

Annual Report 2024

ABN: 80 009 116 269

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Letter from the Chair



On behalf of the Board, I am pleased to report that 2024 has been another year of solid performance for Joyce Group, demonstrating our commitment to excellence and resilience in a dynamic and challenging market. We approached the year with caution given the challenging economic headwinds that prevailed and continue to do so. Consumer spending was slowing as household budgets tightened in the face of increasing interest rates and costs of living. Our businesses witnessed this through lower foot traffic and a buyer shift to lower value items.

We therefore focused on cost control, maintaining our strong balance sheet and cash position, improving our conversion, enhancing our market share and being ready for strategic opportunities should they arise. Our business model of strong brands, excellent customer service and low capital intensity positioned us well for this challenge. It has enabled us to navigate a market characterised by uncertainty and evolving consumer behaviours, ultimately delivering strong financial results, high levels of customer satisfaction, and a healthy dividend to our shareholders.

The Joyce Group delivered a normalised net profit attributable to Joyce shareholders of \$8.4 million, showcasing our continued financial robustness. We ended the year with a cash balance of \$39.1 million, maintaining our strong financial foundation that ensures that we are well-positioned to navigate future challenges and capitalise on emerging opportunities.

Our strong performance allowed us to declare a final dividend of 17.5 cents per share, resulting in a fully franked full-year dividend of 28.5 cents per share, consisting of an ordinary dividend of 23.0 cents per share and a special dividend of 5.5 cents per share. We remain committed to our policy of returning 60-80% of normalised NPAT to our valued shareholders.

Our core businesses, KWB and Bedshed, continued to perform well and respond to evolving market dynamics.

KWB, the market leader in “do it for me” kitchen and wardrobe renovations, maintained its strong customer loyalty, demonstrating the enduring power of its brand and differentiated offering, and generated orders above the prior year. The business designed and installed more than 4,000 kitchens and 2,100 wardrobes in FY24, showcasing its commitment to delivering exceptional customer experiences and delivering a strong EBIT of \$25.2 million.

KWB has shifted its focus back to network growth and is strategically positioned to capitalise on the significant market opportunity in Australia by leveraging its strong brand, unique service offering, and resilient business model. By selling almost exclusively to the existing home renovation market, KWB is well insulated from the volatility of the new home market.

The Bedshed network also experienced softer foot traffic and tougher trading conditions, as consumers became increasingly focused on value and sought out promotions, leading to sales becoming more concentrated on big events such as stocktake sales and Black Friday. Despite these challenges, Bedshed delivered improved business written sales and maintained strong gross margins.

Bedshed’s combined operations (franchisee and company-owned stores) generated increased revenue of \$23.1 million compared to \$21.3 million in FY23, although it delivered reduced EBIT of \$4.4 million (\$4.9 million in FY23).

Bedshed’s commitment to continually improve its omni-channel offering was evident in the release of augmented reality technology in FY24, further bolstering our e-commerce platforms to complement our physical stores.

Bedshed remains positioned for growth through both the recently acquired Castle Hill and Alexandria stores and a continued focus on expanding the store network nationally, where we are underrepresented across Australia.

Our home staging start-up, Crave, continued to operate in its pilot phase in the Perth market. While Crave has demonstrated a strong brand, the business has been impacted by a significant contraction in the Perth housing market, leading to fewer opportunities to showcase its home staging capabilities. Although Crave approached break-even EBITDA, it remained behind initial expectations.

Given the current market conditions, Crave will remain in pilot phase and East Coast expansion is not currently being considered. We will continue to monitor Crave performance and make disciplined decisions about future operations.

Joyce Group has concluded the year with a reinforced balance sheet and an enhanced cash position and is well-positioned for continued success in FY25. Our focus remains

on enhancing the value of customers' homes through our products and services and we are confident that our strong brands, proven business model, and dedicated team will enable us to drive further value creation for our shareholders.

Both KWB and Bedshed have a significant untapped addressable market across Australia and our primary focus is the pursuit of organic footprint growth.

I express my sincere gratitude to our employees, business partners, and franchisees for their continued dedication and support. Our continued success is dependent on them.

Finally, thank you, shareholders, for your enduring trust and support in Joyce Group. Our commitment remains steadfast: delivering unmatched value, an unwavering promise of quality and growth, and nurturing the brands that resonate with the essence of Australian homes. We are not only eyeing sustainable growth but also ensuring a consistent and rewarding shareholder experience. Thank you for your continued investment in Joyce Corporation.

CEO's Address



Introduction

2024 presented Joyce Group with a challenging economic environment characterised by high interest rates, inflation, and cost of living pressures, which contributed to a shift in consumer spending towards value. This landscape put pressure on consumer spending and impacted foot traffic across our retail network. Despite this, Joyce Group delivered a solid financial performance, showcasing our commitment to operational excellence and resilience.

We achieved strong results, including record revenue, a robust profit outcome, and a healthy dividend for our shareholders, demonstrating the strength and adaptability of our business model.

We remain committed to continuous improvement, focusing on strategic growth within our existing ventures and adopting a disciplined and prudent approach to expanding into new, adjacent markets. Our success is a direct result of the dedication of our valued partners, including KWB Group, our Bedshed franchisees, and our employees, who manage our company-owned Bedshed stores and uphold the Group's strong, reputable, and trusted brands.

Financial Highlights

The Group's financial performance was underpinned by steady revenue of \$145.5 million. EBITDA of \$32.0 million was up 3%, delivering a Group NPAT of \$17.5 million, an increase of 7%. The reported NPAT attributable to Joyce Shareholders was \$8.9 million, up from the \$7.9 million achieved

in 2023. The normalised NPAT attributable to Joyce Shareholders in 2024 is \$8.4 million versus the comparative of \$9.1 million in 2023 (after adjusting for the after-tax impacts of the ramp-up of Crave in 2023).

The Group remains debt free, with a closing net cash balance of \$39.1 million at 30 June 2024, compared to \$46.1 million at 30 June 2023. The Operating Cashflow for the financial year was \$24.5 million (inclusive of lease payments, excluding tax payments and interest).

KWB Group Financial Results

KWB maintained its upward growth trajectory, achieving exceptional results with record-breaking EBIT. Revenue was \$121.3 million compared to \$123.4 million from a reduced network of 25 showrooms.

Whilst spending on marketing and advertising was increased to counter the fall in foot traffic, overall costs were tightly controlled and similar to those in FY23. Gross margins were also protected, and when combined with strong cost management, resulted in EBIT of \$25.2 million, compared to \$25.0 million in the prior year.

KWB's order book at the end of the financial year stood at \$37.4 million, highlighting the continued strength of demand for the business's unique product offering. After strong demand experienced during COVID, lead times have now normalised, bringing orders back on track with revenue and consistent with normal operating conditions.

A program of renovations and refurbishments to upgrade existing showrooms was completed during the year, contributing to improved customer conversion and productivity.

While kitchen renovations are KWB's primary focus, the business's wardrobe design and installation capability continues to expand and is poised for further strengthening in the coming years.

Bedshed Financial Results

The Bedshed business was resilient in the face of a market characterised by softer foot traffic and tougher trading conditions as consumers became increasingly focused on the costs of their purchases.

The franchising business generated revenue of \$5.8 million (compared to \$5.6 million in FY23) and an improved EBIT margin of 54% (compared to 47% in FY23) delivering an increased EBIT of \$3.2 million compared to \$2.7 million in FY23.

Company-owned stores generated stronger revenue of \$17.3 million (compared to \$15.7 million in FY23) and managed to maintain a strong gross margin of 47.5% (compared to 48.3% in FY23).

The cost base of Bedshed company-owned store operations was higher than FY23, driven by establishment costs for new Sydney stores, relocation and upgrades of existing stores, and labour availability and productivity. As a result, EBIT for FY24 was \$1.2 million, compared to \$2.3 million in the prior year.

Crave

During the financial year, Crave generated \$1.1 million of revenue from what has become an established network of real estate agents.

Crave approached break-even on an EBITDA (cashflow) basis in FY24, although it remains behind initial expectations due to a contraction in the housing market, which entered FY23 at historic lows in terms of houses sold, and trended lower during the year¹.

For Crave, this has meant significantly fewer opportunities to display its home staging capabilities, and while the operating cost base of the business has approximated initial forecasts, and the brand has performed well, the profitability of the business has been impacted by reduced revenue.

We continue to take a disciplined and prudent approach to the operation of Crave. At this stage, while current market conditions persist, we have no near term plans for expansion either in Western Australia or to the East Coast. As such, Crave will remain in pilot status.

Outlook

Looking ahead, we are confident in our ability to navigate the evolving macroeconomic landscape. The Group ended the year with a strong balance sheet, providing us with the flexibility to manage a volatile environment and consider strategic growth options where appropriate.

KWB and Bedshed continue to demonstrate their resilience and value to shareholders. Our business model is based on low capital intensity, strong cash flow, and great brands that help our customers maximise the value of their homes. This foundation will continue to serve us well as we anticipate subsiding inflationary pressures but some continued tightness in consumer spending to continue.

Despite these challenges, Joyce Group is well positioned for continued success. We will continue to prioritise operational efficiency, cost management, and customer satisfaction, while leveraging our strong brands and agile approach to navigate evolving market conditions.

We are excited about the continued expansion of our KWB network. In July 2024, a new Kitchen Connection store was opened in Alexandria, recommencing our footprint growth. A new flagship showroom at Bundall in Gold Coast,

Queensland is scheduled for opening later in the 2024 calendar year, which will replace the existing Ashmore showroom. Plans are in place for further Sydney store openings, demonstrating our commitment to strategic expansion at tier one locations in key markets.

Bedshed has a strong brand and a highly regarded franchisee model that continues to attract high profile partners to the brand. With the new Sydney company-owned stores becoming established and their new teams in place, Bedshed remains positioned for growth through both its company-owned store network and a continued focus on expanding the store network nationally to fill what we see as significant gaps in the Australian market.

In conclusion, Joyce Group has delivered another consistent result driven by strong operational performance and sound financial management. I am extremely grateful to all of the Company's employees and business partners for their contribution to our business and am confident that by working together, we will continue to deliver sustainable and profitable growth for Joyce Corporation.

¹ According to CoreLogic® data, FY24 listings were down 22.6% on the FY23 comparative, which was down 32.1% on the FY22 comparative.
(Source: CoreLogic® Monthly Housing Chart Pack)



Joyce Corporation Consolidated Results	FY24 \$'000	FY23 \$'000	Variance (\$)	Variance (%)
Revenue	145,509	145,179	330	0%
Gross Profit	78,179	77,563	616	1%
Total Group Expenses	38,432	37,279	1,153	3%
Expenses (% of revenue)	26%	26%	n/a	
EBITDA	31,975	31,141	834	3%
EBITDA Margin	22%	21%	n/a	
Net Profit After Tax	17,531	16,377	1,154	7%
NPAT Attributable to Joyce Members	8,863	7,934	929	12%
Normalised NPAT Attributable to Joyce Members	8,442	9,129	-687	-8%
EPS – cents	31.12	28.00	3.12	11%
Normalised EPS – cents	29.64	32.14	-2.50	-8%
Joyce Corporation Consolidated Results	FY24 \$'000	FY23 \$'000	Variance (\$)	Variance (%)
Closing group cash	39,148	46,079	-6,931	-15%
Debt	-	-	-	-
Net cash	39,148	46,079	-6,931	-15%



Who we are

Fast growing ASX-listed company operating and invested in quality Australian businesses

Well established and consistently performing businesses and partnerships with strong organic growth potential

Committed to delivering increased earnings while establishing a solid platform for future growth

Our Vision

We seek to make a meaningful positive difference to the lives of our shareholders, partners, franchisees, employees and customers.

Primary Objective

To drive revenue growth and deliver above average returns.

Strategic Direction

“With the KWB Group and Bedshed, Joyce has established brands that are synonymous with helping Australians add value to their greatest asset – the family home – this is the sector we are concentrating on”.

J. KIRKWOOD - CHAIR

Unique Value Propositions

Working together is key to success



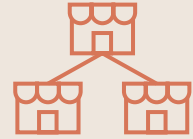
Shareholders

Track record of Total Shareholder Returns.



Partners

Track record of growth and long-term mindset.



Franchises

Deep sector and operational knowledge and supportive growth-focused approach.



Employees

Ability to make an impact growing national brands in a supportive team environment.



Customers

Quality products and services, deep product knowledge and convenience.

FY24 Business Unit Performance





KWB Group Commentary

KWB Group's trading brands, Kitchen Connection and Wallspace, operate a network of 26 showrooms across Queensland, NSW and South Australia, establishing the group as a clear leader in the Kitchen & Wardrobe renovation market. KWB Group is dedicated to delivering an exceptional consumer experience, a commitment reflected in its achievement of over 4,000 5-star customer reviews¹ on Australia's largest independent consumer review website.

I am pleased to provide an overview of the performance of KWB for the 2024 financial year, which has highlighted our continued growth and solid financial results despite challenging trading conditions.

The past year presented a challenging landscape for the renovation industry, with consumers increasingly focused on discretionary spending. However, KWB remained resilient, demonstrating its strong customer loyalty and the strength of its brand. Customers continued to invest in upgrading their kitchens and adding value to their homes, demonstrating the ongoing demand for "do it for me" kitchen and wardrobe renovations.

KWB generated \$114.2 million in orders for FY24, a slight increase compared to \$110.7 million in the previous year. This strong order performance was driven by improved customer conversion rates, a direct result of KWB's unwavering focus on delivering the best possible customer experience.

While revenue reached \$121.3 million, marginally lower than FY23, KWB achieved a comparable EBIT of \$25.2 million due to improved margins driven by effective price management and strong cost control.

We are proud of the EBIT margin of 21%, achieved through a combination of meticulous cost management and protected gross margins, resulting in a strong EBIT of \$25.2 million, slightly exceeding the FY23 result of \$25.0 million.

While reduced showroom traffic led to an increase in marketing and advertising expenditures, overall costs remained tightly controlled and comparable to FY23.

KWB's cash on hand at 30 June 2024 was \$23.8 million (including customer deposits of \$11.2 million) compared to \$30.4 million at 30 June 2023 (including customer deposits of \$12.2 million). This shift reflects the clearing of orders from FY23 in the first half of FY24, leading to a more steady-state order book of \$37 million as at 30 June 2024, compared to \$45 million in June 2023.

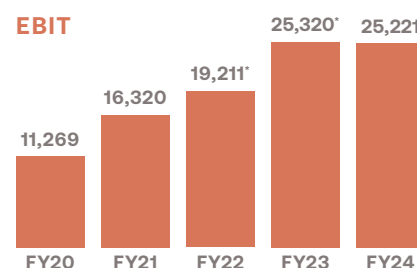
During the year, KWB successfully transitioned to safer alternative benchtop materials ahead of the ban on engineered crystalline silica stone benchtops, which became effective on 1 July 2024. This transition was implemented with minimal disruption to showrooms and sales, expanding our benchtop range to provide customers with more options at a range of price points. KWB remains committed to monitoring all suppliers to ensure they comply with relevant health and safety standards.

Looking ahead, we are excited about the continued expansion of our KWB network and the recommencement of our growth strategy. The Sydney Metro expansion is back on track, with costs stabilising and the availability of skilled labour improving. In July 2024, KWB opened a new Kitchen Connection store in Alexandria, Sydney, re-establishing our footprint growth and positioning the business for increased future orders.

Furthermore, a new flagship showroom at Bundall in Gold Coast, Queensland is scheduled for opening later in the 2024 calendar year, which will replace the existing Ashmore showroom. Plans are also in place for further Sydney store openings and other tier one locations.

We are confident that KWB is well-positioned for continued success in the future. We will continue to focus on delivering exceptional customer experiences, maintaining our commitment to quality and innovation, and expanding our reach to new markets.

I would like to express my sincere gratitude to the entire KWB team for their dedication and hard work, which have been instrumental in our success. We are committed to delivering excellence and growth for the benefit of our customers, our employees and our stakeholders.



EBIT (\$000s)

FY20 – FY24 CAGR 17.5%

*Excluding income and expenses relating to sale of investment property

¹ <https://www.productreview.com.au/listings/kitchen-connection>

FY24 Business Unit Performance





Bedshed Commentary

Bedshed supplies quality bedding and bedroom furnishings across Australia and is one of the industry's most recognisable brands. Bedshed currently operates a 43 store network, including 37 franchise stores, all of which are supported by a sophisticated e-commerce offering. The Bedshed brand was the first in the Homewares and Furniture category of the Australian Franchise Rating Scale™ to be awarded a 5-star rating¹.

I am pleased to present an overview of Bedshed's operational performance of the 2024 financial year. Bedshed continues to demonstrate resilience and strength in a challenging retail environment marked by softer foot traffic and tougher trading conditions. While consumers have become increasingly focused on value for money, leading to volatile trading patterns and a shift towards "shopping for value," our commitment to quality and customer satisfaction has seen Bedshed continue to grow.

The network delivered business written sales exceeding \$150 million, representing a 6% increase on FY23. This growth is a testament to the unwavering loyalty of our customers and the strength of the Bedshed brand. While sales were concentrated during major events like the stocktake sales and Black Friday, demonstrating consumer sensitivity to pricing, we were pleased to have maintained our gross margins throughout the year.

Combined operations, encompassing both franchisee and company-owned stores, generated a revenue increase to \$23.1 million compared to \$21.3 million in FY23. However, EBIT for the year stood at \$4.4 million, a slight decrease from \$4.9 million in FY23.

The franchising business demonstrated its continued strength with a modest improvement in revenue to \$5.8 million compared to \$5.6 million in FY23. The EBIT margin improved to 54% (compared to 47% in FY23), resulting in an increased EBIT of \$3.2 million compared to \$2.7 million in FY23. This positive performance was underpinned by the establishment of two new

Queensland franchises in Jindalee and Toowoomba, bringing the total network to 43 stores.

During the year, Bedshed strategically acquired two franchisee stores in Castle Hill and Alexandria, Sydney, expanding the company-owned store network to 6. This strategic move strengthens our presence in the important Sydney market and positions us for significant future growth.

The Castle Hill and Alexandria stores have demonstrated improved business written sales since acquisition compared to prior year results, and further growth is expected as operational teams become embedded and operational efficiencies are realised.

The company-owned Joondalup store was also upgraded and relocated late in the financial year, and upgrades were completed at the Mackay store and warehouse during the first half of the year.

Company-owned stores generated strong revenue of \$17.3 million (compared to \$15.7 million in FY23), demonstrating a resilient performance in a challenging trading environment. They also managed to maintain a strong gross margin of 47.5% (compared to 48.3% in FY23).

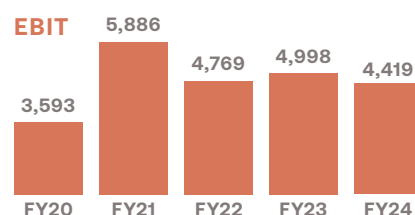
The cost base of Bedshed company store operations was higher than FY23 due to the establishment costs for the new Sydney stores, relocation and upgrades of existing stores and labour availability. As a result, EBIT for FY24 was 1.2 million, compared to 2.3 million in prior year. With the initial establishment costs of the new

stores expended and measures in place to manage labour costs, we are confident that we will see improved performance from the company-owned stores network in FY25.

Strong sales from the new Queensland franchisees continue to demonstrate the potential for market share gains in a competitive environment. The ongoing success of our franchise network reinforces our belief that Bedshed remains fundamentally a franchise business, a position we expect to maintain.

The Bedshed network continues to demonstrate resilience, with promising prospects and new store openings solidifying its position in the Australian market. We remain focused on expanding the store network nationally where we are also underrepresented. This, combined with our unwavering commitment to quality, customer service, and value, positions Bedshed for continued growth and success in the years to come.

I extend my sincere gratitude to our dedicated teams and franchise partners whose commitment and efforts have been instrumental in navigating the challenges of the past year and achieving these positive outcomes. Together, we look forward to building upon this success and driving Bedshed's growth in the dynamic market landscape ahead.



EBIT (\$000s)
FY20 – FY24 CAGR 4.2%

¹ https://www.thefranchiseregistry.com.au/section/Home/Franchise_Search?s=bedshed

Board of Directors



Jeremy Kirkwood

Chair

Bachelor of Commerce ANU

Jeremy was appointed a Non-Executive Director in January 2020. He has extensive experience in corporate strategy, investment banking and global capital markets and provides invaluable strategic input and guidance to the Company's board and management team. Jeremy is a principal of Pilot Advisory Group and was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock. He has primarily worked in public markets, undertaking merger and acquisitions and capital raisings for companies principally in the metals and mining, energy and infrastructure sectors. Jeremy is a Director of Talisman Mining Limited (Chair until July 2020), Hawsons Iron Ltd (Chair from October 2023), Trustee of the Ross Trust, a Director of Hillview Quarries Pty Ltd and a Director of Gravitass Technologies Pty Ltd.

Other current directorships of listed entities

Talisman Mining Ltd
Hawsons Iron Ltd

Former directorships of listed companies in last 3 years

None

Special responsibilities

Member of the Audit and Risk Committee
Member of the Remuneration Committee
Chair of the Nomination Committee
Member KWB Board

Interests in shares and options held directly, indirectly, or beneficially

147,371 ordinary shares



Karen Gadsby

Deputy Chair

Bachelor of Commerce, FCA, MAICD

Karen has over 20 years' Chair/Non-Executive Director experience and has held directorships across the publicly-listed, private, government and not-for-profit sectors in Western Australia, New South Wales and Victoria. Karen is a Director of SOSCY Pty Ltd. Karen has a finance background and was a Chartered Accountant with Coopers and Lybrand and then worked as a senior executive with North Limited for 13 years, in various executive roles.

Other current directorships of listed entities

None

Former directorships of listed companies in last 3 years

Talisman Mining Ltd
(retired 4 November 2020)

Special responsibilities

Chair of the Audit and Risk Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Interests in shares and options held directly, indirectly, or beneficially

87,500 ordinary shares



Daniel Smetana

Non-Executive Director, former Chair (January 1985 to November 2018)

Diploma of Commerce, FCPA, FAIM, FAICD

Dan is a Non-Executive Director and former Chairman of Joyce Corporation Ltd and Bedshed Franchising Pty Ltd. He has had 50 years' Chair/Non-Executive Director experience and has held directorships across various sectors including Defence Reserves Support Council – WA, Youth Focus, Western Power, WASO, Edge Employment, IFAP, WA Federation of PCYC and Korab Resources Limited. Dan is a visionary leader who has been deeply involved with Joyce Corporation in executive, Chair or NED roles since 1984. Dan is a recipient of the Centenary Medal.

Other current directorships of listed entities

None

Former directorships of listed companies in last 3 years

None

Special responsibilities

Member of the Audit and Risk Committee
Member of the Remuneration Committee
Member of the Nomination Committee

Interests in shares and options held directly, indirectly, or beneficially

11,063,654 ordinary shares



Travis McKenzie

Non-Executive Director

Bachelor of Law, Bachelor of Commerce, GAICD

Travis has had extensive experience on private boards since 2009. These organisations operate in multiple industries including marketing, education and property development. This experience, particularly in the marketing and property space, is particularly relevant to the Joyce Board. His work in derivatives and foreign exchange trading has allowed Travis to experience business and operating in Europe and the Americas, as well as here in Australia. This exposure to international thinking allows Travis to bring fresh perspectives and approaches to the Group. His early career as a lawyer adds complementary skills to the Board and provides thought leadership for management in issue resolution.

Other current directorships of listed entities

None

Former directorships of listed companies in last 3 years

None

Special responsibilities

Director Bedshed Franchising Pty Ltd

Member of the Audit and Risk Committee

Chair of the Remuneration Committee

Member of the Nomination Committee

Interests in shares and options held directly, indirectly, or beneficially

17,785 ordinary shares



Nicholas Palmer

Non-Executive Director

Bachelor of Business, MBA

Nick is an experienced chief executive officer, director and strategic advisor with extensive retail, consumer and financial services experience having held the roles of Group Managing Director of Spotlight Group Holdings and CEO and Managing Director of Radio Rentals Group. Nick also has an extensive background as a management consultant, serving in the senior roles of Partner at Bain & Company and Principal at The Boston Consulting Group, where he advised boards and senior executives on matters such as corporate and business unit strategy, performance improvement and merger integration. Nick has a proven track record of delivering strategic change, transformation and growth across a broad range of situations and industries.

Other current directorships of listed companies

None

Former directorships of listed companies in last 3 years

None

Special responsibilities

Chair KWB Board (effective 1 September 2023)

Member of the Audit and Risk Committee

Member of the Remuneration Committee

Member of the Nomination Committee

Interests in shares and options held directly, indirectly, or beneficially

20,000 ordinary shares

Company Secretaries



Daniel Madden

CEO and Group Company Secretary

Bachelor of Commerce, ACC, ACA,
Governance Institute of Australia

Dan was appointed as CEO of Joyce Corporation Ltd on 1 December 2020 and has a reputation as a values driven, people oriented executive with a collaborative approach. Dan was previously the Managing Director and CEO of Talisman Mining Ltd, an ASX listed mineral exploration and development company with a track record of creating shareholder value. Dan was appointed as Managing Director of Talisman in 2016, having been Chief Financial Officer and Company Secretary since 2009. Dan's prior background was in finance as CFO/General Manager Finance in ASX listed and large international organisations, including more than 17 years' experience in the resource sector, including Xstrata Nickel Australasia, Jubilee Mines NL and Perilya Ltd. Dan is an Associate Member of the Institute of Chartered Accountants of England and Wales and a member of the Governance Institute of Australia and Australian Institute of Company Directors. He graduated from the University of Birmingham with a degree in Commerce and Accounting.

Other current directorships of listed entities

None

Former directorships of listed companies in last 3 years

Talisman Mining Ltd
(resigned 4 November 2020)

Special responsibilities

Member KWB Board

Interests in shares and options held directly, indirectly, or beneficially

130,847 ordinary shares
409,060 performance rights



Tim Allison

CFO and Group Company Secretary

Bachelor of Commerce, GAICD, CAANZ, AGIA ACG (CS)
CGP, GradDip Applied Finance

Tim was appointed as CFO and Company Secretary of Joyce on 1 April 2021. His career spans more than 10 years across multiple industries with a focus on finance, including roles as CFO, General Manager of Finance and in CFO Advisory consulting. Tim is a Chartered Accountant, having qualified at BDO Audit in Perth, WA. Tim is a member of the Australian Institute of Company Directors, a member of the Governance Institute of Australia and has a Graduate Diploma in Applied Finance from Kaplan. Tim brings to Joyce a diverse skill set including process automation; big data analysis; enhancement of strategic reporting and enhancing governance standards.

Other current directorships of listed entities

None

Former directorships of listed companies in last 3 years

None

Interests in shares and options held directly, indirectly, or beneficially

2,447 ordinary shares
185,310 performance rights



Your Directors present their report on Joyce Group ("the Group"), consisting of Joyce Corporation Ltd ("Joyce" or "the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2024 ("the financial year").

The names of the Company's Directors and Secretaries in office during the financial year and until the date of this report are as stated below. Directors and Secretaries were in office for this entire period unless otherwise stated.

DIRECTORS

Jeremy Kirkwood	Non-Executive Director (Chair)
Karen Gadsby	Non-Executive Director (Deputy Chair)
Daniel Smetana	Non-Executive Director
Travis McKenzie	Non-Executive Director
Nicholas Palmer	Non-Executive Director

SECRETARIES

Daniel Madden	CEO and Group Company Secretary
Tim Allison	CFO and Group Company Secretary

MEETING OF DIRECTORS

The numbers of meetings of the Board of Directors and of each Board Committee held during the financial year and the individual attendance by Directors at those meetings which they were eligible to attend, were:

	Board of Directors		Audit and Risk Committee		Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Jeremy Kirkwood	10	10	5	5	1	1	1	1
Karen Gadsby^(a)	10	8	5	3	1	1	1	1
Daniel Smetana	10	8	5	5	1	1	1	1
Nicholas Palmer	10	10	5	5	1	1	1	1
Travis McKenzie	10	10	5	5	1	1	1	1

(a) Due to family bereavement and the associated personal commitments, Karen Gadsby was unable to attend some Board and Board Committee meetings. Where appropriate, Travis McKenzie assumed the role of Audit and Risk Committee Chair in Karen Gadsby's absence.



OPERATING AND FINANCIAL REVIEW

Principal activities

During the financial year, the principal activities of the Group consisted of:

- Majority owner of 51% of KWB Group Pty Ltd, operator of retail kitchen and wardrobe showrooms.
- Franchisor of the Bedshed chain of retail bedding stores; and
- Owner and operator of six Bedshed retail stores.

Significant changes in state of affairs

There are no other significant changes in the state of affairs of the Group that occurred during the financial year that are not otherwise described in this report

Review of results and operations

Group results

For the 2024 financial year, the Group delivered revenue of \$145.5 million (2023: \$145.2 million) and a profit before tax of \$24.7 million (2023: \$24.0 million) and a profit after tax of \$17.5 million (2023: \$16.4 million).

At 30 June 2024, the Group held total equity of \$38.8 million (2023: \$37.8 million) and cash and cash equivalents of \$39.1 million (2023: \$46.1 million). The Group remains debt free at 30 June 2024.

Operating cashflow (including principal lease payments, excluding interest and tax) was \$25.5 million (2023: \$26.3 million).

Division results

	Segment Revenue		Segment EBIT		Segment EBIT Margin %	
	FY24 \$000	FY23 \$000	FY24 \$000	FY23 \$000	FY24 \$000	FY23 \$000
KWB Group	121.3	123.4	25.2	25.0 ^(a)	20.8	20.3
Bedshed franchise operations	5.9	5.6	3.2	2.7	54.0	47.3
Bedshed company-owned stores	17.3	15.7	1.2	2.3	7.2	14.9

(a) KWB's FY23 EBIT results include \$0.3 million of costs related to the sale of its investment property.

KWB

Despite a backdrop of reduced showroom traffic and the closure of the Keswick store in South Australia, KWB delivered revenue of \$121.3 million in the financial year, compared to \$123.4 million in the prior year. Underlying conversion rates on orders were strong, as KWB continued to focus on delivering competitively priced kitchen solutions and the best possible customer experience, evidenced by KWB winning the 2024 product review awards in its category. More than 4,000 kitchens and 2,100 wardrobes were designed and installed in the financial year.

The reduced foot traffic witnessed during the year was mitigated with an increase in marketing and advertising spend, with overall costs managed tightly and similar to those in the prior year. Gross margins remained at approximately 50% and when combined with strong cost management, contributed to an improved EBIT margin of 20.8% (prior year of 20.3%) and an EBIT result of \$25.2 million, in line with the prior year result of \$25.0 million.

KWB's cash on hand at 30 June 2024 was \$23.8 million (including cash related to customer deposits of \$11.2 million) compared to \$30.4 million at 30 June 2023 (including customer deposits of \$12.2 million).



Bedshed

Although Bedshed experienced softer foot traffic in the financial year, retail sales increased in concentration around the big sale events such as stocktake sales and Black Friday. This led to record sales in those busy periods as consumers became increasingly focused on the costs of their purchases. Bedshed's combined operations (franchisee and company-owned stores) generated increased revenue of \$23.1 million compared to \$21.3 million in the prior year and delivered a reduced EBIT of \$4.4 million (\$4.9 million in the prior year).

During the year, new Queensland franchises were established in Jindalee and Toowoomba, bringing the total network to 43 stores. Bedshed also acquired two franchisee stores, at Castle Hill and Alexandria in Sydney (at the end of December 2023 and in January 2024 respectively) increasing the company-owned store network to 6.

Likely developments and future prospects

The Group will continue its primary focus on the pursuit of organic growth from its large addressable markets within Australia, while remaining cautiously optimistic that trading conditions will continue to be similar to those experienced this financial year.

There is also cause for optimism with improving labour market conditions in Eastern Australia which puts KWB in a position to resume its growth plans. Further network growth is planned to capitalise on the significant market opportunity for KWB's unique and differentiated offering which is underrepresented across Australia and in each of the States it currently operates in.

Of particular focus for KWB is the recommencement of the Sydney Metro showroom network expansion. With costs stabilising and the availability of people with the required skills improving, KWB has re-started its network expansion, which was paused in the wake of the COVID-19 pandemic and significant tightness in the NSW Labour market. In July 2024, KWB opened a new Kitchen Connection store in Alexandria, Sydney.

Bedshed remains positioned for growth through both the recently acquired Castle Hill and Alexandria stores and a continued focus on expanding the store network nationally where Bedshed is underrepresented. Bedshed has a strong brand and a highly regarded franchisee model that continues to attract high quality franchisees to the business.

Bedshed remains fundamentally a franchisee business and this is not expected to change, however the Group may make a decision to invest in company-owned stores should a suitable opportunity present (typically if a high-quality market and location is identified but a suitably strong franchisee candidate is not readily available).

Crave has been well received in its pilot phase, generating over \$1.0 million of revenue in the financial year as the management team continued to build its network of real estate agents and improve its penetration in the Perth market. CoreLogic data (RP Data provided by CoreLogic®), FY24 listings were down 22.6% on the FY23 comparative, which was down 32.1% on the FY22 comparative. The intention of introducing the business as a pilot in the Perth market was to test the business model and assess the opportunity to generate material returns from expansion in the larger scale Eastern State markets.

A disciplined and prudent view on the potential to allocate expansionary human and monetary capital to Crave will be maintained and there are no near-term plans for expansion to the East Coast or in Western Australia while current market conditions persist. In the meantime, we will continue to operate Crave as a Perth based pilot and generate learnings to further improve the business.

Material business risks

The Board remains optimistic about the Group's future trading performance and acknowledges that there are several factors, both specific to the Group and of a general nature, which may threaten the financial performance of the Group. The financial performance of the Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest and exchange rates and government policies. The Group acknowledges the existence of these risks and in the first instance, seeks to identify and understand individual risks and then, to the extent possible, manage and mitigate those risks.

Joyce is evolving its approach to risk management to meet the demands of the Group's operating environment and the expectations of the Group's customers, the communities it operates in, its team members and investors. While the Group's approach to risk management seeks to identify and manage material risks and emerging risks, additional risks not currently known or detailed below may also adversely affect future financial performance.



The specific material business risks that could adversely affect the financial performance of the Group and how the Group manages these risks, include those set out below.

Consumer discretionary spending and changes in consumer demands

The Group is exposed to both the upside and downside of consumer spending cycles and changes in consumer demands. Consumer demand can shift rapidly and the Group needs to react to the change quickly to optimise financial performance. Seasonality, rising inflation and interest rates, shifting consumer preferences and changes to purchasing trends may impact consumer demand for the Group's discretionary products. Inability to respond to rapid shifts in consumer demand may result in decreased market share and financial performance.

The Group closely monitors the information it has available regarding changes in economic environments and consumer demand, allowing it to respond quickly to any material changes. The Group also aims to reduce seasonality in product range, conducts regular reviews of category performance, retains agility in pricing and promotion and maintains a strong financial position (including its liquidity position).

Cyber security

External cyber security threats to the Group's IT systems, infrastructure and data could result in prolonged downtime, loss of control or overall failure. There is also the risk of potential compromise of intellectual property. These threats may result in significant reputational, financial and regulatory implications for the Group.

Information security breaches remain a key area of focus for organisations globally to mitigate the risk of financial and/or reputational damage. The Group seeks to mitigate this risk through investment in IT security measures, including various elements of planning and testing. Noting the constant evolution of the nature and sophistication of external threats, regular reviews of, and continuous improvement over, the Group's network security and information security controls are conducted as well as the external environment being monitored for new and emerging risks.

Leasing arrangements

The ability to identify suitable sites and negotiate suitable leasing terms for new stores is key to the Group's ongoing financial performance.

The Group believes that it will be able to continue to do this as it has done successfully to date. Management continually assesses the Group's strategy on locations and formats to optimise the store network.

Sustained disruption to operations resulting from external factors

External factors outside of the Group's control such as geopolitical conflicts, extreme weather events, global pandemics, rising commodity and interest rates, wage growth pressures and global inflation levels have already added volatility to the complex macroeconomic environment in which the Group operates. There is the risk that further unexpected changes to the macroeconomic environment may result in volatility to the group's financial performance.

To mitigate the Group's exposure to any potential volatility caused by changes to the macroeconomic environment in which it operates, it maintains a strong financial position, backed by a diversified and effective operating model. The Group also maintains a disciplined financial policy framework and has in place robust strategic planning processes.

Compliance by franchisees with franchise agreements

This risk relates to (Bedshed) franchisees acting in breach of the terms and conditions of their respective franchise agreements. The consequences of non-compliance may include damage to the brand, fines and other penalties from regulators and a reduction in franchise fees received from franchisees.

The (Bedshed) franchisor continually monitors and evaluates the performance of each franchisee to actively assess compliance with executed franchise agreements.



Loss of, or inability to attract and retain, key staff

The Group's ability to attract and retain talented staff is critical to its operating and financial performance.

In recognition of this, succession planning and executive/senior management team composition is a key focus for the Board and Group executive team, as is ensuring that appropriate systems and processes are in place to reduce the reliance on any one individual or the working knowledge of the Group's operations they may possess. The Group continues to focus on providing a safe, inclusive and welcoming environment for all of its employees and on developing and improving programs and strategies relating to diversity and inclusion, the prevention of harassment, discrimination or bullying and development of its team members.

Managing the impact of climate risk

The Group acknowledges that climate changes are occurring around the globe which may impact its business in various ways: governments may take action to reduce climate change or the frequency of extreme weather events could increase, both leading to operational impacts.

The Group is focussed on preparing, as much as practicable, for potential extreme weather conditions, utility price fluctuations, changing regulations and stakeholder preferences. The Group regularly monitors regulatory and market changes which may impact the Group.

Dividends

Dividends declared or paid during the financial year are as follows:

	2024 \$'000	2023 \$'000
FY22 final fully franked dividend of 10.5 cents per share		2,968
FY23 interim fully franked dividend of 8.0 cents per share		2,267
FY23 final fully franked dividend of 17.5 cents per share	4,971	
FY24 interim fully franked dividend of 11.0 cents per share	3,136	
Dividend equivalent payments to holders of vested unissued rights	396	
Total dividends paid	8,503	5,235

Matters subsequent to the end of the financial year

The Directors resolved that a FY24 final dividend of 12 cents per share and a special dividend of 5.5 cents per share, both fully franked, be paid by Joyce Corporation Limited on 4 October 2024 to all shareholders registered as at the record date of 13 September 2024.

Other than disclosed above, no event has occurred since the reporting date to the date of this report that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs.

Environmental regulation and reporting

The Group is not subject to any particular or specific environmental regulation in any of the jurisdictions in which it operates. The Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations during the financial year.



INSURANCE OF OFFICERS

During the financial year, Joyce Corporation Ltd paid a premium to insure the Directors, Secretaries and Key Management Personnel (together “the Officers”) of the Group. A clause in the relevant insurance policy prevents the disclosure of the amount of the premium.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers of the Group and any other payments arising from liabilities incurred by the Officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company or more broadly to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.



The Remuneration Report details the key management personnel ("KMP") remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director of the Company.

For the purposes of this report, the term "Executive" encompasses the KMP and other senior executives of the Group.

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Service agreements
- C. Details of remuneration
- D. Voluntary disclosures of STI and LTI schemes settled during the financial year
- E. Share-based compensation
- F. Link between remuneration policy and company performance
- G. Voting at the 2023 Annual General Meeting (AGM)
- H. Independent salary and incentive review
- I. Loans or other transactions with directors and KMP

The information provided in this remuneration report is also included in the Annual Financial Report which has been audited as required by section 308(3C) of the Corporations Act 2001.

As well as the directors previously mentioned in this Directors' Report, other KMP of the Group include:

KMP	Position/s Held
Daniel Madden	CEO and Group Company Secretary, Joyce Corporation Ltd
Gavin Culmsee	COO, Joyce Corporation Ltd and Managing Director, Bedshed
Tim Allison	CFO and Group Company Secretary, Joyce Corporation Ltd
John Bourke	Managing Director, KWB Group Pty Ltd
James Versace	CFO, KWB Group Pty Ltd



A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Committee

The Remuneration Committee Charter establishes the role of the Remuneration Committee, which is to review and make recommendations on Board remuneration; senior management remuneration; executive share plan participation; human resource and remuneration policies and senior management succession planning, appointments and terminations.

The main responsibilities of the Remuneration Committee include reviewing and making recommendations on remuneration policies for the Group including those governing the Directors and the KMP.

The Remuneration Committee comprises a majority of Non-Executive Directors and at least three members.

The Chair of the Remuneration Committee is appointed by the Board and is a Non-Executive Director.

The Remuneration Committee meets as and when required by the Remuneration Committee Chair and at least twice annually. The Committee may invite persons deemed appropriate to attend meetings and may take any independent advice as it considers necessary or appropriate. Any Committee member may request the Chair to call a meeting.

During the financial year, the Remuneration Committee reviewed and updated its Charter. A copy of the Remuneration Committee Charter is available on the Joyce Group website.

Remuneration Policy

The objective of the Group's executive reward framework is to ensure reward is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of the Group's strategic objectives and the creation of value for shareholders. The Remuneration Committee and Board ensure that executive reward satisfies the following key criteria:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage / alignment of executive compensation to organisational results;
- Transparency; and
- Capital management.

In consultation with external remuneration consultants (where appropriate), the Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

The framework aligns to shareholders' interests by:

- Having economic profit as a core component of the framework's design;
- Focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price and delivering consistent return on assets as well as focusing the executive on key non-financial drivers of value; and
- Attracting and retaining high calibre executives.

The framework aligns to program participants' interests by:

- Rewarding capability and experience;
- Reflecting competitive reward for contribution to growth in shareholder wealth;
- Providing a clear structure for earning rewards; and
- Providing recognition for contribution.



Non-Executive Director Remuneration

Fees and payments to Non-Executive Directors reflect the demands that are made on and the responsibilities of the Directors. Non-Executive Director fees and payments are reviewed annually by the Board. The Board considers, where appropriate, the advice of independent remuneration consultants to ensure Non-Executive Director fees and payments are appropriate and in line with comparable entities. The Chair's fees are determined independently to the fees of Non-Executive Directors, based on appropriately comparable roles. The Chair is not present at any discussions relating to the determination of their own remuneration.

The current base remuneration for Non-Executive Directors was last independently reviewed by Godfrey Remuneration Group in April 2021 and was effective from 1 July 2021.

Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The limit currently stands at \$700,000 per annum and was approved by shareholders at the Annual General Meeting on 30 November 2017.

Executive Remuneration

Fixed Component

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and is competitive with appropriately comparable roles. Fixed remuneration is reviewed annually by the Remuneration Committee and the process involves review of the Group's performance, the segment within which the executive operates and the individual's performance.

Variable Component – Short Term Incentives (STI)

Goals are agreed at the start of each financial year and consist of key performance indicators (KPI's) incorporating both financial and non-financial corporate and individual-specific measures of performance. These measures are aligned to the Group's strategic objectives at the time. Examples of the types of measures used are targets for safety, profit, cash balances and segment specific KPI's. Refer to section D for further details. At the end of the financial year, the Remuneration Committee assesses the actual performance of the Group, the relevant segment and the individual against the agreed KPI targets. When the Group, or the relevant segment and the individual achieve their KPI's, the Board will reward the KMP with a cash bonus paid after the end of the financial year being assessed.

The amount paid is a discretionary percentage of a pre-determined (by the Board) maximum amount contingent on the results achieved. To the extent that achievement is above target milestones, potential restricted right share-based payments may be made to participants. No bonus is awarded where performance falls below the minimum threshold set.

Variable Component – Long Term Incentives (LTI)

The Remuneration Committee offers performance rights in the Joyce Corporation Ltd Rights Plan (JRP). The current JRP was approved by shareholders at the Annual General Meeting on 23 November 2021. KPI's set under the JRP are linked to achievement of targeted shareholder return measures over a rolling 3-year period, within the relevant business area for each individual. There is flexibility in setting performance targets year by year to take into account changing trading conditions, which is particularly important in the sectors Joyce operates. The Remuneration Committee believe this provides a suitably motivating remuneration framework for individuals while providing alignment with shareholders. Refer to Section D for further details on performance targets for vested LTI's.



B. SERVICE AGREEMENTS

This remuneration report outlines the Director and Executive remuneration arrangements with the Group in accordance with the requirements of the Corporations Act 2001 and its regulations.

The employment conditions of all KMP are formalised in contracts. The directors, CEO, COO and CFO are engaged by Joyce Corporation Ltd. All other Executives are permanent employees of subsidiaries within the Group.

Contractual arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are set out below.

	Term of current agreement	Notice period in months	Termination payment In months	Total Fixed Remuneration	Short Term Incentive ^(a)	Long Term Incentive ^(a)
Daniel Madden	rolling	3	3	\$464,107	30%	45%
Gavin Culmsee	rolling	3	3	\$365,107	30%	30%
Tim Allison	rolling	3	3	\$320,001	30%	30%
John Bourke	rolling	3	3	\$467,088	30%	30%
James Versace	rolling	3	3	\$302,586	30%	30%

(a) Variable remuneration (Short Term Incentive and Long-Term Incentive) available pool as a percentage of Total Fixed Remuneration.

The Group can terminate each contract by providing the required written notice period or providing payment in lieu of the notice period (based on the fixed component of the KMP's remuneration). The Group may terminate a KMP or Executive for serious misconduct without notice. Where termination with cause occurs, the Executive is only entitled to that portion of remuneration that is fixed up to the date of termination.

All KMP are subject to at least one performance evaluation review each year.



C. DETAILS OF REMUNERATION

The remuneration summary of KMP for the current and prior financial year is set out below.

Name	Note	Year	Salary	Non-monetary benefits	Annual and long service leave	Post-employment benefits	Cash bonus paid	Cash –other ^(g)	Equity-settled performance rights ^(h)	Total	Performance related
<i>Non-executive Directors</i>											
Jeremy Kirkwood		2024	171,041	-	-	18,814	-	-	-	189,855	0.0%
		2023	171,041	-	-	17,959	-	-	-	189,000	0.0%
Karen Gadsby	(c)(e)	2024	81,732	-	-	8,990	-	-	-	90,722	0.0%
		2023	105,285	-	-	11,055	-	-	-	116,340	0.0%
Daniel Smetana		2024	85,520	-	-	9,407	-	-	-	94,927	0.0%
		2023	85,520	-	-	8,980	-	-	-	94,500	0.0%
Travis McKenzie	(c)(d)	2024	105,058	-	-	11,556	-	-	-	116,614	0.0%
		2023	85,520	-	-	8,980	-	-	-	94,500	0.0%
Nicholas Palmer	(c)(e)	2024	98,545	-	-	10,840	-	-	-	109,385	0.0%
	(a)	2023	71,267	-	-	7,483	-	-	-	78,750	0.0%
Timothy Hantke		2024	-	-	-	-	-	-	-	-	-
	(b)	2023	95,403	-	-	10,017	-	-	-	105,420	0.0%
		2024	541,896	-	-	59,607	-	-	-	601,503	0.0%
		2023	614,036	-	-	64,474	-	-	-	678,510	0.0%

Remuneration Report - Audited

Year Ended
30 June 2024



Name	Note	Year	Salary	Non-monetary benefits	Annual and long service leave	Post-employment benefits	Cash bonus paid	Cash-other ^(a)	Equity-settled performance rights ^(h)	Total	Performance related
<i>Other Key Management Personnel</i>											
Daniel Madden		2024	436,708	-	4,634	27,399	101,178	60,852	365,100	995,872	52.9%
		2023	436,708	-	(5,115)	25,292	126,720	925	296,060	880,590	48.1%
Gavin Culmsee		2024	337,708	-	17,319	27,399	78,564	101,693	183,460	746,143	48.7%
		2023	337,708	-	21,302	25,292	94,050	20,841	250,320	749,513	48.7%
Tim Allison		2024	292,602	-	8,510	27,399	72,666	1,339	157,710	560,225	41.4%
		2023	282,708	-	10,497	25,292	79,800	589	64,440	463,326	31.3%
John Bourke		2024	420,800	-	5,639	46,288	126,942	129,721	177,600	906,990	47.9%
		2023	420,800	-	6,667	44,184	128,700	34,073	383,680	1,018,104	53.7%
James Versace		2024	272,600	-	14,123	29,986	83,240	-	81,560	481,509	34.2%
		2023	272,600	-	12,517	28,623	-	-	38,170	351,910	10.8%
Chris Palin		2024	-	-	-	-	-	-	-	-	0.0%
	(f)	2023	-	-	(32,035)	-	83,250	26,952	253,420	331,587	109.7%
		2024	1,760,418	-	50,225	158,471	462,590	293,605	965,430	3,690,739	46.6%
		2023	1,750,524	-	13,833	148,683	512,520	83,380	1,286,090	3,795,030	49.6%
TOTALS		2024	2,302,314	-	50,225	218,078	462,590	293,605	965,430	4,292,242	40.1%
		2023	2,364,560	-	13,833	213,157	512,520	83,380	1,286,090	4,473,540	42.1%

(a) Appointed 1 September 2022.

(b) Retired 30 June 2023.

(c) Due to family bereavement and the associated personal commitments, Karen Gadsby was unable to attend some Board and Board Committee meetings. Where appropriate, Travis McKenzie assumed the role of Audit and Risk Committee Chair and Nicholas Palmer the role of Chair of the KWB Board in Karen Gadsby's absence. Karen Gadsby did not receive board fees during her leave of absence and her fees were allocated proportionately to Travis McKenzie and Nicholas Palmer.

(d) Travis McKenzie was appointed Chair of the Remuneration Committee effective 1 July 2023 upon Timothy Hantke's retirement.

(e) Nicholas Palmer was appointed Chair of the KWB Board effective 1 September 2023 upon Karen Gadsby stepping down from the position.

(f) Retired 30 June 2022.

(g) Cash-Other: in accordance with the Joyce Rights Plan, cash payments were made for the dividend equivalent on issuable shares from vested performance rights.

(h) Share-based payments expense relating to performance rights valued in accordance with AASB2 *Share-based payments*.



STI – Cash Bonus

The details of the STI variable component of KMP remuneration paid during the current and prior financial year is set out below.

Name	Note	Year	Maximum STI ^(a)	% financial conditions	% non- financial conditions	STI financial condition	STI non- financial condition	% of the financial condition achieved ^(b)	% of the non-financial condition achieved	STI paid (cash)	STI payable (shares) AASB2 valuation ^(b)	Total STI paid
<i>Other Key Management Personnel</i>												
Daniel Madden		2024	138,600	60%	40%	83,160	55,440	83%	58%	101,178	-	101,178
		2023	165,000	60%	40%	99,000	66,000	76%	92%	126,720	13,495	140,215
Gavin Culmsee		2024	108,900	60%	40%	65,340	43,560	79%	63%	78,564	-	78,564
		2023	123,750	60%	40%	74,250	49,500	100%	90%	94,050	36,047	130,097
Tim Allison		2024	92,400	60%	40%	55,440	36,960	79%	79%	72,666	-	72,666
		2023	105,000	60%	40%	63,000	42,000	76%	90%	79,800	8,587	88,387
John Bourke		2024	139,497	60%	40%	83,698	55,799	100%	77%	126,942	-	126,942
		2023	165,000	60%	40%	99,000	66,000	67%	95%	128,700	-	128,700
James Versace		2024	89,505	60%	40%	53,703	35,802	100%	83%	83,240	-	83,240
		2023	-	-	-	-	-	-	-	-	-	-
Chris Palin		2024	-	-	-	-	-	-	-	-	-	-
		2023	112,500	60%	40%	67,500	45,000	67%	85%	83,250	-	83,250
TOTALS		2024	568,902			341,341	227,561			462,590	-	462,590
		2023	671,250			402,750	268,500			512,520	58,129	570,649

- (a) KMP cash bonus STI's are payable at the discretion of the Board and are based on key performance criteria, which require performance to meet or exceed pre-determined targets. Key performance criteria include both financial and non-financial criteria.
- (b) In accordance with the FY22 STI scheme, the proportion of financial metric payments for achievement of results above 100% was payable in restricted right shares.



D. VOLUNTARY DISCLOSURES OF STI AND LTI SCHEMES SETTLED DURING THE FINANCIAL YEAR

The following is the cash payment or share based payment issued to Executive during the financial year on settlement of a prior year STI or LTI scheme.

FY23 STI's Realised in FY24

Total

Participant	STI Entitlement (\$)	STI Received (\$)	Overall Payout Ratio (%)	Received as Cash Payment (\$)
Dan Madden	138,600	101,178	73%	101,178
Gavin Culmsee	108,900	78,564	72%	78,564
Tim Allison	92,400	72,666	79%	72,666
John Bourke	139,497	126,942	91%	126,942
James Versace	89,505	83,240	93%	83,240

FY23 STI's Realised in FY24

Financial Targets

Participant	Financial Target ^(a)	% of Total STI Entitlement	Target Quantum (\$M)	Target Achieved (\$M) ^(c)	% of Financial STI Entitlement	Cash Payment (\$)
Dan Madden	JYC Shareholder NPAT	60% ^(b)	9.53	9.64	56%	69,300
Gavin Culmsee	JYC Shareholder (excl. KWB) NPAT	60% ^(b)	0.47	0.38	52%	51,339
Tim Allison	JYC Shareholder (excl. KWB) NPAT	60% ^(b)	0.47	0.38	52%	43,560
John Bourke	KWB NPAT	60%	17.77	18.15	67%	86,698
James Versace	KWB NPAT	60%	17.77	18.15	67%	53,703

(a) Financial targets are normalised for the impact of non-cash LTI accounting adjustments and one-off significant income or expenses, as determined by the Board.

(b) Includes a 10% component specific to Crave financial performance (which was not achieved).

(c) If certain additional criteria are met over and above Target, Executives can be eligible to receive an additional "Stretch" payment of up to 50% of the Financial STI Entitlement which is paid in shares or cash. None of these additional criteria were achieved.

FY23 STI's Realised in FY24

Non-Financial Targets

Participant	% of Total STI Entitlement	Target Achieved (%)	Cash Payment (\$)
Dan Madden	31%	58%	31,878
Gavin Culmsee	31%	63%	27,225
Tim Allison	31%	79%	29,106
John Bourke	31%	78%	43,244
James Versace	31%	83%	29,537



FY22 LTI's Realised in FY24

Market based rights

Participant	Maximum LTI Entitlement (No. Rights)	Target LTI Entitlement (No. Rights)	Target Metric	Target Quantum ^(a)	Target Achieved (%)	% of Maximum LTI Entitlement ^(b)	Expected to vest (No. Rights) ^(c)
Dan Madden	39,613	19,807	TSR Performance	15% CAGR	21.3%	100%	39,613
Gavin Culmsee	14,521	7,261	TSR Performance	15% CAGR	21.3%	100%	14,521
Tim Allison	12,413	6,207	TSR Performance	15% CAGR	21.3%	100%	12,413
John Bourke	20,664	10,332	TSR Performance	15% CAGR	21.3%	100%	20,664

(a) Target is 15% year on year growth in the 30-day VWAP share price from 1 July 2021 to 30 June 2024 (with an allowance for dividends paid).

(b) Maximum Rights are paid where a CAGR of 20% or more is achieved.

(c) To be confirmed at the next meeting of the Joyce Remuneration Committee.

FY22 LTI's Realised in FY24

Non-market based rights

Participant	Maximum LTI Entitlement (No. Rights)	Target LTI Entitlement (No. Rights)	Target Metric ^(a)	Target Quantum	Target Achieved	% of Maximum LTI Entitlement	Expected to vest (No. Rights) ^(c)
Dan Madden	92,430	46,215	JYC ROE ^(b)	44.9%	46.2%	79%	73,306
Gavin Culmsee	58,086	29,043	Bedshed EBIT	\$11.1M	\$14.2M	100%	58,086
Tim Allison	49,652	24,826	JYC ROE ^(b)	44.9%	46.2%	79%	39,379
John Bourke	82,655	41,328	KWB EBIT	\$73.5M	\$69.8M	25%	20,664

(a) Target metrics are based on achieving budget in year 1 (being FY22) and a 15% year on year growth rate in years 2 and 3. Financial targets are normalised for one-off significant income or expenses, as determined by the Board.

(b) JYC CEO and CFO targets are based on NPAT to JYC Shareholders and issued share capital. Issued share capital excludes any issues under LTI plan. DRP issues may be excluded at the discretion of the Board.

(c) To be confirmed at the next meeting of the Joyce Remuneration Committee.



E. SHARE-BASED COMPENSATION

Performance rights granted as compensation under the JRP

During the current financial year, 124,853 'FY24 performance rights' were issued to Daniel Madden, 65,480 to Gavin Culmsee, 57,390 to Tim Allison, 83,235 to John Bourke, and 53,750 to James Versace. These are subject to meeting pre-determined performance criteria.

During the prior financial year, 171,288 'FY23 performance rights' were issued to Daniel Madden, 89,722 to Gavin Culmsee, 76,128 to Tim Allison, 114,930 to John Bourke, and 73,743 to James Versace. These are subject to meeting pre-determined performance criteria.

Grant reference	Grant date ^(a)	Vesting and exercisable date ^(b)	Expiry date	Exercise price	Fair value per rights at grant date
FY22/24 market	30 December 2021	30 June 2024	30 June 2036	\$0.00	\$3.975
FY22/24 non-market	30 December 2021	30 June 2024	30 June 2036	\$0.00	\$3.330
FY23/25 market	13 December 2022	30 June 2025	30 June 2037	\$0.00	\$4.700
FY23/25 non-market	13 December 2022	30 June 2025	30 June 2037	\$0.00	\$3.064
FY24/26 market	1 December 2023	30 June 2026	30 June 2038	\$0.00	\$1.897
FY24/26 non-market	1 December 2023	30 June 2026	30 June 2038	\$0.00	\$2.581

(a) The grant date is the date at which the performance rights are communicated to the employees. The effective date of the grant, from which the performance hurdles are measured, is the first day of the financial year in which the grant is made.

(b) The exact vesting and exercisable date for performance rights that have not yet vested and been exercised is currently indeterminate and depends on the date of the meeting at which the Remuneration Committee can confirm achievement of the long-term performance hurdles. This is typically four to eight weeks following the end of the financial year.



Reconciliation of performance rights

The reconciliation of the performance rights held by KMP during the financial year is set out below.

		Balance at start of reporting period Number	Granted during reporting period Number	Vested Number	Exercised ^(a) Number	Forfeited / Lapsed Number	Balance at end of reporting period Number	Vested at end of reporting period Number	Vested and exercisable at end of reporting period Number	Maximum value yet to vest ^(c) \$000
Daniel Madden	FY24	-	124,853	-	-	-	124,853	-	-	254
	FY23	171,288	-	-	-	-	171,288	-	-	387
	FY22 ^(b)	135,888	-	(112,919)	(3,845)	(19,124)	-	112,919	112,919	-
	FY21	127,002	-	-	(127,002)	-	-	-	-	-
	FY20	-	-	-	-	-	-	-	-	-
Gavin Culmsee	FY24	-	65,480	-	-	-	65,480	-	-	140
	FY23	89,722	-	-	-	-	89,722	-	-	211
	FY22 ^(b)	82,877	-	(72,607)	(10,270)	-	-	72,607	72,607	-
	FY21	140,484	-	-	(140,484)	-	-	-	-	-
	FY20	76,387	-	-	(76,387)	-	-	-	-	-
Tim Allison	FY24	-	57,390	-	-	-	57,390	-	-	123
	FY23	76,128	-	-	-	-	76,128	-	-	179
	FY22 ^(b)	64,512	-	(51,792)	(2,447)	(10,273)	-	51,792	51,792	-
John Bourke	FY24	-	83,235	-	-	-	83,235	-	-	136
	FY23	114,930	-	-	-	-	114,930	-	-	271
	FY22 ^(b)	103,319	-	(41,328)	-	(61,991)	-	41,328	41,328	-
	FY21	208,448	-	-	(208,448)	-	-	-	-	-
	FY20	141,677	-	-	(141,677)	-	-	-	-	-
James Versace	FY24	-	53,750	-	-	-	53,750	-	-	87
	FY23	73,743	-	-	-	-	73,743	-	-	174
		1,606,405	384,708	(278,646)	(710,560)	(91,388)	910,519	278,646	278,646	1,962

- (a) The fully vested 'FY20 performance rights', 'FY21 performance rights' and 'FY22 STI performance rights' were exercised in June 2024, with the associated shares issued.
- (b) The 'FY22 performance rights' vesting period ended on 30 June 2024, with expected vesting results shown above. This will be confirmed at the next meeting of Joyce's Remuneration Committee.
- (c) 'Maximum value yet to vest' represents the full accounting value assuming 100% of the rights will vest.
- (d) As at the end of the reporting period, there are no performance rights that have vested and are not exercisable nor are there any performance rights issuable.



Details of performance rights

Details of performance rights held by KMP as at 30 June 2024 are summarised below.

FY22 market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke
Number of rights granted	39,613	14,521	12,413	20,664
Vesting conditions	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)
Number of rights expected to vest ^(b)	39,613	14,521	12,413	20,664
Grant date	30 December 2021	30 December 2021	30 December 2021	30 December 2021
Performance period	3 years	3 years	3 years	3 years
Expiry date	30 June 2026	30 June 2026	30 June 2026	30 June 2026
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00
Fair value per right at grant date	\$3.975	\$3.975	\$3.975	\$3.975

(a) The probability of the performance rights vesting has already been considered in the initial valuation of the rights. Therefore, the expense recognised in respect of the market-based performance rights is based on the extent to which the vesting period has expired, within the three years commencing 1 July 2021 and ending 30 June 2024.

(b) To be confirmed at the next meeting of the Joyce Remuneration Committee.

FY22 non-market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke
Maximum number of rights granted	92,430	58,086	49,652	82,655
Vesting conditions	JYC ROE metric ^(a)	Bedshed EBIT metric ^(a)	JYC ROE metric ^(a)	KWB EBIT metric ^(a)
Number of rights expected to vest ^(b)	73,306	58,086	39,379	20,664
Grant date	30 December 2021	30 December 2021	30 December 2021	30 December 2021
Performance period	3 years	3 years	3 years	3 years
Expiry date	30 June 2036	30 June 2036	30 June 2036	30 June 2036
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00
Fair value per right at grant date	\$3.330	\$3.330	\$3.330	\$3.330

(a) The expense recognised in respect of the performance rights is based on the Board's assessment of the probability that certain milestone Return on Equity (ROE) or Divisional Earnings Before Interest and Tax (EBIT) metrics will be achieved, measured cumulatively over the three-year period commencing 1 July 2021 and ending 30 June 2024. There are three milestones: "threshold"; "target"; and "stretch and above". Meeting these milestones results in, respectively, 25%, an additional 25%, and the final 50% of the rights vesting into ordinary shares.

(b) To be confirmed at the next meeting of the Joyce Remuneration Committee.



FY23 market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace
Maximum number of rights granted	51,386	17,944	15,226	22,986	14,749
Vesting conditions	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)
Number of rights expected to vest ^(b)	51,386	17,944	15,226	22,986	14,749
Grant date	13 December 2022	13 December 2022	13 December 2022	13 December 2022	13 December 2022
Performance period	3 years	3 years	3 years	3 years	3 years
Expiry date	30 June 2037	30 June 2037	30 June 2037	30 June 2037	30 June 2037
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fair value per right at grant date	\$4.700	\$4.700	\$4.700	\$4.700	\$4.700

(a) The probability of the performance rights vesting has already been taken into account in the initial valuation of the rights. Therefore the expense recognised in respect of the market-based performance rights is based on the extent to which the vesting period has expired, within the three years commencing 1 July 2022 and ending 30 June 2025.

(b) The fair value of market based rights are expensed in full over their performance period under the requirements of AASB2 Share-based payments. The number of rights expected to vest is therefore set at 100% in order to align with this requirement and will be adjusted where necessary on vesting.

FY23 non-market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace
Maximum number of rights granted	119,902	71,778	60,902	91,944	58,994
Vesting conditions	JYC ROE metric ^(a)	JYC ROE metric ^(a)	JYC ROE metric ^(a)	KWB NPAT metric ^(a)	KWB NPAT metric ^(a)
Number of rights expected to vest	29,976 - 59,951	17,945 - 35,889	15,226 - 30,451	22,986 - 45,972	14,749 - 29,497
Grant date	13 December 2022	13 December 2022	13 December 2022	13 December 2022	13 December 2022
Performance period	3 years	3 years	3 years	3 years	3 years
Expiry date	30 June 2037	30 June 2037	30 June 2037	30 June 2037	30 June 2037
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fair value per right at grant date	\$3.064	\$3.064	\$3.064	\$3.064	\$3.064

(a) The expense recognised in respect of the performance rights is based on the Board's assessment of the probability that certain milestone Return on Equity (ROE) or Divisional Net Profit After Tax (NPAT) metrics will be achieved, measured cumulatively over the three-year period commencing 1 July 2022 and ending 30 June 2025. There are three milestones: "threshold"; "target"; and "stretch and above". Meeting these milestones results in, respectively, 25%, an additional 25%, and the final 50% of the rights vesting into ordinary shares.



FY24 market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace
Maximum number of rights granted	37,456	13,096	11,478	16,647	10,750
Vesting conditions	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)
Number of rights expected to vest ^(b)	37,456	13,096	11,478	16,647	10,750

Fair value model inputs

Grant date	1 December 2023
Expiry date	30 June 2038
Exercise price	\$0.00
Performance period	3 years
Share price on grant date	\$3.00
Dividend yield (%)	6.00%
Expected volatility (%)	40%
Risk-free interest rate (%)	4.070%
Model used	Monte Carlo
Fair value per right at grant date	\$1.897

- (a) The probability of the performance rights vesting has already been taken into account in the initial valuation of the rights. Therefore the expense recognised in respect of the market-based performance rights is based on the extent to which the vesting period has expired, within the three years commencing 1 July 2023 and ending 30 June 2026.
- (b) The fair value of market based rights are expensed in full over their performance period under the requirements of AASB2 *Share-based payments*. The number of rights expected to vest is therefore set at 100% in order to align with this requirement and will be adjusted where necessary on vesting.

FY24 non-market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace
Maximum number of rights granted	87,397	52,384	45,912	66,588	43,000
Vesting conditions	JYC ROE metric ^(a)	JYC ROE metric ^(a)	JYC ROE metric ^(a)	KWB NPAT metric ^(a)	KWB NPAT metric ^(a)
Number of rights expected to vest	29,132 - 58,265	17,461 - 34,923	15,304 - 30,608	44,392 - 66,588	28,667 - 43,000

Fair value model inputs

Grant date	1 December 2023
Expiry date	30 June 2038
Exercise price	\$0.00
Performance period	3 years
Share price on grant date	\$3.00
Dividend yield (%)	6.00%
Expected volatility (%)	40%
Risk-free interest rate (%)	4.070%
Model used	Black-Scholes
Fair value per right at grant date	\$2.581

- (a) The expense recognised in respect of the performance rights is based on the Board's assessment of the probability that certain milestone Return on Equity (ROE) or Divisional Net Profit After Tax (NPAT) metrics will be achieved, measured cumulatively over the three-year period commencing 1 July 2023 and ending 30 June 2026. There are three milestones: "threshold", "target", and "stretch and above". Meeting these milestones results in, respectively, 33.3%, an additional 33.3%, and the final 33.3% of the rights vesting into ordinary shares.



Option and holding rights granted as compensation

During the financial year no options were granted or vested as equity compensation benefits to any Director or Executive of the Group (2023: nil).

Option holdings

During the financial year, there were no options on issue to any Director or Executive of the Group (2023: nil).

Partially paid ordinary shares as compensation

There were no partly paid ordinary shares held or granted during the financial year as compensation to any Director or Executive of the group (2023 nil).

Shareholdings

The number of shares in the Company held during the financial year by each Director and KMP, including their personally related parties, are set out below.

	Balance 1 July 2023	Granted as remuneration	On exercise of options / performance rights	On-market purchases	Dividend Reinvestment plan	Other net change	Balance 30 June 2024
Jeremy Kirkwood	147,371	-	-	-	-	-	147,371
Karen Gadsby	87,500	-	-	-	-	-	87,500
Daniel Smetana	11,063,654	-	-	-	-	-	11,063,654
Travis McKenzie	16,799	-	-	-	986	-	17,785
Nicholas Palmer	-	-	-	20,000	-	-	20,000
Daniel Madden	-	-	130,847	-	-	-	130,847
Gavin Culmsee	40,000	-	227,141	-	-	-	267,141
Tim Allison	-	-	2,447	-	-	-	2,447
John Bourke	165,359	-	350,125	-	-	-	515,484
James Versace	-	-	-	-	-	-	-
TOTAL	11,520,683	-	710,560	20,000	986	-	12,252,229



F. LINK BETWEEN REMUNERATION POLICY AND COMPANY PERFORMANCE

The Group provided Executives with variable remuneration in the form of short-term and long-term incentives as described in Part A of the Remuneration Report. These incentives are payable upon the achievement of certain goals covering both financial and non-financial, corporate and individual measures of performance. Included in the measures are contributions to profit, cash targets and departmental functional KPI's.

The following table shows the revenue, profit and dividends for the last five years for the Group, as well as the share price at the end of the respective financial year. The dividend includes ordinary and special dividends paid or payable in respect of each financial year. The effectiveness of the Executives' variable remuneration in driving performance is reflected in the long term trends represented in the figures below.

	FY24 \$'000	FY23 \$'000	FY22 \$'000	FY21 \$'000	FY20 \$'000
Revenue ^(a)	145,509	145,179	129,016	111,224	85,757
Earnings before interest and tax	24,511	24,172	26,703	19,629	6,471
Profit after tax ^(a)	17,531	16,377	17,610	12,995	2,674
Share price at year-end (\$)	3.90	2.43	2.40	2.65	1.10
Basic earnings per share (cents)	31.12	28.00	32.19	26.92	(3.95)
Dividends (cents)	28.5	25.5	18.0	17.0	10.0

(a) Revenue and profit exclude any discontinued operations.

G. VOTING AT THE 2023 ANNUAL GENERAL MEETING ("AGM")

At the 2023 AGM, 86% of shareholders' votes cast were in favour of adopting the audited 2023 Remuneration Report.

As with previous years, during the 2024 financial year, the Remuneration Committee and the Board considered the views of shareholders and continues to assess the appropriateness of the Company's remuneration policies and competitiveness to ensure it aligns with the Company's performance against key business goals and objectives. The Board is committed to ensuring there is continued demonstrable alignment between performance and compensation for key management personnel.

H. INDEPENDENT SALARY INCENTIVE REVIEW

Although no formal independent remuneration review was undertaken during the year, the Company consistently checked any proposed remuneration changes with independent advisors.

I. LOANS OR OTHER TRANSACTIONS WITH DIRECTORS AND KMP

There are no loans outstanding with any Director or Executive as at 30 June 2024 (2023: \$nil).

There are no other material transactions with KMP not in the ordinary course of business.

END OF AUDITED REMUNERATION REPORT



PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose for taking responsibility on behalf of the Company for all or part of those proceedings.

OPTIONS OVER UNISSUED SHARES

No options over unissued shares in the Company were in existence at the beginning of the financial year or granted during, or since the end of, the financial year.

NON-AUDIT SERVICES

The Group has, from time to time, employed the external auditor and its network firms on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or its network firms on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (Independence Standards)*.

Details of the amounts paid or payable to the auditor and its network firms for non-audit services provided during the financial year by the auditor are outlined in Note 27.

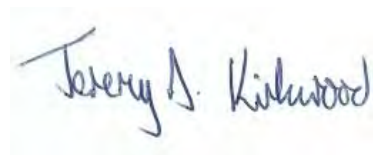
AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 42.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Signed in accordance with a resolution of the Directors



J Kirkwood

Chair

Perth 30 August 2024



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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF JOYCE CORPORATION LTD

As lead auditor of Joyce Corporation Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Joyce Corporation Ltd and the entities it controlled during the period.

Phillip Murdoch
Director

BDO Audit Pty Ltd
Perth
30 August 2024



Joyce Corporation Ltd (“the Company”) and the Board are committed to achieving and demonstrating a high standard of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2024 Corporate Governance Statement reflects the corporate governance practices in place throughout the financial year. The Company’s current Corporate Governance Statement can be viewed at www.joycegroup.com.au.



Joyce Corporation Ltd

AND CONTROLLED ENTITIES

ABN: 80 009 116 269

Annual Financial Report

For the Year Ended 30 June 2024

Consolidated Statement of Profit or Loss

Year Ended
30 June 2024



	Note	2024 \$'000	2023 \$'000
Revenue	21	145,509	145,179
Cost of sales	21	(67,330)	(67,616)
Gross profit		78,179	77,563
Other revenue	21	2,894	1,749
Other selling costs	21	(10,666)	(10,892)
Employment expenses	21	(27,829)	(27,787)
Occupancy expenses		(2,215)	(2,273)
Marketing expenses		(3,906)	(2,488)
Administration expenses	21	(4,482)	(4,731)
Depreciation and amortisation	21	(7,464)	(6,969)
<i>Profit before interest and tax</i>		<i>24,511</i>	<i>24,172</i>
Net interest	21	143	(170)
Profit before tax		24,654	24,002
Income tax expense	22	(7,123)	(7,625)
Profit for the year		17,531	16,377
Profit is attributable to:			
Ordinary equity holders of the company		8,863	7,934
Non-controlling interests		8,668	8,443
		17,531	16,377
Earnings per share (cents per share) for profit attributable to ordinary equity holders of the Company:			
Basic earnings per share	18	31.12	28.00
Diluted earnings per share	18	30.07	27.66

The consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

Year Ended
30 June 2024



	Note	2024 \$'000	2023 \$'000
Profit for the year		17,531	16,377
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		17,531	16,377
Total comprehensive income for the year attributable to:			
Ordinary equity holders of the company		8,863	7,934
Non-controlling interests		8,668	8,443
		17,531	16,377

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at
30 June 2024



	Note	2024 \$'000	2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	39,148	46,079
Trade receivables	9	906	726
Inventories	10	3,893	2,587
Other assets	11	993	962
Other financial assets	12	1,690	1,652
Total current assets		46,630	52,006
Non-current assets			
Other assets	11	2,466	2,007
Deferred tax assets	22	2,816	1,970
Right-of-use assets	23	26,284	18,350
Property, plant and equipment	13	6,978	4,897
Intangible assets	5	7,662	7,734
Total non-current assets		46,206	34,958
TOTAL ASSETS		92,836	86,964
LIABILITIES			
Current liabilities			
Trade and other payables	15	21,704	22,722
Provisions	16	3,214	2,970
Lease liabilities	23	6,967	5,426
Provision for income tax	22	385	3,334
Total current liabilities		32,270	34,452
Non-current liabilities			
Lease liabilities	23	20,629	14,189
Provisions	16	1,118	553
Total non-current liabilities		21,747	14,742
TOTAL LIABILITIES		54,017	49,194
NET ASSETS		38,819	37,770
EQUITY			
Issued capital	17	21,690	19,161
Share-based payments reserve	19	1,757	3,072
Retained earnings		11,104	10,744
Parent entity interest		34,551	32,977
Non-controlling interest	25	4,268	4,793
TOTAL EQUITY		38,819	37,770

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Year Ended
30 June 2024



	Note	2024 \$'000	2023 \$'000
Cash flows from / (used in) operating activities			
Receipts from customers		147,883	146,397
Payments to suppliers and employees		(116,726)	(114,794)
Income tax paid		(10,918)	(7,256)
Interest received		1,107	603
Net cash flows from operating activities	28	21,346	24,950
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment		(2,305)	(3,234)
Purchase of intangible assets	5	(20)	(242)
Business combination – acquisition of Bedshed Alexandria	14	(675)	-
Business combination – acquisition of Bedshed Castle Hill	14	(934)	-
Payment of deposits		(458)	(1,700)
Proceeds from sale of investment property		-	15,751
Proceeds from sale of property, plant and equipment	13	114	83
Net cash flows (used in) / from investing activities		(4,278)	10,658
Cash flows (used in) financing activities			
Dividends paid		(8,188)	(4,779)
Dividends paid to non-controlling interests	25	(9,193)	(10,611)
Payment of lease liabilities – principal	23	(5,665)	(5,299)
Payment of lease liabilities – interest	23	(953)	(773)
Net cash flows (used in) financing activities		(23,999)	(21,462)
Net increase in cash and cash equivalents		(6,931)	14,146
Cash and cash equivalents at beginning of year		46,079	31,933
Cash and cash equivalents at end of year	8	39,148	46,079
Reconciliation of cash			
Cash at bank and in hand	8	39,148	46,079
		39,148	46,079

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Year Ended
30 June 2024



	Note	Contributed Equity \$'000	Share-based Payments Reserve \$'000	Retained Earnings / (Losses) \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2022		18,705	1,777	8,045	6,961	35,488
Total comprehensive income / (loss) for the year:						
Profit attributable to members of the parent entity		-	-	7,934	-	7,934
Profit attributable to non-controlling interests		-	-	-	8,443	8,443
Total comprehensive income / (loss) for the year		-	-	7,934	8,443	16,377
Transactions with owners in their capacity as owners:						
Shares issued	17	456	-	-	-	456
Share-based payments	19	-	1,295	-	-	1,295
Dividends paid or provided for	20, 25	-	-	(5,235)	(10,611)	(15,846)
Balance at 30 June 2023		19,161	3,072	10,744	4,793	37,770

	Note	Contributed Equity \$'000	Share-based Payments Reserve \$'000	Retained Earnings / (Losses) \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2023		19,161	3,072	10,744	4,793	37,770
Total comprehensive income / (loss) for the year:						
Profit attributable to members of the parent entity		-	-	8,863	-	8,863
Profit attributable to non-controlling interests		-	-	-	8,668	8,668
Total comprehensive income / (loss) for the year		-	-	8,863	8,668	17,531
Transactions with owners in their capacity as owners:						
Shares issued	17	314	-	-	-	314
Share-based payments	19	-	900	-	-	900
Conversion of performance rights	19	2,215	(2,215)	-	-	-
Dividends paid or provided for	20, 25	-	-	(8,503)	(9,193)	(17,696)
Balance at 30 June 2024		21,690	1,757	11,104	4,268	38,819

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



1. CORPORATE INFORMATION

The consolidated financial statements of Joyce Corporation Ltd (“the Company”) for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors of the Company dated 30 August 2024. Joyce Corporation Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The Company is a for-profit entity for the purpose of this financial report.

The nature of the operations and principal activities of the Company and its controlled entities are described in the Directors’ Report.

The consolidated financial statements comprise the financial statements of Joyce Corporation Ltd and its controlled subsidiaries (“the Group”).

Material Accounting Policy: Basis of preparation

These general-purpose financial statements for the financial year ended 30 June 2024 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for certain other financial instruments which are measured at fair value.

Material Accounting Policy: Principles of consolidation

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All controlled entities have a 30 June financial year end. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Refer to Note 25 in relation to the list of controlled entities.

Consolidated financial statements are the financial statements of the Group presented as those of a single economic entity. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All significant intra-group balances and transactions, including income, expenses and dividends, are eliminated in full on consolidation.

The results of the entities acquired or disposed of during the financial year are accounted for from the respective dates of acquisition or up to the dates of disposal. On disposal, the attributable amount of goodwill, if any, is included in the determination of the gain or loss on disposal.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the equity section of the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income.

Amounts held on trust for the Bedshed ‘Marketing Fund’ and Bedshed ‘Deposit Guarantee Fund’ are not funds of the Group and have not been consolidated.



Material Accounting Policy: Comparatives

When required by accounting standards, comparative figures have been adjusted to maintain consistency with classification and presentation for the current financial year. In particular, 2023 comparative financial statements have been adjusted to account for modifications to right-of-use assets and lease liabilities of \$0.6M.

Material Accounting Policy: Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

2. SIGNIFICANT AFTER REPORTING DATE EVENTS

The Directors resolved that a FY24 final dividend of 12 cents per share and a special dividend of 5.5 cents per share, both fully franked, be paid by Joyce Corporation Limited on 4 October 2024 to all shareholders registered as at the record date of 13 September 2024.

Other than disclosed above, no event has occurred since the reporting date to the date of this report that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs.



3. FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group.

The Group holds the following financial instruments:

	Note	2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalents ^(a)	8	39,148	46,079
Trade receivables	9	906	726
Other receivables	11	2,525	2,026
Other financial assets	12	1,690	1,652
		44,269	50,483
Financial liabilities			
Trade and other payables	15	21,704	22,722
Lease liabilities	23	27,596	19,055
		49,300	41,777

(a) Cash and cash equivalents include balances on term deposit, which may incur some form of financial penalty (which has been assessed as insignificant) should the Group be required to access these funds prior to their maturity date.

Market risk

(i) Foreign exchange risk

The Group's exposure to foreign currency risk is not material and is largely limited to indirect foreign exchange exposure through purchases of inventory within the company-owned Bedshed stores. This is managed by freight forwarding arrangements.

(ii) Cash flow interest rate risks

As at the reporting date, the Group held cash of \$39.15 million (2023: \$46.08 million) and nil debt (2023: nil). Refer to Note 6 for a list of current debt facilities.

The Group's main interest rate risk has historically arisen from its borrowings activities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's policies seek to manage both interest rate and liquidity risks (see below), by assessment of expectations about interest rates in the medium term and the Group's need for flexibility to minimise the Group's interest expense.



The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are modelled taking into consideration refinancing, renewal of existing positions and alternative financing. This allows the Group to manage its cash flow interest rate risk by adopting an appropriate mix of fixed versus variable rate debt and an appropriate mix of debt and investment maturities to provide it with flexibility to repay debt as quickly as possible whilst maintaining liquidity to take advantage of business opportunities as they arise. With regard to the cash flow interest rate risk on average cash balances held, an increase (or reduction) in the interest rate of 100 basis points would result in an estimated increase (or reduction) of profit before tax of \$426,000 (2023: \$390,000 on 100 basis point movement).

An analysis of financial assets and liabilities by maturity is provided in (b) below.

(a) Credit risk

The analysis of credit risk is focused on the high credit quality financial institutions with which deposits are held and high credit quality wholesale customers with which the Group trades.

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the credit quality of the customer is assessed internally, considering the customer's financial position, past performance and other factors as appropriate. Credit limits are then set internally based on the assessment of the above factors. The compliance with credit limits by wholesale customers is regularly monitored by management.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. For wholesale customers without a credit rating, the Group generally retains title over the goods sold until full payment is received. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, creditworthy third parties and as such, collateral is not requested nor is it the Group's policy to securitise its trade receivables.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The credit ratings of the Group's financial assets are as follows:

		2024 \$'000	2023 \$'000
Cash and cash equivalents	AA-	39,148	46,079
Trade receivables	Non-rated	906	726
Other receivables	Non-rated	2,525	2,026
Other financial assets	Non-rated	1,690	1,652
		44,269	50,483

(b) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of its underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available and, where possible, with a variety of counterparties. Surplus funds are generally invested in term deposits or used to repay debt.

Financing arrangements

Refer to Note 6 in relation to the financing facilities available at reporting date.



Maturities of financial assets and financial liabilities

The tables below present, as at the reporting date, the Group's financial assets and liabilities in relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual discounted cash flows.

	≤ 12 months \$'000	1-5 years \$'000	> 5 years \$'000	Total \$'000
Year ended 30 June 2024				
Consolidated financial assets				
Cash and cash equivalents	39,148	-	-	39,148
Trade receivables	906	-	-	906
Other receivables	2,219	-	306	2,525
Other financial assets	1,690	-	-	1,690
	43,963	-	306	44,269
Consolidated financial liabilities				
Trade and other payables	(21,704)	-	-	(21,704)
Lease liabilities	(6,967)	(14,525)	(6,104)	(27,596)
	(28,671)	(14,525)	(6,104)	(49,300)
Net maturity	15,292	(14,525)	(5,798)	(5,031)

	≤ 12 months \$'000	1-5 years \$'000	> 5 years \$'000	Total \$'000
Year ended 30 June 2023				
Consolidated financial assets				
Cash and cash equivalents	46,079	-	-	46,079
Trade receivables	726	-	-	726
Other receivables	1,841	185	-	2,026
Other financial assets	1,652	-	-	1,652
	50,298	185	-	50,483
Consolidated financial liabilities				
Trade and other payables	(22,722)	-	-	(22,722)
Lease liabilities	(5,523)	(12,103)	(1,989)	(19,615)
	(28,245)	(12,103)	(1,989)	(42,337)
Net maturity	22,053	(11,918)	(1,989)	8,146



Capital risk management

The Board oversees the deployment of the Group's capital in a way that maintains a stable debt to equity ratio, provides shareholders with appropriate returns and ensures that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. The Group is not subject to any externally imposed capital requirements.

The Board oversees the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks. These responses include the management of the level of debt, dividends to shareholders and share issues.

Estimates and judgements are continually re-evaluated in order to contemplate the most up to date information available to management.

4. SEGMENT INFORMATION

(a) Operating segments

Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (The Board of Directors and the CEO) in order to allocate resources to the segments and to assess their performance.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has the following operating segments:

- Retail kitchen and wardrobe showrooms;
- Retail bedding – franchise operation; and
- Retail bedding stores – company-owned.

Transfer prices between operating segments are set on an arms-length basis and in a manner consistent with transactions with third parties.

(b) Geographic segments

The Group operates in one principal geographical area namely that of Australia (country of domicile). Each segment is managed on a national basis and management consider that geographic areas are not a consideration in segment performance.

(c) Information about major customers

No single customer of the Group generated more than 10% of the Group's revenue during the year ended 30 June 2024 (2023: none).

In the retail operations of the Group, namely KWB and Bedshed company-owned stores, no single customer represents a material amount of revenue.



The following table presents revenue and profit information and certain asset and liability information regarding operating segments for the year ended 30 June 2024.

	Retail kitchen and wardrobe showrooms \$'000	Retail bedding – franchise operation \$'000	Retail bedding stores – company – owned \$'000	Total \$'000
Revenue				
Revenue	121,304	5,885	17,256	144,445
Inter-segment sales	-	-	-	-
Total segment revenue	121,304	5,885	17,256	144,445
Timing of revenue recognition				
At a point in time	121,304	-	17,256	138,560
Over time	-	5,885	-	5,885
	121,304	5,885	17,256	144,445
Unallocated revenue				1,064
Total consolidated revenue				145,509
Result				
Segment result	25,221	3,176	1,243	29,640
Unallocated expenses net of unallocated income ^(a)				(4,986)
Income tax expense				(7,123)
Net consolidated profit of the year				17,531
Assets and liabilities as at 30 Jun 2024				
Segment assets	47,829	9,126	16,006	72,961
Unallocated assets				19,875
Total assets				92,836
Segment liabilities	36,699	2,740	10,890	50,329
Unallocated liabilities				3,688
Total liabilities				54,017
Other segment information for the year ended 30 Jun 2024				
Capital expenditure on PPE and intangibles	1,240	27	2,420	3,687
Capital expenditure – unallocated				117
Total capital expenditure				3,804
Depreciation and amortisation	5,117	29	1,551	6,697
Depreciation and amortisation – unallocated				767
Total depreciation and amortisation				7,464

(a) Includes Group interest expense including interest on leases in line with AASB 16 Leases.



The following table presents revenue and profit information and certain asset and liability information regarding operating segments for the year ended 30 June 2023.

	Retail kitchen and wardrobe showrooms \$'000	Retail bedding – franchise operation \$'000	Retail bedding stores – company – owned \$'000	Total \$'000
Revenue				
Revenue	123,387	5,635	15,679	144,701
Inter-segment sales	-	-	-	-
Total segment revenue	123,387	5,635	15,679	144,701
Timing of revenue recognition				
At a point in time	123,387	-	15,679	139,066
Over time	-	5,635	-	5,635
	123,387	5,635	15,679	144,701
Unallocated revenue				478
Total consolidated revenue				145,179
Result				
Segment result	25,026	2,666	2,332	30,024
Unallocated expenses net of unallocated income ^(a)				(6,022)
Income tax expense				(7,625)
Net consolidated profit of the year				16,377
Assets and liabilities as at 30 Jun 2023				
Segment assets	51,331	9,673	8,327	69,331
Unallocated assets				17,633
Total assets				86,964
Segment liabilities	38,584	2,714	4,860	46,158
Unallocated liabilities				3,036
Total liabilities				49,194
Other segment information for the year ended 30 Jun 2023				
Capital expenditure on PPE and intangibles	1,166	23	257	1,446
Capital expenditure – unallocated				2,030
Total capital expenditure				3,476
Depreciation and amortisation	4,943	90	1,029	6,062
Depreciation and amortisation – unallocated				907
Total depreciation and amortisation				6,969

(a) Includes:

- Crave pilot costs net of income earned during the period.
- Group interest expense including interest on leases in line with AASB 16 Leases.



5. INTANGIBLE ASSETS

	2023 \$'000	2022 \$'000
Software development	332	404
Goodwill	7,330	7,330
	7,662	7,734

Material Accounting Policy: Intangible Assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost. Following initial recognition, the cost model is applied to each individual class of intangible assets. Where amortisation is charged on assets with finite lives, this expense is taken to the Consolidated Statement of Profit or Loss through the 'depreciation and amortisation' expense line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits (or losses) in the period in which the expenditure is incurred. Intangible assets are tested for impairment where an indicator of impairment exists and annually in the case of intangible assets with indefinite lives, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGU's) for impairment testing. CGU's to which goodwill is allocated as at 30 June 2024 are as follows:

- KWB Retail Kitchen and Wardrobe Showrooms CGU; and
- Bedshed Franchising CGU.



Software development

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future financial benefits through revenue generation and/or cost reduction are capitalised to software development. Costs capitalised include external direct costs of materials and services, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Critical Accounting Estimates and Judgements: Capital development investments

Discounted cash flow models are used for business cases. These include assumptions and estimates of business outcomes and are used for capital investments, such as software. The Group has made an assessment to amortise software development costs over 3 to 5 years.

Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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 grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that have previously recognised an impairment amount are reviewed for possible reversal of the impairment at each reporting date.

Critical Accounting Estimates and Judgements: Impairment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and judgements.



An analysis of intangible assets is presented below.

	Goodwill		Software Development		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June						
Net of accumulated impairment and amortisation at 1 July	7,330	7,330	404	267	7,734	7,597
Additions	-	-	20	242	20	242
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Amortisation	-	-	(92)	(105)	(92)	(105)
Net of accumulated impairment and amortisation at 30 June	7,330	7,330	332	404	7,662	7,734
At 30 June						
Cost (gross carrying amount)	7,330	7,330	649	629	7,979	7,959
Disposals	-	-	-	-	-	-
Accumulated amortisation	-	-	(317)	(225)	(317)	(225)
Net Carrying amount	7,330	7,330	332	404	7,662	7,734

Goodwill

Goodwill as at 30 June 2024 reflects the interest in the KWB Group, acquired in October 2014 and the value of the Bedshed Franchising, purchased in 2006.

Software development

Software development as at 30 June 2024 reflects the value of the Group's custom built software systems, used to support multiple aspects of its operations.

**Allocation of goodwill**

Goodwill is allocated to cash-generating units which are based on the Groups operating segments:

	2024 \$'000	2023 \$'000
KWB Retail Kitchen and Wardrobe Showrooms segment	1,023	1,023
Bedshed Franchise segment	6,307	6,307
	7,330	7,330

Impairment testing of goodwill

The recoverable amount of each CGU is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period with the period extending beyond the existing budget for upcoming financial year extrapolated using estimated growth rates. The cash flows are discounted using a risk-adjusted pre-tax discount rate that is based on the specific circumstances of the Group and its CGUs and was derived from its weighted average cost of capital.

The following assumptions were used in the value-in-use calculations:

	Pre-tax Discount Rate 2024	Pre-tax Discount Rate 2023	Growth Rate 2024	Growth Rate 2023
KWB Retail Kitchen and Wardrobe Showrooms segment	13.37%	13.62%	2.21%	2.21%
Bedshed Franchising segment	13.37%	13.62%	2.21%	2.21%

The Group's value-in-use calculations incorporated a terminal value component beyond the 5-year projection period for all the operating segments.

Impairment of goodwill for the financial year ended 30 June 2024 was \$nil (2023: \$nil)

Impact of possible changes in key assumptions

No reasonably possible changes in the key assumptions above would result in the carrying amount of the CGUs exceeding their recoverable amounts.



6. LOANS AND BORROWING AND FINANCING FACILITIES AVAILABLE

Secured liabilities and assets pledged as security

The financing facilities are secured by first mortgages over a combination of the Group's assets. Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default. Refer to Note 23 in relation to lease liabilities.

Compliance with loan covenants

The Group has complied with the financial covenants of its financing facilities during the financial year. The financiers assess the financial covenants bi-annually, based on the audited annual report and reviewed half-year report.

Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	Current \$'000	Non-current \$'000	Total \$'000	Limit \$'000	Available \$'000	Expiry Date
CBA market rate loan (revolving facility)	-	-	-	4,000	4,000	30/09/2024
CBA multi-option facility	-	-	-	1,100	1,100	Subject to annual review
Total	-	-	-	5,100	5,100	

7. CONTINGENT LIABILITIES

At 30 June 2024, the Group had the following guarantees:

- KWB has increased an existing cash-backed bank guarantee from \$1.7 million (30 June 2023) to \$1.9million (30 June 2024) during the financial year.
- KWB has cash-backed rental deposits supporting showroom leases as at 30 June 2024 of nil (30 June 2023: \$0.06 million).
- Bedshed company-owned retail stores have bank guarantees relating to payment of lease obligations as at 30 June 2024 of \$0.73 million (30 June 2023: \$0.37 million).

No provision has been made in the financial statements in respect of these contingencies as the possibility of a probable outflow under these guarantees is considered remote.

Material Accounting Policy: Financial Guarantees

Where material, financial guarantees are issued. These require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. The guarantees are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 Financial Instruments and the amount initially recognised.

The fair values of financial guarantee contracts are assessed using a probability weighted discounted cash flow approach. The probability is based on:

- The likelihood of the guaranteed party defaulting in a given period;
- The proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- The maximum loss exposed if the guaranteed party were to default.



8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits held at call with other financial institutions. Refer to Note 3 in relation to the Group's approach to managing the financial risks associated with cash. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

Funds held in Trust

Cash and cash equivalents balances exclude funds allocated for the specific use of operating the Approved Purposes activities on behalf of the Company's Bedshed franchisees. Approved Purposes cash is included in Other Financial Assets. At 30 June 2024, the total of this balance was \$1.69 million (2023: \$1.65 million).

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents are comprised of the following:

	2024 \$'000	2023 \$'000
Cash at bank and on hand	39,148	46,079

Cash and cash equivalents include balances on term deposit, which may incur some form of financial penalty (which has been assessed as insignificant) should the Group be required to access these funds prior to their maturity date.

9. TRADE RECEIVABLES

	2024 \$'000	2023 \$'000
Current		
Trade receivables	939	741
Allowance for expected credit loss	(33)	(15)
	906	726

Trade and other receivables are non-interest bearing. Trade and other receivables are recognised at amortised cost, less an allowance for expected credit loss. Each operating segment's credit management policy requires customers to settle amounts owing in accordance within agreed payment terms. Depending on the operating segment, trade receivables are generally due for settlement within 30 days.

At 30 June, the ageing analysis of trade receivables is as follows:

	2024 \$'000	2023 \$'000
Within one year	906	726

Other balances within trade and other receivables are neither impaired nor past due. It is expected that these other balances will be received when due.



10. INVENTORIES

	2024 \$'000	2023 \$'000
Current		
Stock on hand at cost	4,058	3,142
Provision for obsolescence	(165)	(555)
	<u>3,893</u>	<u>2,587</u>

(a) Write-downs of inventories to net realisable value recognised as an expense during the financial year amounted to \$19,000 (2023: \$23,000).

Material Accounting Policy: Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in acquiring the inventories and in bringing them to their existing condition and location.

Costs are assigned to individual items of inventory on a basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale.

Critical Accounting Estimates and Judgements: Net realisable value of inventory

In determining the dollar amount of write-downs required for inventory, the Group has made judgements based on the expected net realisable value of that inventory. Historic experience and current knowledge of the products has been used in determining any write-downs to net realisable value.

11. OTHER ASSETS

	2024 \$'000	2023 \$'000
Current		
Accrued revenue	543	314
Prepayments	391	629
Other receivables	59	19
	<u>993</u>	<u>962</u>
Non – Current		
Other receivables ^(a)	2,466	2,007
	<u>2,466</u>	<u>2,007</u>

(a) Non-current other receivables at 30 June 2024 includes \$1.9 million cash-backed bank guarantee for KWB Group Pty Ltd (30 June 2023: \$1.7 million).

12. OTHER FINANCIAL ASSETS

	2024 \$'000	2023 \$'000
Current		
Funds held in trust	<u>1,690</u>	<u>1,652</u>

Funds held in trust relate to cash and cash equivalents allocated for the specific use of operating the Approved Purposes activities on behalf of Bedshed franchisees only.



13. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
Year ended 30 June 2024			
At 1 July 2023 net of depreciation	2,743	2,154	4,897
Additions	1,400	2,385	3,785
Disposals	(60)	-	(60)
Depreciation charge for the year	(943)	(701)	(1,644)
At 30 June 2024, net of accumulated depreciation	3,140	3,838	6,978
At 30 June 2024			
Cost	8,330	8,242	16,572
Accumulated depreciation	(5,190)	(4,404)	(9,594)
Net carrying amount	3,140	3,838	6,978
	Plant and equipment \$000	Leasehold improvements \$000	Total \$000
Year ended 30 June 2023			
At 1 July 2022 net of depreciation	1,718	1,705	3,423
Additions	2,092	1,142	3,234
Disposals	(48)	(21)	(69)
Depreciation charge for the year	(1,019)	(672)	(1,691)
At 30 June 2023, net of accumulated depreciation	2,743	2,154	4,897
At 30 June 2023			
Cost	7,174	5,917	13,091
Accumulated depreciation	(4,431)	(3,763)	(8,194)
Net carrying amount	2,743	2,154	4,897



Material Accounting Policy: Property, plant and equipment

Property and buildings are shown at cost value, based on periodic valuations completed by external, professionally qualified valuers, less depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Consolidated Statement of Profit during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

- Plant and equipment: 1 to 20 years;
- Leasehold improvements: 3 to 15 years or shorter of lease term;
- Buildings: 30 to 50 years; and
- Motor Vehicles: 3 to 6 years.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. 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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated Statement of Profit or Loss. On the sale of revalued assets, the profit element of the revalued amount is taken through the Consolidated Statement of Profit or Loss.

14. BUSINESS COMBINATION

On 21 December 2023, the Group's wholly-owned subsidiary Sierra Bedding Pty Ltd acquired the assets, liabilities and operations of Bedshed Castle Hill from a former franchisee as part of a strategic move to give Bedshed direct access to the Sydney market and grow its business in NSW. The transaction was settled in cash.

On 11 January 2024, the Group's wholly-owned subsidiary Sierra Bedding Pty Ltd acquired the assets, liabilities and operations of Bedshed Alexandria from a former franchisee as part of a strategic move to give Bedshed direct access to the Sydney market and grow its business in NSW. The transaction was settled in cash.

Details of the acquisitions are as follows:

	Bedshed Castle Hill \$'000	Bedshed Alexandria \$'000
	Fair value	Fair value
Property, plant and equipment, including motor vehicles	723	140
Inventories	328	571
Prepayments	27	35
Customer Deposits	(111)	(55)
Trade Creditors	(33)	(16)
Right-of-use asset	1,869	838
Lease liability	(1,869)	(838)
Net assets acquired	934	675
Goodwill on business combination	-	-
Acquisition-date fair value of the total consideration transferred	934	675



	Bedshed Castle Hill \$'000 Fair value	Bedshed Alexandria \$'000 Fair value
Representing:		
Cash paid or payable to vendor	934	675
Acquisition costs expensed to profit and loss	5	-

Note: acquired stores contributed \$2.5M of revenue in the 2024 financial year.

15. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the reporting date which remain unpaid. The amounts are unsecured and are usually paid within 30-45 days of recognition. Due to their short-term nature, the carrying amounts of trade and other payables are considered to be the same as their fair values.

	2024 \$'000	2023 \$'000
<i>Unsecured liabilities</i>		
Trade payables	4,870	5,356
Sundry creditors	77	59
Contract liabilities ^(a)	12,725	13,011
Accruals and other payables	4,032	4,296
	<u>21,704</u>	<u>22,722</u>

(a) These are deposits from customers for goods and services to be provided by the Group after reporting date.

16. PROVISIONS

	2024 \$'000	2023 \$'000
Current		
Make good provisions	42	10
Employee benefits	3,172	2,960
	<u>3,214</u>	<u>2,970</u>
Non-current		
Make good provisions	916	305
Employee benefits	202	248
	<u>1,118</u>	<u>553</u>

**Movement in provisions**

The movement in provisions during the financial year is set out in the table below:

	Employee Benefits \$'000	Make Good provision \$'000	Total \$'000
Opening balance at 1 July 2023	3,208	315	3,523
Additional / (amount released)	166	643	809
Closing balance at 30 June 2024	3,374	958	4,332

Make good provision

This provision primarily relates to assets used in KWB's retail kitchen and wardrobe showrooms.

Provision for employee benefitsWages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits at a value that considers employee services up to the reporting date and is measured at the amounts expected to be paid when the liabilities are settled.



17. ISSUED CAPITAL

Ordinary shares carry one vote per share and carry the right to dividends.

	2024 \$'000	2023 \$'000
Opening share capital	19,161	18,705
Fully paid ordinary shares issued during the year	2,529	456
Closing share capital	21,690	19,161

Movement in ordinary shares on issue:

	Number	\$'000
At 1 July 2023	28,403,617	19,161
Dividend reinvestment plan issues	105,541	314
Exercise of performance rights	987,504	2,215
At 30 June 2024	29,496,662	21,690

Material Accounting Policy: Issued capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the Consolidated Statement of Profit or Loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

**18. EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated based on a weighted average of any shares issued during the financial year.

The following reflects the earnings and share numbers used in the basic and diluted earnings per share computations:

		2024	2023
Basic earnings per share:			
Net profit attributable to ordinary Joyce shareholders	\$'000	8,863	7,934
Weighted average number of ordinary shares	Number	28,483,494	28,334,563
Earnings per share	Cents per share	31.12	28.00
Diluted earnings per share:			
Net profit attributable to ordinary Joyce shareholders	\$'000	8,863	7,934
Weighted average number of ordinary shares ^{(a)(b)}	Number	29,470,998	28,678,926
Earnings per share	Cents per share	30.07	27.66

(a) The 'FY20 and FY21 Performance Rights' and FY22 STI Rights' have been included in the denominator of the diluted shares, as they were issued at the end of the financial year.

(b) The 'FY22 and FY23' Performance Rights' have not been included in the denominator of the diluted shares as the quantum of these rights that will vest will only be determinable at a future date.

The Company has established a dividend reinvestment plan under which holders of ordinary shares can elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash.



19. SHARE BASED PAYMENTS

A total share-based payments expense of \$899,580 was recognised in the year (FY23: \$1,295,630).

Movements in share-based payments reserve during the financial year are summarised in the below table.

	2024 \$'000	2023 \$'000
Opening balance of share-based payments reserve as at 1 July	3,072	1,777
Share-based payments expense	900	1,295
Conversion of performance rights under Joyce Rights Plan (see Note 17)	(2,215)	-
Closing balance of share-based payments reserve as at 30 June	1,757	3,072

(a) Key Management Personnel performance rights

The order of performance rights is designed to provide long-term incentives for Key Management Personnel to deliver long-term shareholder returns. The performance rights are issued under the Joyce Corporation Ltd Rights Plan with eligible participants being granted performance rights which only vest if certain performance targets are met. Total share-based payments expense in FY24 relates performance rights against FY22, FY23 and FY24 long-term incentive plans.

Details of performance rights issued during the financial year are summarised below.

FY24 Market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace	Luke Clarke
Maximum number of rights granted	37,456	13,096	11,478	16,647	10,750	4,172
Vesting conditions	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)

Fair value model inputs

Grant date	1 December 2023
Expiry date	30 June 2038
Exercise price	\$0.00
Expected life	3 years
Share price on grant date	\$3.00
Dividend yield (%)	6.00%
Expected volatility (%)	40%
Risk-free interest rate (%)	4.070%
Model used	Monte Carlo
Fair value per right at grant date	\$1.897

- (a) The probability of the performance rights vesting has already been taken into account in the initial valuation of the rights. Therefore the expense recognised in respect of the market-based performance rights is based on the extent to which the vesting period has expired, within the three years commencing 1 July 2023 and ending 30 June 2026. The TSR metric for maximum number of rights granted is a compound annual growth rate of 20% over a three year period from the 30 day VWAP on 1 July 2023.



FY24 Non-market based rights

Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace	Luke Clarke
Maximum number of rights granted	87,397	52,384	45,912	66,588	43,000	16,689
Vesting conditions	JYC ROE metric ^(a)	JYC ROE metric ^(a)	JYC ROE metric ^(a)	KWB NPAT metric ^(a)	KWB NPAT metric ^(a)	Bedshed NPAT metric ^(a)
Number of rights expected to vest	29,132 – 58,265	17,461 – 34,923	15,304 – 30,608	44,392 – 66,588	28,667 – 43,000	5,557 – 11,126

Fair value model inputs

Grant date	1 December 2023
Expiry date	30 June 2038
Exercise price	\$0.00
Expected life	3 years
Share price on grant date	\$3.00
Dividend yield (%)	6.00%
Expected volatility (%)	40%
Risk-free interest rate (%)	4.070%
Model used	Black-Scholes
Fair value per right at grant date	\$2.581

(a) The expense recognised in respect of the performance rights is based on the Board's assessment of the probability that certain milestone Return on Equity (ROE) or Divisional Net Profit After Tax (NPAT) metrics will be achieved, measured cumulatively over the three-year period commencing 1 July 2023 and ending 30 June 2026. There are three milestones: "threshold"; "target"; and "stretch and above". Meeting these milestones results in, respectively, 33.3%, an additional 33.3%, and the final 33.3% of the rights vesting into ordinary shares.

Key Management Personnel short term incentive scheme – related rights

The short term incentive (STI) scheme offered to the Executive relating to the 12 months to 30 June 2023, and the 12 months to 30 June 2024, contains a clause that allows potential restricted right share-based payments to be made to participants, to the extent that they achieve above target milestones. There were no shares issuable to Key Management Personnel in line with the FY23 STI scheme. The FY24 scheme will be assessed at the next meeting of the Remuneration Committee.

Material Accounting Policy: Share-based payments

Schemes in place can only be equity-settled and are accounted for accordingly. The cost of equity-settled transactions with employees is measured using their fair value at the date which they were granted. In determining the fair value at grant date, where non-market based conditions are attached, no account is taken of the probability of achieving the related performance conditions. Where market-based conditions are attached, the probabilities of meeting these targets are built into the underlying valuation.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which any performance conditions are met, ending on the date on which the employee becomes fully entitled to the award (vesting date). The cumulative expense recognised for these transactions at each reporting date reflects the extent to which the vesting period has expired and the proportion of the awards that are expected to ultimately vest.

No expense is recognised for awards that do not ultimately vest due to a performance condition not being met.

On conversion, the performance rights convert to one ordinary share.



Critical Accounting Estimates and Judgements: Share-based payments

The Group initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model as well as an assessment of the probability of achieving non-market based vesting conditions. The probability of achieving non-market based vesting conditions of performance options is assessed at each reporting period.

20. DIVIDENDS

Dividends declared or paid during the financial year are as follows:

	2024 \$'000	2023 \$'000
Ordinary shares:		
FY22 final fully franked dividend of 10.5 cents per share		2,968
FY23 interim fully franked dividend of 8.0 cents per share		2,267
FY23 final fully franked dividend of 17.5 cents per share	4,971	
FY24 interim fully franked dividend of 11.0 cents per share	3,136	
Dividend equivalent payments to holders of vested unissued rights	396	
	<u>8,503</u>	<u>5,235</u>

Franking account balance

The franking credits available for subsequent financial years from continued operations are:

	Consolidated		Parent entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Franking credits available for subsequent financial years at 30%	<u>13,483</u>	<u>9,911</u>	<u>7,816</u>	<u>7,619</u>



21. REVENUE, INCOME AND EXPENSES

(a) Revenue

	2024 \$'000	2023 \$'000
Revenue from contracts with customers		
Sale of goods	138,560	139,066
Franchise revenue	5,885	5,635
Hire revenue	1,064	478
	<u>145,509</u>	<u>145,179</u>
Other revenue		
Rental revenue	675	616
Freight recovered	388	320
Gain on lease modification	-	13
Profit / (loss) on sale of assets	54	(279)
Imports program gains	209	63
Other revenue	1,568	1,016
	<u>2,894</u>	<u>1,749</u>

Disaggregation of revenue

Management review the business at the level of disaggregation shown as per Note 4. The disaggregation of revenue follows the operating segments identified, being revenue from the following activities and arrangements:

- Retail kitchen and wardrobe showrooms and retail bedding stores, revenue is earned at the point of product delivery; and
- Franchising, the majority of revenue is earned through payments made by the franchisees for the services Bedshed provide in connection with the franchise.
- Home staging, revenue is earned over the term of the hire agreement.

In understanding the segments, the organisation rarely considers the geographic location of the customer as being the driver to an increased understanding.



The following table lays out the facts and circumstances that pertain to the Group's contracts with customers and depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Operating segment / Factor	Retail kitchen and wardrobe showrooms	Retail bedding – franchise operation	Retail bedding stores – company stores	Home staging
Nature of the revenue	Sale of goods	Franchise revenue	Sale of goods	Hire of goods
Market	"Do It For Me" renovations	Franchising in specialty retail	Specialty retail	Real estate
Economic drivers of revenue	Consumer confidence; Growth in disposable income; and Spend on renovations	Consumer confidence; and Growth in disposable income	Consumer confidence; and Growth in disposable income	Real estate
Contractual arrangements	Standard form contract	Standard form contract	Standard form contract	Standard form contract
Specific revenue recognition criteria	Recognition at the point of product delivery	Recognition based on business written sales from franchised stores	Recognition at the point of product delivery	Recognition over the term of the hire contract.
Contractual assets or liabilities	Bank guarantees, Customer deposits	Nil	Bank guarantees, Customer deposits	Customer deposits



(b) Expenses

	2024 \$'000	2023 \$'000
Cost of sales		
Cost of goods	(67,330)	(67,616)
Total cost of sales	(67,330)	(67,616)
Other selling costs		
Freight	(698)	(499)
Wages – commissions	(8,601)	(8,609)
Warranty costs	(1,367)	(1,784)
Total other selling costs	(10,666)	(10,892)
Employment expenses		
Superannuation contributions	(3,039)	(2,797)
Payroll tax	(1,675)	(1,599)
Wages and other employee benefits	(22,215)	(22,095)
Share-based payments (Note 19)	(900)	(1,296)
Total employment expenses	(27,829)	(27,787)
Net interest income / (expense)		
Interest income	1,107	603
Interest expense on lease liabilities	(964)	(773)
Net interest expense	143	(170)
Depreciation and amortisation		
Depreciation – property, plant & equipment	(1,645)	(1,691)
Amortisation – right-of-use asset	(5,726)	(5,173)
Amortisation – software	(93)	(105)
Total depreciation and amortisation	(7,464)	(6,969)
Administration expenses		
IT, communications and network costs	(2,011)	(1,835)
Consultancy fees	(292)	(389)
Travel expenses	(788)	(932)
Insurance	(624)	(430)
Accounting and audit fees	(367)	(379)
Legal fees	(127)	(168)
Other administration expenses	(291)	(609)
Expected credit loss (Note 9)	18	11
Total administration expenses	(4,482)	(4,731)

Lease payments and other expenses included in the Consolidated Statement of Profit or Loss:

	2024 \$'000	2023 \$'000
Lease payments	(6,618)	(6,071)



22. INCOME TAX

The major components of income tax expense for the financial year ended 30 June are:

	2024 \$'000	2023 \$'000
<i>Current income tax</i>		
Current income tax expense	8,010	10,200
(over) / under provision in respect of prior years	(41)	8
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(763)	(2,625)
Under provision in respect of prior years	(83)	42
Income tax expense recognised in profit or loss	7,123	7,625

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the financial years ended 30 June 2024 and 30 June 2023 is as follows:

	2024 \$'000	2023 \$'000
Profit before income tax	24,654	24,002
Income tax expense calculated at the statutory income tax rate of 30% (2023: 30%)	7,397	7,201
Tax effect of amounts which are non-deductible (taxable) in calculating taxable income:		
Entertainment	53	37
Share-based payments	270	389
Other items not allowed / (not assessable) for income tax purposes	-	-
Deferred tax assets not brought into account	(52)	(52)
Over provision in respect of prior years	(124)	50
Employee share trust contribution	(421)	-
Other permanent differences	-	-
Income tax expense recognised in profit or loss	7,123	7,625
Effective income tax rate	29%	32%

Material Accounting Policy: Tax consolidation

Joyce Corporation Ltd and its 100%-Australian-owned subsidiaries are a tax group. KWB entities are held within two tax groups. Members of the Group have not yet entered into any formal tax sharing or tax funding arrangements. At the reporting date, the possibility that the head tax group entities will default on their tax payment obligations is deemed remote.

Material Accounting Policy: Measurement method adopted under UIG 1052 Tax Consolidation Accounting

Each tax group continues to account for their own current and deferred tax amounts. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax group.

Material Accounting Policy: Tax consolidation contributions / (distributions)

The Group has recognised no consolidation contribution or distribution adjustments.



The major components of deferred income tax at 30 June 2024 are as follows:

	Opening balance 1 July 2023 \$'000	Recognised in statement of profit or loss \$'000	Closing balance 30 June 2024 \$'000
Deferred tax liabilities			
Property, plant and equipment	418	(418)	-
Trade and other receivables	16	(8)	8
Fair value gains on other intangible assets	173	(28)	145
Right-of-use asset	5,335	2,550	7,885
	<u>5,942</u>	<u>2,096</u>	<u>8,038</u>
Deferred tax assets			
Property, plant and equipment	-	19	19
Trade and other payables	390	-	390
Other employer obligations	891	73	964
Provisions	167	(117)	50
Provisions – non-current	166	169	335
Lease liabilities	5,716	2,563	8,279
Tax losses	576	239	815
Other	6	(4)	2
	<u>7,912</u>	<u>2,942</u>	<u>10,854</u>

The major components of deferred income tax at 30 June 2023 are as follows:

	Opening balance 1 July 2022 \$'000	Recognised in statement of profit or loss \$'000	Closing balance 30 June 2023 \$'000
Deferred tax liabilities			
Property, plant and equipment	-	418	418
Investment property / asset held for sale	2,304	(2,304)	-
Trade and other receivables	16	-	16
Fair value gains on other intangible assets	260	(87)	173
Right-of-use asset	4,180	1,155	5,335
	<u>6,760</u>	<u>(818)</u>	<u>5,942</u>
Deferred tax assets			
Property, plant and equipment	63	(63)	-
Trade and other payables	257	133	390
Other employer obligations	935	(44)	891
Provisions	281	(114)	167
Provisions – non-current	-	166	166
Lease liabilities	4,600	1,116	5,716
Tax losses	-	576	576
Other	11	(5)	6
	<u>6,147</u>	<u>1,765</u>	<u>7,912</u>



Material Accounting Policy: Deferred tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.



23. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right-of-use assets relates to the following:

	Property and buildings \$'000	Total \$'000
Year ended 30 June 2024		
At 1 July 2023, net of accumulated amortisation	18,350	18,350
Additions ^(a)	7,406	7,406
Amortisation charge for the year	(5,726)	(5,726)
Modification to lease terms	5,234	5,234
Variable lease payment adjustments	1,020	1,020
At 30 June 2024, net of accumulated amortisation	26,284	26,284

(a) A portion of the additions related to business combination – Castle Hill and Alexandria (\$2.7m Right-of-use asset additions). See Note 14 for further details.

	Property and buildings \$'000	Total \$'000
Year ended 30 June 2023		
At 1 July 2022, net of accumulated amortisation	13,933	13,933
Additions ^(a)	7,337	7,337
Amortisation charge for the year	(5,173)	(5,173)
Modification to lease terms ^(b)	2,746	2,746
Variable lease payment adjustments	(493)	(493)
At 30 June 2023, net of accumulated amortisation	18,350	18,350

a) On 22 August 2022, the Company announced that its 51% subsidiary, KWB, had agreed to the sale and leaseback of its corporate office and warehouse factory facility in Lytton, Queensland.

The transaction settled on 19 September 2022. In connection with the sale, KWB has entered into arrangements with the Purchaser for a 10 year lease (with two further 10 year options) for the continued use of the office space and the warehouse and factory space within the Property. This has resulted in derecognition of the asset held for sale and an increase in right-of-use assets of \$6.3 million and lease liability of \$6.3 million during the period. The right-of-use asset is depreciated over 10 years on a straight line basis. The lease liability of \$6.3 million is measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. At June 2023, the lease liability has reduced to \$5.9 million. The reduction reflected the principal portion of the lease repayments.

Under an existing lease agreement, a long term supplier to KWB will lease a portion of the Property from KWB, continuing as a tenant under a sub-lease on the same commercial terms as the existing lease arrangement. The sub-lease has been treated as an operating lease for accounting purposes.

b) Note: 2023 modifications to lease terms have been adjusted to account for modifications to right-of-use assets of \$0.6 million.



The following amounts relating to leased assets have been included as income or expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the year:

	2024 \$'000	2023 \$'000
Rental income (included in Other Income)	675	616
Gain on lease modification (included in Other Income)	-	13
Interest expense (included in Net Interest Expense)	953	773
Expense relating to short term leases (included in Occupancy Expense)	19	105
Expense relating to leases of low value assets that are not short-term leases (included in Administration expenses)	-	4

Lease liabilities relates to the following:

	2024 \$'000	2023 \$'000
Current		
Lease liabilities	6,967	5,426
Non-current		
Lease liabilities	20,629	14,189

Critical Accounting Estimates and Judgements: Leases

Use of estimates and judgements

Under an existing lease agreement, a long term supplier to KWB leases portion of its corporate office and warehouse factory facility in Lytton, Queensland, continuing as a tenant under a sub-lease on the same commercial terms as the existing lease arrangement. The Group has considered the substance of the sub-lease transaction and applied judgement in determining the sublease to be accounted for as an operating lease in accordance with AASB 16.

Determining the incremental borrowing rate

Where the interest rate implicit in a lease is not known, the Group is required to determine the incremental borrowing rate, being the rate of interest the Group would have to pay to borrow a similar amount, over a similar term, with similar security to obtain an asset of similar value in a similar economic environment. As this information may not be readily available, the Group is required to estimate its incremental borrowing rate, using such information as is available and adjusting reflect the particular circumstances of each lease.

Determining the lease term

The Group has in place a number of property leases with terms that can be renewed for an additional term, equal to the period of the original lease. In determining the lease term, the Group is required to determine:

- Whether there is an actual or implied extension or renewal option. An implied extension or renewal option will exist if both the lessee and lessor would incur a more than insignificant penalty if the lease were not extended or renewed; and
- Whether the Group is reasonably certain to exercise any actual or implied extension options considering all facts and circumstances relating to the lease.

Low value leases

The Group has elected to apply the low value exemption for a lease on office equipment.



Critical Accounting Estimates and Judgements: Nature of leasing activities

As a lessee

The Group leases a number of properties. The lease contracts provide for payments to increase each year by a fixed percentage, to increase each year by inflation, to be reset periodically to market rental rates, or to remain fixed over the lease term.

24. CAPITAL AND LEASING COMMITMENTS

The following changes to commitments have occurred during the financial year.

Retail Kitchen Showrooms segment:

- The renewal of 10 leases for existing showrooms
- Keswick showroom lease terminated in September 2023.
- Bundall showroom lease entered on 1 June 2024 (5 year lease with two 5 year options).

Retail Bedding Stores segment:

- Acquisition of leases for Castle Hill and Alexandria store and warehouse, see note 14.

There were no significant changes to capital and leasing commitments in the ultimate controlling entity.

**25. RELATED PARTY DISCLOSURES****Ultimate controlling entity**

The ultimate controlling entity of the Group is Joyce Corporation Ltd.

Shares held by Joyce Corporation Ltd

The consolidated financial statements include the financial statements of Joyce Corporation Ltd and the subsidiaries listed in the following table.

	Country of incorporation	% of Equity interest	
		2024	2023
Joyce International Pty Ltd	Australia	100	100
Joyce Consolidated Holdings Pty Ltd	Australia	100	100
Joyce Investments – 1 Pty Ltd	Australia	100	100
Joyce Investments 2 Pty Ltd	Australia	100	100
Joyce Investments 3 Pty Ltd	Australia	100	100
Joyce Investments 4 Pty Ltd	Australia	100	100
Sierra Bedding Pty Ltd	Australia	100	100
Bedshed Franchising Pty Ltd	Australia	100	100
Joyce Corporation Ltd Employee Share Plan Trust	Australia	100	100
KWB Group Pty Ltd	Australia	51	51
KWB Property Holdings Pty Ltd	Australia	51	51
Trade Street Lease Pty Ltd	Australia	51	51
Brisbane Investment Holdings Pty Ltd	Australia	51	51
Kitchen Connection Services (QLD) Pty Ltd	Australia	51	51
Kitchen Connection Services (NSW) Pty Ltd	Australia	51	51
Wallspan Services Pty Ltd	Australia	51	51

Critical Accounting Estimates and Judgements: Determining control of subsidiaries (AASB 10)

In determining whether the Company has control over subsidiaries that are not wholly owned, judgement is applied to assess the ability of the Company to control the day-to-day activities of the partly-owned subsidiary and its economic outcomes. In exercising judgement, the commercial and legal relationships that the Company has with other owners of partly owned subsidiaries are taken into consideration. Changes in agreements with other owners of partly owned subsidiaries could result in a loss of control and subsequently de-consolidation.

Upon acquisition of partly-owned subsidiaries by the Company, judgement is exercised concerning the value of net assets acquired on the date of acquisition. The non-controlling interest's share of net assets acquired, fair value of consideration transferred and subsequent period movements in value thereof, are disclosed as outside equity interest.



(a) Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year ended 30 June 2024, no changes in related party relationships occurred within the Group:

During the financial year, the entities of the Group entered into the following transactions with related parties:

Key Management Personnel compensation

	2024 \$	2023 \$
Fixed remuneration employee benefits	2,352,539	2,378,393
Variable remuneration employee benefits	462,590	512,520
Post-employment benefits	218,078	213,157
Share-based payments	965,430	1,286,090
	<u>3,998,637</u>	<u>4,390,160</u>

Other transactions

There are no other related party transactions during the financial year.

(b) Non – controlling interest

The effect on the equity attributable to the owners of Joyce Corporation Ltd during the year is as follows:

	2024 \$'000	2023 \$'000
Carrying amount of non-controlling interests acquired	4,793	6,961
Profits attributable to non-controlling interests	8,668	8,443
Dividends paid to non-controlling interest	(9,193)	(10,611)
Closing carrying amount of non-controlling interest	<u>4,268</u>	<u>4,793</u>



Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-group eliminations.

Statement of financial position

	KWB Consolidated Group	
	2024	2023
	\$'000	\$'000
Current assets	24,954	31,604
Current liabilities	(24,144)	(28,354)
Current net assets	810	3,250
Non-current assets	23,419	18,704
Non-current liabilities	(15,519)	(12,172)
Non-current net assets	7,900	6,532
Net assets	8,710	9,782
Accumulated NCI	4,268	4,793

Statement of financial performance

	KWB Consolidated Group	
	2024	2023
	\$'000	\$'000
Revenue	121,304	123,387
Profit for the year	17,689	17,231
Total comprehensive income	17,689	17,231
Profit allocated to NCI	8,668	8,443
Dividends paid to NCI	(9,193)	(10,611)

Statement of cash flow

	KWB Consolidated Group	
	2024	2023
	\$'000	\$'000
Cash flow from operating activities	18,384	22,866
Cash flow (used in) / from investing activities	(1,538)	12,901
Cash flow (used in) financing activities	(23,480)	(26,024)
Net increase / (decrease) in cash and cash equivalents	(6,634)	9,743

**26. PARENT ENTITY DISCLOSURES****(a) Financial position – as at 30 June**

	2024 \$'000	2023 \$'000
Assets		
Current assets	13,181	12,390
Non-current assets	17,912	18,671
Total assets	31,093	31,061
Liabilities		
Current liabilities	1,011	828
Non-current liabilities	1,846	2,131
Total liabilities	2,857	2,959
Net assets	28,236	28,102
Equity		
Issued capital	21,690	19,161
Share-based payments reserve	1,757	3,072
Retained earnings	4,789	5,869
Net equity	28,236	28,102

(b) Financial performance – for the year ended 30 June

	2024 \$'000	2023 \$'000
Profit for the year	7,422	8,614
Total comprehensive profit	7,422	8,614

i. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

No such guarantees existed as at 30 June 2024 (2023: \$nil).

ii. Contingent liabilities of the parent entity

No contingent liabilities existed within the parent entity as at 30 June 2024 (2023: \$nil).

iii. Commitments for the acquisition of property plant and equipment by the parent entity

No commitments existed for the acquisition of property plant and equipment by the parent entity as at 30 June 2024 (2023: \$nil).



27. AUDITORS REMUNERATION

	2024 \$	2023 \$
Audit or review of the financial statements:		
Group	166,150	127,500
Total audit or review of the financial statements	166,150	127,500
Non-audit services:		
Taxation services	33,450	129,404
Total non-audit services	33,450	129,404
Total services provided by BDO	199,600	256,904

28. CASH FLOW STATEMENT RECONCILIATIONS

Reconciliation of non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Acquisition of right-of-use assets, refer to Note 23.
- Dividends satisfied by the issue of shares under the dividend reinvestment plan, refer to Note 17.

Reconciliation of net debt

	2024 \$'000	2023 \$'000
Cash and cash equivalents	39,148	46,079
Net debt	39,148	46,079
Cash and liquid investments	39,148	46,079
Net debt	39,148	46,079
Reconciliation of net cash flow to movement in net debt:		
Net debt at beginning of year	46,079	31,933
Increase in cash	(6,931)	14,146
Net repayment of / (increase) in long-term loans	-	-
Movements in net debt	(6,931)	14,146
Net debt at end of year	39,148	46,079

**Reconciliation of lease liability**

	2024 \$'000	2023 \$'000
Lease liability payable within one year	6,967	5,426
Lease liability payable after one year	20,629	14,189
Total lease liabilities	27,596	19,615

Reconciliation of net cash flow to movement in lease liability:

Lease liability at beginning of year	19,615	15,333
Lease payments in cash	(6,618)	(6,072)
Interest	965	773
Lease additions	7,369	7,336
Variable lease payment adjustments and modifications to leases	6,265	2,245
Movements in lease liabilities	7,981	4,282
Lease liabilities at end of year	27,596	19,615

Reconciliation of net profit after tax to the net cash flows from operating activities

	2024 \$'000	2023 \$'000
Net profit after taxation	17,531	16,377
<i>Adjustments for:</i>		
Depreciation and amortisation	7,464	6,969
Share-based payments	900	1,295
Non-cash finance costs	953	773
Net loss / (gain) on sale of non-current assets	(54)	280
<i>Changes in assets and liabilities:</i>		
(Increase) / decrease in inventories	(407)	595
(Increase) / decrease in trade and other receivables	(176)	787
(Increase) / decrease in other assets	(37)	(434)
(Increase) / decrease in net deferred tax assets and liabilities	(846)	(2,583)
Decrease / (increase) in trade and other payables	(1,216)	(2,117)
Increase / (decrease) in provisions	(2,766)	3,008
Net cash flows from operating activities	21,346	24,950

**29. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED****a. New and amended accounting standards and interpretations adopted during the year**

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023. All new and amended accounting standards and interpretations effective from 1 July 2023 were adopted by the Group with no material impact.

b. New and amended accounting standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements that the Group reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Of the other standards and interpretations that are issued, but not yet effective, as these are not expected to impact the Group, they have not been listed.

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]. This applies to periods beginning on or after 1 January 2024 (deferred from 1 January 2023).

AASB 2023-1: Amendments to Australian Accounting Standards – Supplier Finance Arrangements [AASB 107 & AASB 7]. This applies to periods beginning on or after 1 January 2024.

AASB 2023-5: Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 121]. This applies to periods beginning on or after 1 January 2025.

IFRS 18: Presentation and Disclosure in Financial Statements – replaces IAS 1 Presentation of Financial Statements. This applies from 1 January 2027.

Consolidated Entity Statement

As at
30 June 2024



	Type of Entity	Trustee, partner or participant in JV	% of share capital	Place of business / country of incorporation	Australian resident or foreign resident
Joyce International Pty Ltd	Body corporate	-	100	Australia	Australian
Joyce Consolidated Holdings Pty Ltd	Body corporate	-	100	Australia	Australian
Joyce Investments - 1 Pty Ltd	Body corporate	-	100	Australia	Australian
Joyce Investments 2 Pty Ltd	Body corporate	-	100	Australia	Australian
Joyce Investments 3 Pty Ltd	Body corporate	-	100	Australia	Australian
Joyce Investments 4 Pty Ltd	Body corporate	-	100	Australia	Australian
Sierra Bedding Pty Ltd	Body corporate	-	100	Australia	Australian
Bedshed Franchising Pty Ltd	Body corporate	-	100	Australia	Australian
Joyce Corporation Ltd Employee Share Plan Trust	Hybrid Trust	-	100	Australia	Australian
KWB Group Pty Ltd	Body corporate	-	51	Australia	Australian
KWB Property Holdings Pty Ltd	Body corporate	-	51	Australia	Australian
Trade Street Lease Pty Ltd	Body corporate	-	51	Australia	Australian
Brisbane Investment Holdings Pty Ltd	Body corporate	-	51	Australia	Australian
Kitchen Connection Services (QLD) Pty Ltd	Body corporate	-	51	Australia	Australian
Kitchen Connection Services (NSW) Pty Ltd	Body corporate	-	51	Australia	Australian
Wallspan Services Pty Ltd	Body corporate	-	51	Australia	Australian

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.



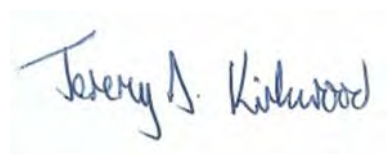
In the Directors' opinion:

- (a) The attached financial statements and notes thereto comply with the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes thereto comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- (c) the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (e) The information disclosed in the consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



J Kirkwood

Chair

Perth, 30 August 2024



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INDEPENDENT AUDITOR'S REPORT

To the members of Joyce Corporation Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Joyce Corporation Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Revenue recognition

Key audit matter	How the matter was addressed in our audit
<p>Revenue from contracts with customers is disclosed in Note 21(a) of the financial report, which includes the disaggregation of revenue and accounting policy.</p> <p>As disclosed in note 21(a), revenue is generated from multiple streams. These streams include the sale of goods, franchise revenue and hire of goods. The Group also recognises contract liabilities on customer deposits received as disclosed in Note 15.</p> <p>Revenue has been identified as a key audit matter due to its financial significance to the performance of the Group and due to the volume of transactions during the year.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Testing a sample of revenue transactions to supporting documentation including proof of delivery; • Testing the operating effectiveness of internal controls for revenue recognised; • Performing analytical procedures, including trend analysis of revenue and comparisons to historical and market data, to identify any unusual fluctuations or trends for further investigation; • Assessing the completeness and accuracy of contract liabilities by testing a sample of customer deposits received to check revenue has not been recognised prior to the satisfaction of the contract performance obligation; • Reviewing a sample of franchise agreements executed during the year to understand key terms and conditions; and • Assessing the adequacy of the disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has no realistic alternative but to do so.

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 website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 40 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Joyce Corporation Ltd, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 30 August 2024



Additional information is required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. This information is provided below.

(a) Distribution of shareholders

Category	Holders	Fully Paid Ordinary Shares	%
1 – 1,000	326	140,817	0.48
1,001 – 5,000	291	730,002	2.47
5,001 – 10,000	101	764,159	2.59
10,001 – 100,000	160	4,544,722	15.41
100,001 – and over	37	23,316,962	79.05
Rounding			0.00
Total	915	29,496,662	100.00

There were 37 shareholders holding less than a marketable parcel of ordinary securities (Minimum \$500 parcel at \$4.1000 per unit).

(b) Substantial holders

The number of shares held or controlled at the report date by substantial shareholders were as follows:

Ordinary Shareholder	Fully Paid Ordinary Shares	%
Daniel Smetana ^(a)	11,063,654	37.51

(a) As at 16 August 2024 Daniel Smetana has a direct interest in 10,260,400 fully paid ordinary shares (18 August 2023: 10,260,400).

(c) Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) On-Market Buy-Back

There is currently an on-market buy-back in effect relating to the Company's shares.

**(e) Twenty Largest Quoted Equity Security Holders**

The names of the 20 largest holders of quoted equity securities per the Company's share register are listed below:


Name	Fully Paid Ordinary Shares	%
1 ADAMIC PTY LTD	7,711,568	26.14
2 UFBA PTY LTD	1,474,000	5.00
3 ANACACIA PTY LTD <WATTLE FUND A/C>	1,227,394	4.16
4 DANIEL SMETANA <THE D A SMETANA FAMILY A/C>	1,224,651	4.15
5 ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	1,178,962	4.00
6 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,005,351	3.41
7 MR JUSTIN ZHIWEI TEO	990,000	3.36
8 NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	766,339	2.60
9 MR DAN SMETANA	734,022	2.49
10 TREASURE ISLAND HIRE BOAT COMPANY PTY LTD <STAFF SUPER FUND ACCOUNT>	587,317	1.99
11 MR DANIEL ALEXANDER SMETANA	563,726	1.91
12 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	441,234	1.50
13 VANWARD INVESTMENTS LIMITED	388,627	1.32
14 GLIOCAS INVESTMENTS PTY LTD <GLIOCAS GROWTH FUND A/C>	378,825	1.28
15 MR JOHN BOURKE	350,125	1.19
16 CONARD HOLDINGS PTY LTD	347,940	1.18
17 MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	340,000	1.15
18 MRS JUDITH ANNA SMETANA	300,000	1.02
19 MR CHRIS PALIN	276,944	0.94
20 MARTEHOF PTY LTD <TEMA SUPER FUND A/C>	275,319	0.93
Total	20,562,344	69.71
Balance of register	8,934,318	30.29
Grand total	29,496,662	100.00

Prosper
in business
together.

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 JoyceGroup