying notes form part of these financial statements.

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities**

**Preliminary Final Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE-YEAR ENDED 30 JUNE 2014**

**NOTE 1: DISCONTINUED OPERATIONS**

During the year ended 30 June 2014 the Consolidated entity closed an unprofitable store. This store closure had a provision taken up at 30 June 2013 of \$0.35M. The result of the discontinued operation included in the Consolidated Statement of Profit Or Loss and Other Comprehensive Income is set out below.

**Loss for the year from discontinued operations**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Revenue	224	4,314
Cost of sales	(183)	(3,114)
Gross profit	41	1,200
Other income	419	283
Expenses	(519)	(2,830)
Store Closure Provision	-	(351)
Loss from discontinued operations before tax	(59)	(1,698)
Attributable income tax benefit	-	-
	(59)	(1,698)
Other comprehensive income	-	-
Loss for the year from discontinued operations (attributable to owners of Joyce Corporation Ltd)	(59)	(1,698)

**NOTE 2: DIVIDENDS**

	<b>2014</b>	<b>2013</b>
Distributions paid or payable		
Final Interim unfranked ordinary dividend of 1.5 (2011: Nil) cents per share (Paid 02 July 2012)		414
Final unfranked ordinary dividend of 0.65 (2011: Nil) cents per share (Paid 28 February 2013)		179
Prior year dividends paid on partly paid shares (Paid 30 June 2013)		31
Interim unfranked ordinary dividend of 1.0 (2012: 1.5) cents per share (Paid 24 July 2013)	280	280
Final unfranked ordinary dividend of 2.0 (2012: 0.65) cents per share (Paid 21 November 2013)	559	
Interim unfranked dividend of 1.5 (2013:1.0) cents per share (Paid 31 July 2014)	420	
	1259	904

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities**

**Preliminary Final Report**

**NOTE 3: INVESTMENT PROPERTY**

In accordance with the requirements of the accounting standards an independent valuation was undertaken by the Company to determine the fair value of the New South Wales investment property. The Company has revalued the investment property in New South Wales based on the valuation received as at 31 December 2013 of \$18.4M less a reduction for discounted rent to November 2015. The Directors have adopted a value based on the 31 December 2013 valuation discount by taking up pro-rata increments of the discounted rent as the discounted rent period expires. The Directors have also further valued the property based on market information from valuers, recent sales values and recent rental rates received from independent third parties. A total value of the investment property of \$17.3M has been recorded at 30 June 2014.

The deduction for the remaining discounted rent period to 29 November 2015 as at 30 June 2014 from the valuation of \$18.4M is \$1.12M. The valuer has not provided a calculation or advised of the discount rate used to determine the discount calculation.

**NOTE 4: AGGREGATE SHARE OF PROFITS OF ASSOCIATES**

	<b>2014</b>	<b>2013</b>
	\$000	\$000
Associate's profit before income tax for 5 month period to 30 June 2014	796	-
Income tax expense	-	-
	796	-
Net profit	796	-
	255	-
Share of net profit of associate before tax	255	-
	255	-

The Company acquired 32% of KWB Group Pty Ltd as of February 2014 by converting \$500K of \$900K of two tranches of convertible notes. The notes earn 8.75% interest on a daily basis payable monthly in arrears until conversion. The second tranche of the convertible notes have been agreed to not expire as previously and after conversion notice is issued the timing of the issue of shares rests with KWB Group Pty Ltd. If the second tranche of the remaining \$400K of convertible notes is converted the total equity in KWB Group Pty Ltd increases to 57%. The total profit reported by KWB Group Pty Ltd for the five months to 30 June 2014, after the first conversion, was \$796K of which 32% share represents \$255K. KWB Group Pty Ltd has surplus carried forward tax losses to absorb the current year income tax expense.

**NOTE 5: OPERATING SEGMENTS**

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The products sold and/or services provided by the segment;

The retail segments or product type;

The property and administration.

Types of products and services by segment

- Franchising  
The operation of Bedshed retail bedding franchise operations
- Investment Property/ Joyce  
The property in New South Wales is leased under a sale agreement.
- Company owned stores  
The operation of Company owned Bedshed stores

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report**

**NOTE 5: OPERATING SEGMENTS (Continued)**

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

*Inter-segment transactions*

An internally determined transfer price is set for all inter-entity sales. This price is re-set quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation for the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Unallocated liabilities include trade and other payables and certain direct borrowings.

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not a part of the core operations of any segment:

- derivatives;
- net gains on disposal of available-for-sale investments;
- impairment of assets and other non-recurring items; or revenue
- income tax expense;
- deferred tax assets and liabilities;
- current tax liabilities;
- other financial liabilities;
- intangible assets;
- discontinuing operations; and
- retirement benefit obligations.

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report**

	<i>Continuing Operations</i>			<i>Discontinued Operations</i>		
	<i>Bedshed Franchising</i>	<i>Bedshed Stores</i>	<i>Investment Properties / Joyce</i>	<i>Total</i>	<i>Store Closures</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2014</b>						
<b>Revenue</b>						
Sales to external customers	4,342	10,477	802	15,621	643	16,264
Inter-segment sales	-	-	-	-	-	-
Total segment revenue	4,342	10,477	802	15,621	643	16,264
Inter-segment elimination						
Unallocated revenue				129	-	129
Total consolidated revenue				15,750	643	16,393
<b>Result</b>						
Segment result	1,542	407	343	2,292	(59)	2,233
Unallocated expenses net of unallocated income				140	-	140
Share of net profit of associate				255	-	255
Profit before tax and finance costs				2,687	(59)	2,628
Finance costs				(341)	-	(341)
Profit before income tax				2,346	(59)	2,287
Income tax expense				(717)	-	(717)
Net Profit for the half year				1,629	(59)	1,570
<b>Assets and liabilities</b>						
Segment assets	11,633	2,569	20,136	34,338	-	34,338
Unallocated assets				2,280	-	2,280
Total assets				36,618	-	36,618
Segment liabilities	1,637	1,835	7,651	11,123	-	11,123
Unallocated liabilities				2,765	-	2,765
Total liabilities				13,888	-	13,888
<b>Other segment information</b>						
Capital expenditure	17	34	-	51	-	51
Depreciation and amortisation	10	143	-	153	-	153
Impairment	-	150	-	150	-	150
Other non-cash segment expenses / revaluation	-	-	949	949	-	949



**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report**

	<i>Continuing Operations</i>			<i>Discontinued Operations</i>		
	<i>Bedshed Franchising</i>	<i>Bedshed Stores</i>	<i>Investment Properties / Joyce</i>	<i>Total</i>	<i>Store Closures</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 30 June 2013</b>						
<b>Revenue</b>						
Sales to external customers	4,629	9,972	698	15,299	4,597	19,896
Inter-segment sales						
Total segment revenue	4,629	9,972	698	15,299	4,597	19,896
Inter-segment elimination						
Unallocated revenue				134	-	134
Total consolidated revenue				15,433	4,597	20,030
<b>Result</b>						
Segment result	1,620	273	744	2,637	(1,668)	969
Unallocated expenses net of unallocated income	-	-	-	134	(30)	104
Loss before tax and finance costs				2,771	(1,698)	1,073
Finance costs				(520)	-	(520)
Profit (Loss) before income tax				2,251	(1,698)	553
Income tax expense				115	-	115
Net profit/(loss) for the year				2,366	(1,698)	668
<b>Assets and liabilities</b>						
Segment assets	13,497	1,127	19,352	33,976	314	34,290
Unallocated assets				2,629	-	2,629
Total assets				36,605	314	36,919
Segment liabilities	3,521	1,128	6,789	11,438	949	12,387
Unallocated liabilities				2,399	-	2,399
Total liabilities				13,837	949	14,786
<b>Other segment information</b>						
Capital expenditure	4	340	100	391	-	391
Depreciation and amortisation	13	134	-	147	11	158
Impairment	-	100	-	100		100
Other non-cash segment expenses/impairment	-	-	1,261	1,261	-	1,261

**Joyce Corporation Ltd ABN 80 009 116 269  
and Controlled Entities  
Preliminary Final Report**

**NOTE 6: CONTINGENT ASSET AND LIABILITY**

**Environmental Contamination**

As part of the ongoing testing of Joyce Corporation Ltd owned sites, it was found that traces of a chemical used in the past by Joyce Foam Products was detected in the groundwater at the Moorebank property in New South Wales. The levels found were not high and to be prudent the Department of Environment and Conservation were notified. An ongoing monitoring program has been established to monitor the nature, extent and movement of the chemical found. The expected cost to monitor the groundwater has been low as bore holes have been established for some time.

**Related Party and other Guarantees Provided by the Parent Entity**

Joyce Corporation Ltd has provided via its related companies, guarantees to third parties by way of bank guarantees on Bedshed Company owned stores. These guarantees will be required while the stores and warehouses are company operated and total \$871,331 at 30 June 2014. A corporate guarantee has been maintained, for the lease of a franchise holder, should Bedshed Franchising withdraw or cancel the Franchise agreement. The franchisee lease is in a strong location and it is viewed to have little downside.

**NOTE 7: CASH AND CASH EQUIVALENTS**

Included within the cash and cash equivalents balance are funds allocated for the specific use of operating the Approved Purposes Fund activities on behalf of the Company's franchisees. Previously the Marketing Fund was also consolidated into these figures and since the previous reporting period the Marketing Fund has transferred to a Marketing Trust of which Bedshed Franchising Pty Ltd is the corporate trustee.

At 30 June 2014 the total of this balance of the approved Purposes was \$1,483,138 (30 June 2013: \$1,957,239) and the bank account holding these funds are excluded from and released from the registered charges and claims of Joyce Corporation Ltd bankers, St. George Bank.

The fund has a net balance that is taken up as commitment in the current liabilities of \$1.52 M.

**NOTE 8: FINANCIAL LIABILITIES**

Joyce Corporation Ltd has a term loan and an overdraft facility with St George Bank approved to after the current financial year and which was renewed in June 2013. The \$8.3 M term loan is approved to 30 June 2016 and is at variable interest rate. This loan is offset by a secured deposit of \$1.1m at year end which has been repaid off the term loan in July 2014. At year end the loan had a net undrawn balance of \$1.1 M. Prior to 30 June 2014 St George Bank has renewed a \$1.34 M multi option facility for bank guarantees and overdraft facility. The overdraft component of the facility was \$469 K which was not drawn at 30 June 2014.

There are no breaches of the facility covenants during the reporting period or as of the date of this report.