1. Company details

Name of entity:	Nick Scali Limited
ABN:	82 000 403 896
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	42.1%	to	373,040
Profit from ordinary activities after tax attributable to the owners of Nick Scali Limited	up	100.2%	to	84,241
Profit for the year attributable to the owners of Nick Scali Limited	up	100.2%	to	84,241

Dividends

	Amount per security Cents	Franked amount per security Percentage
Final dividend for the year ended 30 June 2020 paid on 27 October 2020	22.5	100.0
Interim dividend for the year ended 30 June 2021 paid on 30 March 2021	40.0	100.0

On 5 August 2021 the directors declared a fully franked final dividend of 25.0 cents per ordinary share with a record date of 4 October 2021 to be paid on 25 October 2021.

Comments
The profit for the consolidated entity after providing for income tax amounted to $84,241,000 (30 June 2020: $42,076,000).

	2021 $'000	2020 $'000
Profit after income tax expense	84,241	42,076
Interest income	(367)	(501)
Interest expense – lease liabilities	6,208	6,512
Interest expense - borrowings	531	790
Income tax expense	36,972	18,076
Earnings Before Interest and Tax (EBIT)	127,585	66,953
Depreciation and amortisation expense	30,870	29,987
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	158,455	96,940

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	137.45	90.17

The net tangible assets for the year ended 30 June 2021 include right-of-use assets as defined by AASB16.

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Nick Scali Limited

ABN 82 000 403 896

Annual Report - 30 June 2021

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Nick Scali Limited
Corporate directory
30 June 2021

Directors	John Ingram	(Independent Non-Executive Chairman)
	Carole Molyneux	(Independent Non-Executive Director)
	Stephen Goddard	(Independent Non-Executive Director)
	William Koeck	(Independent Non-Executive Director)
	Anthony Scali	(Managing Director)
Company secretary	Christopher Malley	
Notice of annual general meeting	The details of the annual general meeting of Nick Scali Limited are: The annual General Meeting will be held at 12H00 On Monday 25th October 2021	
Registered office	Level 7, Triniti II 39 Delhi Road North Ryde NSW 2113 Telephone: 02 9748 4000	
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Telephone: 02 8280 7100	
Auditor	Ernst & Young 200 George Street Sydney NSW 2000	
Solicitors	Ashurst Level 11, 5 Martin Place Sydney NSW 2000	
Stock exchange listing	Nick Scali Limited shares are listed on the Australian Securities Exchange (ASX code: NCK)	
Website	www.nickscali.com.au	

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Nick Scali Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors
The names and details of the Company's directors (referred to hereafter as the "Board") in office at any time during the financial year or until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

John Ingram
Carole Molyneux
Stephen Goddard
William Koeck (appointed 1 August 2020)
Anthony Scali

Principal activities
The principal activities of the Group during the year were the sourcing and retailing of household furniture and related accessories.

No significant change in the nature of these activities occurred during the year.

Dividends
Dividends paid during the year were as follows:

	2021 $'000	2020 $'000
Final franked dividend for 30 June 2020: 22.5 cents (2019: 20.0 cents)	18,225	16,200
Interim franked dividend for 30 June 2021: 40.0 cents (2020: 25.0 cents)	32,400	20,250
	50,625	36,450

In addition to the above dividend, since the end of the financial year directors have declared a fully franked final dividend of 25.0 cents per fully paid ordinary share to be paid on 25 October 2021 out of retained profits at 30 June 2021.

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Operating and financial review

Nick Scali Limited is a furniture retailer operating in Australia and New Zealand. The business operates under a single brand, Nick Scali Furniture.

Group operating results

	2021 $m	2020 $m	% Change
Revenue	373.0	262.5	42.1%
Earnings before interest tax depreciation and amortisation (EBITDA)	158.5	96.9	63.5%
Earnings before interest and taxation (EBIT)	127.6	67.0	90.4%
Net profit after tax (NPAT)	84.2	42.1	100.0%
Earnings per share (EPS)(cents)	104.0	51.9	100.4%
Dividends per share (DPS)(cents)	65.0	47.5	
Net cash flow	43.8	26.8	

The financial year ended 30 June 2021 has seen the Group deliver unprecedented results with sales revenue increasing by 42.1% to $373,040,000 and net profit after tax increasing by over 100% to $84,241,000.

Revenue growth was supported by improvements in gross margins, as the Group benefited from an improved foreign exchange environment and shallower promotional pricing activity. The gross profit margin for financial year ended 30 June 2021 was 63.5%, an increase of 80 basis points on the prior year.

Despite the growth in revenue, operating expenses remained at similar levels to previous years, and the Group leveraged its fixed cost base to deliver exceptional profit growth.

The Group continues to have low debt and a strong working capital position, and had net assets of $114,026,000 at 30 June 2021. Net cash inflows during the year were $43,855,000, an increase of $17,102,000 on the previous year cash inflow, driven by the strong trading result.

Showroom network

During the year, two new stores were opened in Australia at Bennetts Green, NSW and Maribyrnong, Victoria. One new store was opened at Wairau Park Auckland, New Zealand, bringing the store network in New Zealand to a total of 4 stores. The Company closed its existing store in Mile End and opened a flagship store in the neighbouring suburb of Keswick, SA. The company has a total store network of 61 stores across Australia and New Zealand.

In the first half of the new financial year the Company expects to open the fifth New Zealand store at Hastings. A number of further new store opportunities are being considered in both Australia and New Zealand and the Company remains focused on its target of 85 stores across Australia and New Zealand.

People

The Group has a strong focus on attracting, engaging, developing and retaining top talent to ensure it remains an employer of choice and maximises its potential to deliver growth. Investment in training and leadership development ensures employees are equipped to deliver in their varied roles, and best practice short and long term incentives are in place to reward exceptional performance.

In order to deliver maximum shareholder value, and to maintain investor and consumer confidence, the Group is committed to achieving high levels of integrity and ethical standards across all areas of the business, and has a Code of Conduct in place to ensure honesty, care, fair dealing, and integrity in the conduct of all business activities.

The Group promotes workplace diversity and has zero tolerance for discrimination and harassment, and ensures that Workplace Health and Safety is a priority for all employees, along with that of customers and suppliers

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Covid-19 impact

Throughout the year, the Group continued to be impacted by the issues arising from the Covid-19 pandemic, and has been required to close various stores under government mandated lockdowns at different times during the year. Most notably, the Company was required to close eleven showrooms in Melbourne for a period of three months.

Despite these temporary closures, trading remained extremely buoyant throughout the year, with written sales orders growing significantly as consumers continued to allocate a significant proportion of discretionary spending toward items for the home.

The Group was able to negotiate rent concessions relating to the showroom closures in the form of either rent free periods, lease extensions or short term rent reductions.

The Group was eligible for the first phase of the Australian Government's JobKeeper wage subsidy scheme up until September 2020, as well as the New Zealand Government's equivalent scheme for a shorter period in August 2020. The Group received $3,565,000 in wage subsidies during the first three months of the financial year. After assessing the increase in consumer confidence in Australia created by the Jobkeeper scheme, which resulted in record sales for the Group, the Board and management decided to make a voluntary repayment to the Federal Government of $2,471,000 (being the net benefit after tax of the amount received in the current year)

Climate change

The Company has assessed that climate related risks do not have a significant or material impact on the business.

Outlook

The Company's future growth will primarily be driven by the continuation of the new store rollout and increasing online penetration, and the Company continues to accelerate initiatives to capture these opportunities.

Although the existing store network is currently impacted by government mandated lockdowns, trading remains strong and the revenue contribution from the store network is supported by strong online revenue growth.

The Directors are mindful that there are significant uncertainties in the current retail environment, due potential future lockdowns, supply chain challenges caused by lockdowns in sourcing countries, and the continuing escalation of global shipping costs, but is confident that the Company is well placed to deal with these challenges.

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Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year
Other than the dividend declared on 5 August 2021 (and discussed above), no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Refer to the Operating and financial review on page 4.

Environmental regulation
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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.

Information on directors

Name:	**John Ingram**
Title:	Independent Non-Executive Chairman
Qualifications:	AM, FCPA
Experience and expertise:	John was appointed to the Board as non-executive Chairman in April 2004. John was formerly Managing Director of Crane Group Limited.
Other current directorships:	Nil
Former directorships (last 3 years):	Non-executive Chairman of Shriro Holdings Limited (SHM).
Special responsibilities:	Member of the Audit and Risk Committee Member of the Remuneration and Human Resources Committee.
Interests in shares:	360,000

Name:	**Carole Molyneux**
Title:	Independent Non-Executive Director
Experience and expertise:	Carole was appointed to the Board in June 2014. Carole has extensive experience in retail and was the Chief Executive Officer of Suzanne Grae, (part of the Sussan Retail Group), for eighteen years until 2013.
Other current directorships:	Nil
Former directorships (last 3 years):	Independent Non-Executive Director of White Ribbon Australia
Special responsibilities:	Chairman of the Remuneration and Human Resources Committee Member of the Audit and Risk Committee
Interests in shares:	15,500

Name:	**Stephen Goddard**
Title:	Independent Non-Executive Director
Experience and expertise:	Stephen was appointed to the Board in March 2018. Stephen is an experienced retailer having held a broad range of senior executive positions in the industry. These include Finance Director and Operations Director for David Jones, founding Managing Director of Officeworks, and various senior management roles with Myer.
Other current directorships:	Independent Non-Executive Chairman and Chairman of Remuneration and Nomination Committee for JB Hifi Limited (JBH) Independent Non-Executive Director and Chairman of the Audit and Risk Committee for both GWA Group Limited (GWA) and Accent Group Limited (AX1)
Former directorships (last 3 years):	Nil
Special responsibilities:	Chairman of the Audit and Risk Committee Member of the Remuneration and Human Resources Committee
Interests in shares:	6,000

Information on directors (continued)

Name:	**William (Bill) Koeck**
Title:	Independent Non-Executive Director
Qualifications:	LLB, LLM(Hons), Post Graduate Applied Corporate Finance; admitted UK and Australia
Experience and expertise:	Bill was appointed to the Board in August 2020. Bill is an experienced legal adviser with over 40 years of experience in mergers and acquisitions, equity capital markets, private equity, restructuring and corporate governance. Bill is currently a member of the Federal Governments Takeovers Panel.
Other current directorships:	Independent Non-Executive Chairman, Member of Audit Risk and Governance Committee and Chairman of Compensation and Nomination Committee for Coronado Global Resources Inc (CRN) Non-Executive Director of Poulos Bros.Group
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of the Remuneration and Human Resources Committee Member of the Audit and Risk Committee
Interests in shares:	5,900

Name:	**Anthony Scali**
Title:	Managing Director
Qualifications:	BCom
Experience and expertise:	Anthony is Managing Director of Nick Scali Limited. Anthony joined the Company in 1982 after completing a Bachelor of Commerce degree at the University of New South Wales and has almost 40 years' experience in furniture retailing.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	
Interests in shares:	11,039,474

'Other current directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last three years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

At the date of this report, no Directors held options over ordinary shares in the Company.

Company Secretary

The Company Secretary and Chief Financial Officer since February 2019 is Christopher Malley. He is a current member of the Institute of Chartered Accountants in England and Wales and began his career in Audit and Advisory with Deloitte in their consumer business practices in London and Sydney. Following ten years with Pepsico International, Christopher's retail career began with MySale PLC before he joined Nick Scali as the General Manager Finance in November 2017.

Special responsibilities of directors

Audit and Risk Committee

The members of the Audit and Risk Committee are as follows:

- Stephen Goddard (Chairman)
- John Ingram
- William Koeck (appointed 1 August 2020)
- Carole Molyneux

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Remuneration and Human Resources Committee

The members of the Remuneration and Human Resources Committee are as follows:

- Carole Molyneux (Chairman)
- Stephen Goddard
- John Ingram
- William Koeck (appointed 1 August 2020)

Meetings of directors

The numbers of meetings of the Board and of each Board sub-committee held during the year ended 30 June 2021, and the numbers of meetings attended by each director, were:

	Directors' Meetings		Remuneration and Human Resources Committee		Audit and Risk Committee	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
John Ingram	10	10	1	1	4	4
Stephen Goddard	10	10	1	1	4	4
William Koeck	10	10	1	1	4	4
Carole Molyneux	10	10	1	1	4	4
Anthony Scali[1]	10	10	-	-	-	-

[1] Anthony Scali is not a member of the sub-committees, but was invited to attend these meetings and his attendance was noted in the minutes.

Remuneration report (audited)

The remuneration report details the remuneration arrangements for the key management personnel of the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of the report, key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the business.

1. Details of key management personnel

For the year ended 30 June 2021 the key management personnel (KMPs) of the Group consisted of the following directors:

- John Ingram - Non-Executive Chairman
- Stephen Goddard - Non-Executive Director
- William Koeck - Non-Executive Director (appointed on 1 August 2020)
- Carole Molyneux - Non-Executive Director
- Anthony Scali - Managing Director & Chief Executive Officer

And the following executives:

- Christopher Malley - Chief Financial Officer & Company Secretary
- John Austin - Chief Operating Officer (appointed on 1 July 2020)

2. Remuneration strategy

The quality of Nick Scali Limited's directors and executives is a major factor in the overall performance of the Group. To this end, the Company believes that an appropriately structured remuneration strategy underpins a performance based culture which in turn drives shareholder returns. The Group's remuneration strategy is therefore designed to attract and retain high quality and committed non-executive directors and employees.

The executive remuneration and reward framework has two components:
- fixed remuneration comprising of salary and superannuation
- variable incentives comprising short-term incentives (STIs) in the form of a cash based reward and long-term incentives (LTIs) in the form of an equity rewards

The variable incentives are designed to deliver value to executives for performance against a combination of Company profitability and achievement against strategic goals. Short-term incentives motivate employees to achieve outstanding performance and are based on current year predetermined key performance indicators (KPIs) such as profit after tax, and non-financial activities that achieve short to medium term objectives, while long-term incentives align employees with shareholder interests and are based on maintaining long-term shareholder value using performance measures such as EPS.

3. Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee currently consists of the non-executive Board members and is responsible for:
- reviewing remuneration arrangements and succession planning of senior management, including the Managing Director and engaging external compensation consultants if necessary.
- reviewing and approving any discretionary component of short and long-term incentives for the Managing Director and senior executives.
- recommending to the Board any increase in the remuneration of existing senior employees of the Group for which Board approval is required.
- recommending to the Board the remuneration of new senior executives appointed by the Group.
- the setting of overall guidelines for Human Resources policy, within which Senior Management determines specific policies.
- reviewing the performance of the Board and its sub-committees, with the advice of external parties if appropriate.

The Committee has met once in the last twelve months. In addition, matters for consideration by the Committee have been dealt with during various Board meetings, where all Remuneration and Human Resources Committee members were in attendance.

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4. Remuneration structure

In accordance with corporate governance best practices, the remuneration structures for non-executive directors and executive are separate.

4.1 Non-executive directors' remuneration

Non-executive directors are paid a fixed annual fee, which is periodically reviewed. Non-executive directors do not receive any variable renumeration and they are not entitled to participate in the Executive Performance Rights Plan.

Non-executive chairman and directors' fees remained unchanged for the year ended 30 June 2021 as reflected below:

	2021 $	2020 $
Base fee for Non-Executive Chairman	200,000	200,000
Base fee for Non-Executive Director	100,000	100,000
Additional fee for Audit and Risk Committee Chairman	17,000	17,000
Additional fee for Audit and Risk Committee Member	5,000	5,000
Additional fee for Remuneration and Human Resources Committee Chairman	7,000	7,000
Additional fee for Remuneration and Human Resources Committee Member	3,000	3,000

The pool for non-executive directors' fees is capped at $750,000 per year as approved by shareholders at the Company's Annual General Meeting in October 2015.

4.2 Executive remuneration

The Group provides appropriate rewards to attract and retain key personnel. Base salaries, STIs and LTIs are established by the Remuneration and Human Resources Committee for each executive having regard to the nature of each role, the experience of the individual employee and the performance of the individual, and are then approved by the Board. External consultants are engaged as appropriate and market information is used to benchmark executive remuneration.

4.2.1 Service agreements

Details of the service agreements between the Company and executives considered KMPs, are as follows:

Name	Title	Term of agreement	Base salary including superannuation	Termination Benefit
Anthony Scali	Managing Director	Ongoing, commencing 24 May 2004	$750,000	-
Christopher Malley	Chief Financial Officer & Company Secretary	Ongoing, commencing 6 February 2019	$300,000	3 month's base salary
John Austin	Chief Operating Officer	Ongoing, commencing 1 July 2020	$300,000	3 month's base salary

4.2.2 Remuneration mix

The relative proportions and components of the total remuneration opportunity for the executives considered to be key management personnel (KMPs) for the 2021 financial year were:

Name	Base (Fixed)		STI (Variable)		LTI (Variable)		Total	
	$	% of Total	$	% of Total	$	% of Total	$	% of Total
Anthony Scali	750,000	50	750,000	50	-	-	1,500,000	100
Christopher Malley	300,000	50	150,000	25	150,000	25	600,000	100
John Austin	300,000	67	150,000	33	-	-	450,000	100

4.2.3 Fixed remuneration – Base Salary

Fixed compensation is set to provide a base level of compensation which is appropriate to the position and responsibility and is competitive in the market. Fixed compensation is reviewed annually, with effect from 1 September each year, by the Remuneration and Human Resources Committee with reference to the performance of both the business and the individual, the individuals skills and experience, comparative market compensation and where appropriate, external advice.

The Group provides superannuation contributions in line with statutory obligations with benefits being contributed to the employee's chosen superannuation fund.

4.2.4 Variable remuneration – Short-term incentives (STI)

The Company operates annual short-term incentive programs that reward KMPs on the achievement of predetermined KPIs established each financial year, according to the accountabilities of their role and its impact on the Group's performance. KPIs include profit targets and personal performance criteria which are set to incentivise superior performance. Using KPIs which include profit targets ensures that variable rewards are paid only when value is created for shareholders and Group profitability meets or exceeds a level approved by the Board. STIs are linked to KPIs on a sliding scale which is established at the beginning of each financial year. The STIs are paid in the form of cash bonuses and the Remuneration and Human Resources Committee is responsible for assessing whether the KPIs are met and the STIs are payable.

The Managing Director may also recommend to the Board discretionary bonuses in exceptional circumstances to reward contributions from high performing employees.

The following table shows the STI cash bonus target and the amount achieved for each KMP in the years ended 30 June 2021 and 30 June 2020:

	STI Target			STI Achieved		
Year ended 30 June 2021	**Total**	**Financial KPIs[1]**	**Non financial KPIs**	**Total**	**Financial KPIs[1]**	**Non financial KPIs**
	$	**%**	**%**	**$**	**%**	**%**
Anthony Scali	750,000	80%	20%	750,000	80%	20%
Christopher Malley	150,000	100%	-	150,000	100%	-
John Austin	150,000	100%	-	150,000	100%	

	STI Target			STI Achieved		
Year ended 30 June 2020	**Total**	**Financial KPIs[1]**	**Non Financial KPIs**	**Total**	**Financial KPIs[1]**	**Non Financial KPIs**
	$	**%**	**%**	**$**	**%**	**%**
Anthony Scali	750,000	80%	20%	-	-	-
Christopher Malley	150,000	100%	-	-	-	-

[1] Financial KPIs include net profit before tax

4.2.5 Variable remuneration – Long-term incentives (LTI)

Long-term incentives, in the form of the share rights offered under the Executive Performance Rights Plan (EPRP), are provided to employees in order to align remuneration with the creation of shareholder value over the long-term. The EPRP is only made available to executives and other employees who have been employed for more than 12 months who are able to influence the generation of shareholder value and who have a direct impact on the Group performance against relevant long-term performance targets.

The Board has determined earnings per share (EPS) growth to be the most appropriate measure of long term performance. Under the EPRP, employees are granted rights to ordinary shares that will vest after a period of three years subject to the achievement of specific levels of EPS growth. EPS is based on the Group's underlying profit after tax and before non-recurring items, as determined by the Board.

Under the EPRP the number of rights exercisable at the end of the vesting period is dependent on the level of EPS growth achieved by the Company, as follows:

EPS growth (CAGR, 3Yr)	Percentage of rights exercisable
Less than 5%	Nil
5%	50%
Greater than 5%, but less than 10%	Pro rata between 50% and 100%
10%, or greater	100%

The number of rights granted is calculated by taking the relevant executive's fixed annual remuneration and multiplying it by the relevant predetermined LTI entitlement percentage of fixed remuneration and then dividing this by the Group's volume weighted average share price for the four week period prior to the date of the release of the Group's full year results.

Rights to ordinary shares may also be granted in accordance with the EPRP as a retention award where the only performance condition is continued employment with the Group at the vesting date. No such retention rights were awarded during the year ended 30 June 2021.

If the minimum level of EPS growth is not met or if the participant ceases to be employed by the Group, any unvested rights will immediately lapse unless otherwise determined by the Board.

There is no exercise price for shares granted under the EPRP and the employees are able to exercise their rights up to two years following the vesting date, after which time the rights will lapse. In the event of a takeover offer for the Company, the rights may, at the discretion of the Board, vest in accordance with an assessment of performance with the performance period pro-rated to the date of the takeover offer

The LTI entitlement of executives considered KMPs is calculated as a percentage of fixed annual remuneration for the year ended 30 June 2021 as follows:

KMP	LTI entitlement of fixed remuneration	Years of Service	LTI entitlement year ended 30 June 2021
Anthony Scali	0%	39	0%
Christopher Malley	50%	3	50%
John Austin	50%	1	0%

Employees who have been granted rights are prohibited from entering into transactions to limit the economic risk of such rights whether through a derivative, hedge or similar arrangement. In addition, employees are prohibited from entering into any margin lending arrangements in respect of shares in the Company where those shares are offered as security for the lending arrangement.

4.2.6 Performance rights granted

The terms and conditions of each grant of performance rights to ordinary shares affecting the remuneration of employees in this financial year or future reporting years are as follows:

Grant reference	Grant date[1]	Vesting and exercisable date	Expiry date	Exercise price ($)	Fair value per right at grant date ($)	Vested and exercised 30 June 2021 (No.)
FY21/23	14 Sep 2020	Aug 2023[2]	30 Jun 2025	0.00	6.61	-
FY20/22	13 Sep 2019	Aug 2022[2]	30 Jun 2024	0.00	5.17	-
FY19/21	31 Aug 2018	5 Aug 2021	30 Jun 2023	0.00	5.39	-

[1] 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.
[2] The exact vesting and exercisable date for rights that have not yet vested is currently indeterminate, and depends on the date of meeting at which the Board can confirm the achievement of the long-term performance hurdles. This is typically four to six weeks following the end of the financial year.

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4.2.7 Performance rights holding

The table below sets out the balance of performance rights held by executives considered KMPs.

	Balance 30 June 2020	Granted	Vested and Exercised	Forfeited	Balance 30 June 2021
Anthony Scali	-	-	-	-	-
Christopher Malley	23,810	21,898	-	-	45,708
John Austin[2]	-	-	-	-	-

	Balance 30 June 2019	Granted	Vested and Exercised	Forfeited	Balance 30 June 2020
Anthony Scali	-	-	-	-	-
Kevin Fine[1]	33,169	-	(33,169)	-	-
Christopher Malley	-	23,810	-	-	23,810

[1] Kevin Fine resigned as Chief Financial Officer and Company Secretary on 6 February 2019.
[1] John Austin was appointed as Chief Operating Officer on 1 July 2020.

4.3 Group performance

The table below sets out the financial performance of the Group over the past five years:

		2017	2018	2019	2020	2021	CAGR (%)
Revenue	$m	232.9	250.8	268.0	262.5	373.0	12.5
EBITDA	$m	55.7	62.8	64.1	96.9	158.5	29.9
Net profit after tax	$m	37.2	41.0	42.1	42.1	84.2	22.7
Earnings per share	Cents	46.0	50.6	52.0	51.9	104.0	22.6
Ordinary dividends per share	Cents	34.0	40.0	45.0	47.5	65.0	17.6
Share price at financial year end	$	6.09	6.73	6.26	6.48	11.72	17.8
Stores	No.of	45	51	57	58	61	
Basic earnings per share growth	%	42.4	10.1	2.8	0.4	100.4	

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4.4 Remuneration outcomes

The tables below set out the remuneration outcomes for the KMPs for the years ended 30 June 2021 and 30 June 2020 respectively:

Year ended 30 June 2021	Salary and fees	Short-term benefits	Share-based payments	Post-employment benefits	Long-term benefits	
		Cash Incentive	Share Rights	Superannuation	Long service leave	Total
	$	$	$	$	$	$
Non-Executive Directors:						
John Ingram	182,648	-	-	17,352	-	200,000
William Koeck[1]	90,411	-	-	8,589	-	99,000
Carole Molyneux	102,283	-	-	9,717		112,000
Stephen Goddard	109,589	-	-	10,411	-	120,000
Executive Directors:						
Anthony Scali[3]	803,723	750,000	-	21,277	11,852	1,586,852
Other Key Management Personnel:						
Christopher Malley[3]	308,723	150,000	82,938	21,277	-	562,938
John Austin[2]	288,723	150,000	-	21,277	-	460,000
	1,886,100	1,050,000	82,938	109,900	11,852	3,140,790

[1] William Koeck was appointed as a Non-executive Director on 1 August 2020
[2] John Austin was appointed as Chief Operating Officer on 1 July 2020
[3] The voluntary 30% reduction to remuneration accepted by executives for the period 1 April 2020 to 30 June 2020, in response to the Covid-19 crisis was, repaid as an ex-gratia payment in September 2020.

Year ended 30 June 2020	Salary and fees	Short-term benefits	Share-based payments	Post-employment benefits	Long-term benefits	
		Cash Incentive	Share Rights	Superannuation	Long service leave	Total
	$	$	$	$	$	$
Non-Executive Directors:						
John Ingram[2]	168,950	-	-	16,050	-	185,000
Greg Laurie[1]	82,192	-	-	7,808	-	90,000
Carole Molyneux[2]	94,612	-	-	8,988	-	103,600
Stephen Goddard[2]	92,511	-	-	8,789	-	101,300
Executive Directors:						
Anthony Scali[2]	692,833	-	-	21,003	12,007	725,843
Other Key Management Personnel:						
Christopher Malley[2]	263,894	-	27,369	21,003	-	312,266
	1,394,992	-	27,369	83,641	12,007	1,518,009

[1] Greg Laurie ceased to be a Non-executive Director on 23 March 2020
[2] In response to the Covid-19 crisis, Directors and executives accepted a voluntary 30% reduction to remuneration for the period 1 April 2020 to 30 June 2020

4.5 Additional disclosures relating to key management personnel

Interest in the Shares of the Company
The beneficial interest of each director in the contributed equity of the Company are as follows:

	Balance at 30 June 2020	Received as part of remuneration	Purchases	Disposals	Balance at 30 June 2021
Ordinary shares					
John Ingram	360,000	-	-	-	360,000
Stephen Goddard	6,000	-	-	-	6,000
William Koeck	-	-	5,900	-	5,900
Carole Molyneux	15,500	-	-	-	15,500
Scali Consolidated Pty Ltd[1]	11,039,474	-	-	-	11,039,474
	11,420,974	-	5,900	-	11,426,874

[1] Scali Consolidated Pty Ltd is a director related entity of Anthony Scali.

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers
During the financial year, the Company has indemnified all the directors and executive officers against certain liabilities incurred as such by a director or officer, while acting in that capacity. The premiums have not been determined on an individual director or officer basis.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as such disclosure is prohibited under the terms of the contract.

No other agreement to indemnify directors or officers have been entered into, nor have any payments in relation to indemnification been made, during or since the end of the financial year, by the Company.

Indemnity and insurance of auditor
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia (EY), as part of the terms of audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount) – except for any loss in respect of any matters which are finally determined to have resulted from EY's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify EY during or since the financial year.

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 of taking responsibility on behalf of the Company for all or part of those proceedings.

Officers of the Company who are former partners of Ernst & Young
There are no officers of the Company who are former partners of Ernst & Young.

Corporate Governance Statement
Nick Scali Limited's Corporate Governance Statement discloses how the Company complies with the recommendations of the ASX Corporate Governance Council (4th Edition) and sets out the Group's main corporate governance practices. This statement has been approved by the Board and is current as at 30 June 2021. The Corporate Governance Statement of Nick Scali Limited can be found on the Company's website: www.nickscali.com.au/corporate-governance.

Rounding of amounts
The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Non-audit services
The Company may decide to employ the Company's auditor, or its network firms, for non-audit services where their skills and expertise are considered relevant.

During the year ended 30 June 2021, Ernst & Young Australia performed due diligence services on a potential acquisition and provided tax compliance services. Details of the amount paid to the auditor for non-audit services are set out below.

	$
Tax compliance services	30,936
Due diligence	145,000
	175,936

The directors are satisfied that the provisions of non-audit services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of all non-audit services provided was approved by the Audit and Risk Committee, and the directors are satisfied that the services provided do not compromise the integrity and objectivity of the Company's auditor for the following reasons:

- none of the services required the auditor to review or audit the auditors own work
- none of the services required the auditor to act in a management or decision-making capacity for the Company
- none of the services required the auditor to act as an advocate for the Company
- none of the services involved the auditor jointly sharing in the economic risks and rewards of the Company
- a declaration required by section 307C of the Corporations Act 2001 confirming their independence has been received from Ernst & Young Australia

Auditor's independence declaration
The directors received the declaration from the auditor of Nick Scali Limited and is included on page 17 of the Financial Statements.

Auditor
Ernst & Young Australia continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors





John Ingram
Chairman

Anthony Scali
Managing Director

5 August 2021
Sydney

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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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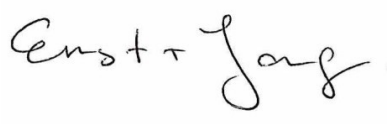
Auditor's Independence Declaration to the Directors of Nick Scali Limited

As lead auditor for the audit of the financial report of Nick Scali Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nick Scali Limited and the entities it controlled during the financial year.



Ernst & Young



Lisa Nijssen-Smith
Partner
5 August 2021

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Nick Scali Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2021

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	Note	2021 $'000	2020 $'000
Revenue from contracts with customers	3	373,040	262,480
Cost of goods sold		(136,285)	(97,817)
Gross profit		236,755	164,663
Other income	3	1,582	4,790
Expenses			
Marketing expenses		(16,217)	(18,498)
Employment expenses	4	(46,124)	(37,411)
General and administration expenses		(10,417)	(10,795)
Property expenses	4	(5,216)	(3,543)
Distribution expenses		(1,322)	(1,635)
Depreciation and amortisation		(30,870)	(29,987)
Finance costs		(6,958)	(7,432)
Profit before income tax expense		121,213	60,152
Income tax expense	5	(36,972)	(18,076)
Profit after income tax expense for the year attributable to the owners of Nick Scali Limited		84,241	42,076
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		13	(10)
Net change in the fair value of cash flow hedges taken to equity, net of tax		4,858	(4,235)
Other comprehensive income for the year, net of tax		4,871	(4,245)
Total comprehensive income for the year attributable to the owners of Nick Scali Limited		89,112	37,831
		Cents	**Cents**
Basic earnings per share	6	104.0	51.9
Diluted earnings per share	6	104.0	51.9

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

Nick Scali Limited
Consolidated statement of financial position
As at 30 June 2021

	Note	2021 $'000	2020 $'000
Assets			
Current assets			
Cash and cash equivalents	9	106,892	63,037
Receivables	10	1,694	2,571
Inventories	11	46,733	36,273
Other financial assets	19	1,565	-
Prepayments		2,382	2,091
Total current assets		159,266	103,972
Non-current assets			
Land and buildings	12	83,413	74,488
Plant and equipment	12	15,215	15,134
Right-of-use assets	13	170,904	161,734
Deferred tax	5	5,334	7,041
Intangibles	14	2,691	2,425
Total non-current assets		277,557	260,822
Total assets		436,823	364,794
Liabilities			
Current liabilities			
Borrowings	15	15,500	2,300
Payables	16	22,075	18,020
Lease liabilities	13	27,309	23,434
Deferred revenue	17	51,895	40,243
Current tax liabilities		15,588	5,587
Provisions	18	3,593	3,222
Other financial liabilities	19	-	5,371
Total current liabilities		135,960	98,177
Non-current liabilities			
Borrowings	15	18,162	31,362
Lease liabilities	13	166,009	157,769
Deferred revenue	17	1,272	620
Provisions	18	1,394	1,452
Total non-current liabilities		186,837	191,203
Total liabilities		322,797	289,380
Net assets		114,026	75,414
Equity			
Issued capital	20	3,364	3,364
Reserves	21	958	(4,038)
Retained profits		109,704	76,088
Total equity		114,026	75,414

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

Nick Scali Limited
Consolidated statement of changes in equity
For the year ended 30 June 2021

	Issued Capital $'000	Equity benefits reserve $'000	Capital profits reserve $'000	Cash flow hedge reserve $'000	Foreign exchange reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2019	**3,364**	**(29)**	**78**	**475**	**6**	**81,289**	**85,183**
Adjustment to opening balance for adoption of AASB16	-	-	-	-	-	(10,827)	(10,827)
Adjusted opening balance at 1 July 2020	3,364	(29)	78	475	6	70,462	74,356
Profit after income tax expense for the year	-	-	-	-	-	42,076	42,076
Other comprehensive income for the year, net of tax	-	-	-	(4,235)	(10)	-	(4,245)
Total comprehensive income for the year	-	-	-	(4,235)	(10)	42,076	37,831
Employee share rights recognised under EPRP (Note 31)	-	(323)	-	-	-	-	(323)
Dividends paid (Note 7)	-	-	-	-	-	(36,450)	(36,450)
Balance at 30 June 2020	**3,364**	**(352)**	**78**	**(3,760)**	**(4)**	**76,088**	**75,414**

	Issued capital $'000	Equity benefits reserve $'000	Capital profits reserve $'000	Cash flow hedge reserve $'000	Foreign exchange reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2020	**3,364**	**(352)**	**78**	**(3,760)**	**(4)**	**76,088**	**75,414**
Profit after income tax expense for the year	-	-	-	-	-	84,241	84,241
Other comprehensive income for the year, net of tax	-	-	-	4,858	13	-	4,871
Total comprehensive income for the year	-	-	-	4,858	13	84,241	89,112
Employee share rights recognised under EPRP (Note 31)	-	125	-	-	-	-	125
Dividends paid (Note 7)	-	-	-	-	-	(50,625)	(50,625)
Balance at 30 June 2021	**3,364**	**(227)**	**78**	**1,098**	**9**	**109,704**	**114,026**

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

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Nick Scali Limited
Consolidated statement of cash flows
For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		426,170	304,490
Payments to suppliers and employees		(258,777)	(199,183)
		167,393	105,307
Interest received		367	501
Income tax payments		(27,332)	(13,630)
Net cash from operating activities	8	140,428	92,178
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,637)	(8,645)
Proceeds from the sale of property, plant and equipment		22	9,768
Net cash from investing activities		(15,615)	1,123
Cash flows from financing activities			
Payment of dividends on ordinary shares	7	(50,625)	(36,450)
Repayment of lease liabilities	13	(23,594)	(22,796)
Interest payments - lease liabilities	13	(6,208)	(6,512)
Interest payments - borrowings		(531)	(790)
Net cash used in financing activities		(80,958)	(66,548)
Net increase in cash and cash equivalents		43,855	26,753
Cash and cash equivalents at the beginning of the financial year		63,037	36,284
Cash and cash equivalents at the end of the financial year	9	106,892	63,037

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

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Note 1. Basis of preparation

Corporate information
Nick Scali Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which have been prepared at fair value. The financial report was authorised for issue in accordance with a resolution of the directors on 5 August 2021.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. A subsidiary is an entity that is controlled by the Company. The Company controls an entity when it 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 over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intercompany transactions, balances and unrealised gains on transactions between the Company and its subsidiaries are eliminated. Accounting policies of the subsidiaries are consistent with the policies adopted by the Company.

Changes in accounting policies, accounting standards and interpretations
The accounting policies adopted in the preparation of the annual financial statements are consistent with those followed in the preparation of the annual financial statements for the period 30 June 2020.

The Group is currently assessing the impact of the recently published IFRIC agenda decision which was published in June 2021 in relation to the accounting treatment when determining net realisable value of inventories. Based on preliminary analysis performed, the Group expects the impact of the adoption of the IFRIC agenda decision to be immaterial. The Group expects to complete the implementation of the above IFRIC agenda decision by 31 December 2021.

Significant accounting judgements, estimates and assumptions
In the process of applying the Company's accounting policies, management has made judgements, estimates and assumptions. All judgements, estimates and assumptions made are believed to be reasonable, based on the most current information available to management. Actual results may differ from these judgements, estimates and assumptions. Judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

Impairment of goodwill
The Company determines whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill is discussed in the financial report.

Lease term of contracts with renewable options
The Company determines the lease term to be the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised. In assessing the likelihood of a lease option being exercised, the Company considers the costs of termination, the extent of any leasehold improvements, the strategic importance of the lease location and the current market rent for the site.

Estimation of useful lives of assets
The estimation of the useful lives of assets has been based on historical experience as well as consideration of lease terms (for assets used in or affixed to leased premises) and replacement policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Note 1. Basis of preparation (continued)

Net realisable value of inventory
Inventories are valued at the lower of cost and net realisable value. Weighted average cost is used to value inventories. Costs incurred in bringing each product to its present location and condition including freight, cartage and import duties are included in the cost of finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Judgment is applied in assessing the net realisable value.

Note 2. Segment information

The Company has identified the Managing Director and the Board of Directors as the chief operating decision makers. The Company has one reportable segment being the retailing of furniture in Australia and New Zealand.

Note 3. Revenue

	2021 $'000	2020 $'000
Revenue		
Revenue from contracts with customers	373,040	262,480
Other income		
Net gain on disposal of property, plant and equipment	14	1,794
Net gain on disposal of right-of-use asset and remeasurement of lease liability	-	1,073
Rental income	783	1,154
Interest income	367	501
Sundry income	418	268
	1,582	4,790

Recognition and measurement – Revenue and income recognition
Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. Contracts with customers provide for both the sale of goods and the provision of accidental damage warranties, and the timing of the recognition of revenue of these separate components is as follows:

Sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the delivery of the goods to the customer, and revenue is recognised at the time of delivery of the goods to the customer.

Accidental damage warranties
When recognising revenue in relation to ADWs, the key performance obligation of the Group extends over the term of the warranty, and consequently revenue is recognised over the term of warranty, weighted according to the expected occurrence of the performance obligations.

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Note 4. Expenses

	2021 $'000	2020 $'000
Profit before income tax includes the following specific expenses:		
Included within employee expenses		
Salaries and wages	33,805	32,493
Government wage subsidies received as a consequence of Covid-19	(3,565)	(3,915)
Voluntary repayment of government wage subsidies	2,471	-
Superannuation contributions	3,265	2,972
Share-based payments	210	120
Included within property expenses		
Short-term and low value lease payments	697	817
Rent concessions received as a consequence of Covid-19	(624)	(2,263)

	2021	2020
Number of employees		
Number of full-time and part-time employees at balance date	541	477

Note 5. Income tax expense

	2021 $'000	2020 $'000
Income tax expense		
Current income tax charge	37,527	18,501
Adjustments in respect of current income tax of previous years	(94)	(105)
Relating to origination and reversal of temporary differences	(461)	(320)
Aggregate income tax expense	36,972	18,076
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	121,213	60,152
Tax at the statutory tax rate of 30%	36,369	18,045
Adjustments in respect of current income tax of previous years	(94)	(105)
Adjustment for difference in overseas tax rates	(23)	(3)
Adjustment for share rights exercised	(105)	(133)
Adjustment for voluntary repayment of government wage subsidies	741	-
Other items	84	272
Income tax expense	36,972	18,076

Deferred tax recognised comprises temporary differences attributable to:

Right-of-use assets	(50,812)	(48,059)
Lease liabilities	57,480	54,055
Deferred capital gains	(1,612)	(1,612)
Property, plant and equipment	(1,550)	(1,135)
Employee entitlements	1,153	1,023
Cashflow hedge (Note 23)	(469)	1,611
Other	1,144	1,158
Total deferred tax asset	5,334	7,041

Recognition and measurement - Income tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax, assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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Note 6. Earnings per share

	2021 $'000	2020 $'000
Profit after income tax attributable to the owners of Nick Scali Limited	84,241	42,076
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	81,000,000	81,000,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,000,000	81,000,000
	Cents	**Cents**
Basic earnings per share	104.0	51.9
Diluted earnings per share	104.0	51.9

Recognition and measurement - Earnings per share

Basic earnings per share
Basic earnings per share (EPS) is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share
Diluted EPS adjusts the basic EPS to take account of the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration.

Note 7. Dividends

Dividends
Dividends paid during the financial year were as follows:

	2021 $'000	2020 $'000
Final fully franked dividend for 30 June 2020: 22.5 cents (2019: 20.0 cents)	18,225	16,200
Interim fully franked dividend for 30 June 2021: 40.0 cents (2020: 25.0 cents)	32,400	20,250
	50,625	36,450

In addition to the above dividend, since the end of the financial year directors have declared a final fully franked dividend of 25.0 cents per fully paid ordinary share to be paid on 25 October 2021 out of retained profits at 30 June 2021.

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Note 7. Dividends (continued)

Franking credits

	2021 $'000	2020 $'000
Franking credits available at the reporting date based on a tax rate of 30%	36,011	30,726
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	15,457	5,425
Franking credits available for subsequent financial years based on a tax rate of 30%	51,468	36,151
Franking credits available for future reporting periods based on a tax rate of 30%	42,789	28,340

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

The tax rate at which paid dividends have been franked is 30% (30 June 2020: 30%).
Dividends declared and unpaid will be franked at the rate of 30% (30 June 2020: 30%).

Note 8. Reconciliation of profit after income tax to net cash from operating activities

	2021 $'000	2020 $'000
Profit after income tax expense for the year	84,241	42,076
Adjustments for:		
Depreciation and amortisation expense	30,870	29,987
Net gain on disposal of property, plant and equipment	145	(1,794)
Share-based payments	105	(323)
Interest expense	6,739	4,291
Net foreign currency differences	140	177
Net fair value change on derivatives	4,858	(4,235)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	877	(1,463)
(Increase)/decrease in inventories	(10,460)	1,324
Decrease/(increase) in deferred tax	1,707	(2,593)
Increase in prepayments	(291)	(222)
(Increase) in value of other financial asset and decrease of other financial liability	(6,936)	6,050
Increase/(decrease) in trade and other payables	5,813	(537)
Increase in deferred revenue	12,304	14,369
Increase in provision for income tax	10,001	5,225
Increase/(decrease) in other provisions	315	(154)
Net cash from operating activities	140,428	92,178

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Note 9. Cash and cash equivalents

	2021 $'000	2020 $'000
Cash at bank and on hand	50,045	18,053
Short-term deposits	56,847	44,984
	106,892	63,037

Recognition and measurement - Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Note 10. Receivables

	2021 $'000	2020 $'000
Trade debtors	189	140
Other debtors	1,505	2,431
	1,694	2,571

Trade receivables are initially recognised at fair value, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

During the year ended 30 June 2021, $2,160 (2021:$35,756) was recognised as an expense for expected credit losses.

Other debtors includes receivables from suppliers and GST paid in advance as required in New Zealand. These are non-interest bearing and are due for settlement between 30 and 90 days.

Note 11. Inventories

	2021 $'000	2020 $'000
Finished goods	34,987	28,576
Stock in transit - at cost	11,746	7,697
	46,733	36,273

During the year ended 30 June 2021, $620,000 (2020: expense of $746,000) was recognised as reduction in cost of goods sold for inventories carried at net realisable value.

Recognition and measurement - Inventories
Inventories are valued at the lower of cost and net realisable value. Weighted average cost is used to value inventories. Costs incurred in bringing each product to its present location and condition includes purchase price plus freight, cartage and import duties. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

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Note 12. Property, plant and equipment

	2021 $'000	2020 $'000
Land and buildings - at cost	90,164	80,084
Less: Accumulated depreciation	(6,751)	(5,596)
	83,413	74,488
Leasehold improvements - at cost	21,215	19,484
Less: Accumulated depreciation	(11,243)	(10,122)
	9,972	9,362
Fixtures and fittings - at cost	950	956
Less: Accumulated depreciation	(755)	(729)
	195	227
Motor vehicles - at cost	747	684
Less: Accumulated depreciation	(419)	(381)
	328	303
Office equipment - at cost	12,794	12,183
Less: Accumulated depreciation	(8,074)	(6,941)
	4,720	5,242
	98,628	89,622

Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the financial year:

Consolidated	Land and buildings $'000	Leasehold improvements $'000	Fixtures and fittings $'000	Motor Vehicles $'000	Office equipment $'000	Total $'000
Balance at 1 July 2019	77,035	9,483	263	351	5,532	92,664
Reclassification of make good asset to right-of-use asset	-	(332)	-	-	-	(332)
Reclassification of website to intangibles	-	-	-	-	(47)	(47)
Additions	5,307	2,171	6	75	1,086	8,645
Disposals	(6,719)	(113)	-	(34)	(12)	(6,878)
Foreign currency translation	-	(47)	-	(1)	(7)	(55)
Depreciation expense	(1,135)	(1,800)	(42)	(88)	(1,310)	(4,375)
Balance at 30 June 2020	74,488	9,362	227	303	5,242	89,622
Additions	10,080	2,896	4	126	682	13,788
Disposals	-	-	-	(6)	-	(6)
Foreign currency translation	-	(8)	-	-	(1)	(9)
Depreciation expense	(1,155)	(2,278)	(36)	(95)	(1,203)	(4,767)
Balance at 30 June 2021	83,413	9,972	195	328	4,720	98,628

Land and buildings totalling $83.4m (2020: $74.5m) are used to secure bank loans relating to their purchase.

Note 12. Property, plant and equipment (continued)

Recognition and measurement - Property, plant and equipment

All classes of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment in value. Depreciation is provided on a straight line basis on all property, plant and equipment.

Major depreciation periods are:

Buildings	20 - 40 years
Leasehold improvements	5 - 15 years
Furniture and fittings	3 - 15 years
Motor vehicles	6 years
Office equipment (including IT equipment)	3 - 12 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated at the shorter of the useful life or the term of the lease. Land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Note 13. Leases

Lease liabilities	**2021 $'000**	**2020 $'000**
Lease liabilities – current	27,309	23,434
Lease liabilities – non current	166,009	157,769
	193,318	181,203

Reconciliation of lease liabilities

Opening lease liabilities	181,203	194,764
Lease modifications agreed during the year	8,934	6,026
Additional leases entered into during the year	26,509	11,838
Leases terminated during the year	-	(6,674)
Net reduction in future lease payments agreed as a consequence of Covid-19	-	(1,135)
Interest accrued	6,207	6,510
Lease repayments	(29,472)	(29,824)
Foreign currency translation	(63)	(302)
	193,318	181,203

Note 13. Leases (continued)

Right-of-use assets

	2021 $'000	2020 $'000
Right-of-use assets – at cost	270,663	263,488
Less: Accumulated depreciation	(99,759)	(101,754)
	170,904	161,734

Reconciliation

Opening right-of-use asset	161,734	174,312
Transfer of make good asset from leasehold improvements	-	332
Lease modifications agreed during the year	8,934	6,026
Additional right-of-use assets relating to leases entered into during the year	26,509	12,445
Disposal of right-of-use assets relating to leases terminated during the year	(160)	(5,591)
Depreciation	(26,057)	(25,499)
Foreign currency translation	(56)	(291)
	170,904	161,734

Recognition and measurement – Leases

Lease liabilities
The Group enters into non-cancellable leases for retail showrooms and warehouse facilities in Australia and New Zealand. Leases are entered into for varying terms and rent reviews are based on CPI increases or fixed increases. A lease liability is recognised at the commencement date of a lease at the present value of the lease payments to be made over the term of the lease.

A number of the leases contain options to renew in favour of the Group. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised. The present value of the lease payments to be made under options considered reasonably certain to be exercised have been included in the lease liability balance at 30 June 2021. The undiscounted potential future payments under options that are not considered reasonably certain to be exercised is $121,385,000, which includes those that have an exercise date within the next five years of $21,106,000.

Right-of-use assets
Right-of-use assets are measured at cost at commencement of the lease, and depreciated on a straight-line basis over the effective life of the asset. The right-of-use assets have an effective life of between 3 and 14 years dependent on the term of the lease and the likelihood of the Company exercising any lease extension options in its favour.

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Note 14. Intangibles

	2021 $'000	2020 $'000
Website – at cost	1,165	853
Less: Accumulated amortisation	(852)	(806)
	313	47
Goodwill – at cost	2,378	2,378
	2,691	2,425

For the purposes of impairment testing, goodwill has been wholly allocated to the cash generating unit (CGU) comprising the Group's South Australian operations. The recoverable amount of the South Australia CGU is based on its value in use determined by discounting the future cash flows expected to be generated by the continued use of this CGU. The key assumptions used in determining the value in use are as follows:

	2021	2020
Long-term growth rate	2.0%	2.0%
Weighted average cost of capital	8.0%	8.0%

No impairment losses have been recognised and it would require a significant adverse change in these assumptions to impact the assessment that the recoverable amount of the South Australia CGU exceeds its carrying amount and such change is not expected.

Recognition and measurement - Intangibles

Goodwill
Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates.

Website costs
The direct costs of developing the Group's websites are measured at cost, less accumulated amortisation and any impairment in value. The Group determines that the website will generate probable future economic benefits and recognises both internal expenditure and external expenditure on website content as an intangible. The website costs are determined to have a finite life of between 3 and 5 years and amortisation is provided on a straight line basis over the useful life.

Note 15. Borrowings

	2021 $'000	2020 $'000
Current		
Bank loans	15,500	2,300
Non-current		
Bank loans	18,162	31,362

Note 15. Borrowings (continued)

The effective interest rates of the current and non-current loans are included at Note 23. The maturities of the non-current loans are between 12 months and 30 months.

Recognition and measurement - Interest-bearing loans and borrowings
All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowing costs are recognised as an expense when incurred, unless they are directly attributable to the acquisition, construction or production of a qualifying asset whereby they are capitalised.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 16. Payables

	2021 $'000	2020 $'000
Trade creditors	11,542	11,027
Other creditors and accruals	10,533	6,993
	22,075	18,020

Trade creditors are non-interest bearing financial instruments and are normally settled within 30 days.

Other creditors are non-interest bearing financial instruments and are normally settled on 30 to 60 day terms.

Recognition and measurement - Payables
Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of goods and services received.

Note 17. Deferred revenue

	2021 $'000	2020 $'000
Current		
Customer deposits	51,418	40,045
Accidental damage warranties	477	198
	51,895	40,243
Non-current		
Accidental damage warranties	1,272	620

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Note 17. Deferred revenue(continued)

Recognition and measurement – Deferred revenue

Customer deposits
Customer deposits represent amounts received from customers for orders not yet completed. Deposits received from customers are recognised as revenue at the point of delivery of the goods to the customer. Orders are typically completed within three months and deposits are therefore considered short-term in nature and are not discounted.

Accidental damage warranties
Accidental damage warranties are purchased by customers in conjunction with the purchase of goods and are initially measured based on a allocation of the purchase price between the fair value of the goods and the warranty. Amounts deferred are recognised as revenue over the term of the warranty. Accidental damage warranties are classified as current will be recognised as revenue within 12 months of the reporting date.

Note 18. Provisions

	2021 $'000	2020 $'000
Current		
Employee entitlements	3,462	3,083
Lease make good	131	139
	3,593	3,222
Non-Current		
Lease make good	1,007	1,122
Employee entitlements	387	330
	1,394	1,452

Recognition and measurement - Provisions

Employee entitlements
Liabilities for annual leave and long service leave expected to be settled within 12 months of the reporting date are measured as the amounts to be paid when the liabilities are settled and are discounted to net present value.

Liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Lease make good
A provision has been made for the present value of anticipated costs of future restoration of leased properties. The provision includes future cost estimates associated with restoring the premises to its condition at the time the Company initially leased the premises, subject to fair wear and tear**.**

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Note 19. Other financial assets and liabilities

	2021 $'000	2020 $'000
Other financial assets		
Derivative hedge payable	-	5,371
Other financial liabilities		
Derivative hedge receivable	1,565	-

Foreign exchange forward contracts are held as hedging instruments against forecast purchases in USD. The notional amount for the contracts held at 30 June 2021 totalled $USD39,760,000 which covers between 75% and 100% of highly probably purchases for the six months to 31 December 2021 (30 June 2020 $USD40,560,000). The average rate of the forward contracts is $USD0.77 (30 June 2020 $USD0.65).

The net gain or loss recognised as other comprehensive income is equal to the change in fair value of the hedging instruments. The ineffective portion if applicable is recognised in profit or loss.

Recognition and measurement – Other financial assets and liabilities

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Note 20. Issued capital

	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Authorised and fully paid ordinary shares	81,000,000	81,000,000	3,364	3,364

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

Capital risk management
The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the Company's approach to capital management during the year.

The Company may look to raise capital when an opportunity to invest in a business is seen as value adding. The Company has established specific borrowing facilities in relation to property purchases, which are secured over those specific properties. The Company may consider using external equity when required for specific investments.

The Company pays dividends at the discretion of the Board. The dividend amount is based on market conditions and the profitability of the Company.

Note 20. Issued capital (continued)

Recognition and measurement – Issued share capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received, net of tax.

Note 21. Equity - Reserves

	2021 $'000	2020 $'000
Capital profits reserve	78	78
Cash flow hedge reserve	1,098	(3,760)
Foreign exchange reserve	9	(4)
Equity benefits reserve	(227)	(352)
	958	(4,038)

Movements in reserves

	Equity benefits reserve $'000	Capital profits reserve $'000	Cash flow hedge reserve $'000	Foreign exchange reserve $'000	Total $'000
Balance at 1 July 2019	(29)	78	475	6	530
Amounts recognised for cash flow hedges	-	-	(6,050)	-	(6,050)
Income tax on items taken directly to or transferred from equity	-	-	1,815	-	1,815
Amounts transferred to non-financial assets	-	-	-	-	-
Purchase of shares under EPRP	(443)	-	-	-	(443)
Foreign currency translation differences	-	-	-	(10)	(10)
Share-based payments	120	-	-	-	120
Balance at 30 June 2020	(352)	78	(3,760)	(4)	(4,038)
Amounts recognised for cash flow hedges	-	-	6,937	-	6,937
Income tax on items taken directly to or transferred from equity	21	-	(2,079)	-	2,058
Amounts transferred to non-financial assets	-	-	-	-	-
Purchase of shares under EPRP	(105)	-	-	-	(105)
Foreign currency translation differences	-	-	-	13	13
Share-based payments	209	-	-	-	251
Balance at 30 June 2021	(227)	78	1,098	9	958

Equity benefits reserve
This reserve is used to record the value of share-based payments provided to employees as part of their remuneration. Refer to Note 31 for further details of these plans.

Capital profits reserve
This reserve is comprised wholly of the surplus on the disposal of assets that were acquired prior to the introduction of Capital Gains Tax provisions.

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Note 21. Equity – Reserves (continued)

Cash flow hedge reserve
This reserve is used to recognise the effective portion of the gain or loss on cash flow hedge instruments that are determined to be an effective hedges.

Foreign exchange reserve
This reserve is used to recognise differences arising where assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate prevailing at the reporting date.

Note 22 Financing facilities

Unrestricted access was available to the following credit facilities at the reporting date:

	2021 $'000	2020 $'000
Total facilities:		
Bank loans expiring within 12 months	15,500	2,300
Bank loans expiring in greater than 12 months	18,162	31,362
Interchangeable facilities, including letters of credit and bank guarantees	3,015	3,015
	36,677	36,677
Facilities used at reporting date:		
Bank loans expiring within 12 months	15,500	2,300
Bank loans expiring in greater than 12 months	18,162	31,362
Interchangeable facilities, including letters of credit and bank guarantees	1,312	1,312
	34,974	34,974
Facilities unused at reporting date:		
Bank loans expiring within 12 months	-	-
Bank loans expiring in greater than 12 months	-	-
Interchangeable facilities, including letters of credit	1,703	1,703
	1,703	1,703

Note 23. Financial instruments

Financial risk management objectives
The Company has exposure to foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Company's financial risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established an Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee provides regular reports to the Board of Directors on its activities.

Note 23. Financial instruments(continued)

The Company's principal financial instruments comprise bank loans, and cash and short-term deposits. The main purpose of these financial Instruments is to raise finance for and fund the Company's operations. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments is undertaken.

Market risk
Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control exposure within acceptable parameters while maximising return.

Foreign currency risk
All of the Company's sales are denominated in either Australian dollars or New Zealand dollars, whilst the majority of inventory purchases are denominated in currencies other than Australian dollars, primarily US dollars. Where appropriate the Company uses forward currency contracts and options to manage its currency exposures; and where the qualifying criteria are met, these are designated as hedging instruments for the purposes of hedge accounting.

As at 30 June 2021, the Company had trade payables of $3,318,000 (2020: $1,528,000) denominated in US dollars and stock in transit of $11,746,000 (2020: $7,697,000) denominated in US dollars, all of which are covered by designated cash flow hedges. As a result, the sensitivity to a reasonably possible change in the US dollar exchange rate is minimal. The cash flows relating to cash flow hedge positions held at year end are expected to occur in July 2021 through to March 2022, and the profit and loss is expected to be affected through cost of sales as the hedged items (inventory) are sold to customers. All forecast transactions subject to hedge accounting have occurred or are highly likely to occur.

During the year, the Company designated foreign currency forward contracts as hedges of highly probable purchases of inventory in US dollars. The forecast purchases of inventory for which designated foreign currency forward contracts were in place at 30 June 2021 are expected to occur during July 2021 through to March 2022.

The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions. Both parties of the contract have fully cash collateralised the foreign currency forward contracts, and therefore, effectively eliminated any credit risk associated with the contracts (both the counter-party's and the Company's own credit risk). Consequently, the hedges were assessed to be highly effective. As at 30 June 2021, an unrealised gain of $4,858,000 (30 June 2020: an unrealised loss of $4,235,000) is recorded in other comprehensive income.

Interest rate risk
Financial instruments utilised that are subject to interest, and therefore interest rate risk, are cash and commercial bills. Management continually monitor the exposure to interest rate risk. The following table sets out the carrying amount by maturity of the financial instruments exposed to interest rate risk at reporting date. All financial instruments exposed to interest rate risk are exposed to a variable interest rate.

The fair value of the cash and commercial bills shown below are based on the face value of those financial instruments.

	2021		2020	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Cash - Assets less than one year	0.20%	106,892	0.71%	63,037
Commercial Bills - Liabilities less than one year	1.54%	(15,500)	1.45%	(2,300)
Commercial Bills - Liabilities between one and five years	1.49%	(18,162)	1.78%	(31,362)
Net exposure to cash flow interest rate risk		73,230		29,375

A reasonably possible increase/(decrease) in the interest rate of 50 basis points would result in an increase/(decrease) of profit of $45,000 (2020: $148,000 on 50 basis points movement).

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Note 23. Financial instruments (continued)

Credit risk
Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company.

In most cases, the Company requires full and final payment either prior to, or upon delivery of the goods to the customer. In limited cases where credit is provided, the Company trades on credit terms with recognised, creditworthy third parties. Customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company

With respect to credit risk arising from financial assets of the Company, which comprise of cash and cash equivalents and receivables, the Company's maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is in the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. Cash and cash equivalents are only invested with corporations which are approved by the Board.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2021	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Interest bearing					
Bank loans	-	15,613	18,609	-	34,222
Lease liabilities	8,509	24,928	94,094	16,583	144,114
Non-interest bearing					
Trade creditors	11,542	-	-	-	11,542
Other creditors	10,533	-	-	-	10,533
Current tax liabilities	15,588	-	-	-	15,588
Total	46,172	40,541	112,703	16,583	215,999

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Financial instruments (continued)

2020	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Interest bearing					
Bank loans	2,308	-	32,288	-	34,596
Lease liabilities	7,770	23,305	99,104	22,723	152,902
Non-interest bearing					
Trade creditors	11,027	-	-	-	11,027
Other creditors	6,993	-	-	-	6,993
Other financial liabilities	2,134	3,237	-	-	5,371
Current tax liabilities	5,587	-	-	-	5,587
Total	35,819	26,542	131,392	22,723	216,476

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised with the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At the reporting date the fair value of derivative financial instruments represented a derivative hedge receivable of $1,565,000 (2020: payable of $5,371,000). All foreign currency forward contracts were measured at fair value using the Level 2 method. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Recognition and measurement - Financial instruments

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged.

As appropriate, the Company designates derivatives as either hedges of the fair value of recognised assets or liabilities of firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

Fair value measurement
Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one year to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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Note 25. Key management personnel

The aggregate compensation made to directors and other key management personnel of the Company is set out below:

	2021 $	2020 $
Short-term employee benefits	2,936,100	1,394,992
Long-term employee benefits	11,852	12,007
Post-employment benefits	109,900	83,641
Share-based payments	82,938	27,369
	3,140,790	1,518,009

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by EY, the auditor of the Company, and its network firms:

	2021 $	2020 $
Audit services		
Auditing the statutory financial report of the Company and its controlled entities and auditing the statutory financial reports of any controlled entities	195,315	205,567
Other assurance and agreed-upon procedure services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	6,500
Other services	145,000	-
Due diligence services		
Tax compliance	30,936	27,532
	371,251	239,599

Note 27. Contingent liabilities

There are no contingent liabilities at 30 June 2021 (2020: Nil).

Note 28. Commitments

	2021 $'000	2020 $'000
Land and buildings	4,453	8,330
Leasehold improvements	253	1,100
Plant and equipment	41	34
Intangibles - Website	244	-
	4,991	9,464

Note 29. Related party transactions

Other related party transactions
Dealings between the Company and the directors and personally-related entities were made during the year in the ordinary course of business on normal commercial terms and conditions. The nature of these dealings were primarily the reimbursement of personal expenses incurred on Company paid credit cards and the purchase of products for their own use.

Receivables from and payables to related parties
There were no trade receivables from or trade payables to related parties at 30 June 2021 (2020: Nil).

Loans or from related parties
There were no loans to or from related parties at 30 June 2021 (2020: Nil).

Note 30. Significant events after the reporting period

Other than the dividend declared on 5 August 2021 (see Note 7), no other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 31. Share-based payments

The Company has an Executive Performance Rights Plan (EPRP) which is provided for executives and other employees. In accordance with the provisions of the plan, executives and employees are awarded rights to ordinary shares that will vest after a period of three years subject to the achievement of specific performance hurdles in relation to earnings per share (EPS) growth. There is no exercise price for the shares and the employees are able to exercise the right for up to two years following vesting, after which time the rights lapse.

In the year ended 30 June 2021 rights to ordinary shares were issued which include performance hurdles requiring compound annual EPS growth of between 5% and 10%. Under the grant, 50% of the rights are exercisable on the achievement of 5% EPS growth, 100% on the achievement of 10% EPS growth, and for the achievement of between 5% and 10% EPS growth the number of rights exercisable is calculated on a pro-rata basis.

The expense recognised in relation to employee share rights during the year was $209,450 (2020: $120,340).

The following table reconciles the outstanding employee share rights granted under the EPRP at the beginning and end of the financial year:

	2021	2020
Outstanding share rights at the start of the year	114,827	130,251
Share rights granted	56,569	61,508
Share rights exercised	(12,469)	(64,962)
Share rights forfeited	(12,469)	(11,970)
Outstanding share rights at the end of the year	146,459	114,827

Fair value of rights granted

The fair value of rights at grant date is valued under risk neutral conditions. Under these conditions the value of the right is equivalent to the share price reduced by the present value of dividends payable on the shares until vesting. The present value

of the dividends is deducted from the share price because the right holder is not entitled to dividends until the rights are exercised. The valuation assumes that the rights are exercised as they vest.

Note 31. Share-based payments (continued)

The key assumptions used for determining fair value at grant date are as follows:

	2021	2020
Share price at grant date	$8.75	$6.95
Dividend yield	6.5%	6.5%
Franking rate	30.0%	30.0%
Implied pre-tax effective dividend yield	9.3%	9.3%

Recognition and measurement - Share-based payments
Share-based payments are measured at the fair value of the rights at grant date and are expensed on a straight line basis over the vesting period, with a corresponding increase in equity, based on the Company's estimate of the number of shares that will eventually vest, giving consideration to the likelihood of employee turnover and the likelihood of non-market performance conditions being met.

Note 32. Controlled entities

Subsidiaries
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in this financial report.

			Equity holding	
Name of entity	**Country of incorporation**	**Class of shares**	**2021 %**	**2020 %**
Nick Scali (New Zealand) Limited	New Zealand	Ordinary	100	100
Nick Scali Employee Share Scheme Pty Ltd	Australia	Ordinary	100	100

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	Parent	
	2021 $'000	**2020 $'000**
Profit after income tax expense	83,481	41,908
Other comprehensive income	4,858	(4,235)
Total comprehensive income for the year	88,339	37,673

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Note 33. Parent entity information (continued)

Statement of financial position

Current assets	154,199	102,320
Non current assets	257,504	235,939
Total assets	411,703	338,259
Current liabilities	112,801	91,375
Non current liabilities	185,869	171,690
Total liabilities	298,670	263,065
Net assets	113,033	75,194
Equity		
Issued capital	3,364	3,364
Capital profits reserve	78	78
Cash flow hedge reserve	1,098	(3,760)
Equity benefits reserve	(227)	(352)
Retained profits	108,720	75,864
Total equity	113,033	75,194

Recognition and measurement - Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nick Scali Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Nick Scali Limited and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when it 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Note 34. Summary of other significant accounting policies

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

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Note 34. Summary of other significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

Other taxes
Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ('GST') except:
- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Nick Scali Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions or at the hedged rate if qualifying financial instruments have been used to reduce exposure. Monetary assets and liabilities denominated in foreign currencies are retranslated at the financial year-end exchange rates and recognised in profit or loss

All exchange differences are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction of the expense to which it relates.

Rent concessions
The practical expedient to AASB16 Covid-19 Related Rent Concessions has been adopted. This allows for an election to not account for changes in lease payments as a lease modification where a change in lease payments to the revised consideration are substantially the same or less than the consideration for the lease preceding the change, the reductions only affect payments which fall due before 30 June 2021 and there has been no substantive change in terms and conditions. Where the practical expedient has been applied, rent concessions are accounted for as a reduction in property costs.

Derecognition of financial assets and financial liabilities

Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is

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Note 34. Summary of other significant accounting policies (continued)

derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating

to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Rounding of amounts
The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

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In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



John Ingram
Chairman



Anthony Scali
Managing Director

5 August 2021
Sydney

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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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Independent auditor's report to the members of Nick Scali Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nick Scali Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b. 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 auditor independence requirements of 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 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Inventory valuation

Why significant	How our audit addressed the key audit matter
As at 30 June 2021, the Group held $46.7 million in inventories representing 11% of total assets. As detailed in Note 11 of the financial report, inventories are valued at the lower of cost and net realisable value. There is judgement involved in determining the cost of inventories and in assessing net realisable value. The cost of inventories includes elements relating to the costs of freight and customs duties. Judgements were involved in the process of allocating these costs to inventories. There is judgement in estimating the value of inventory which may be sold below cost and determining the net realisable value of this inventory. Such judgements include expectations for future sales and inventory clearance plans.	Our audit procedures assessed the valuation of inventories and the related financial report disclosures. These procedures included the following: - Assessed the application of inventory costing methodologies, specifically in relation to freight and customs duties, and whether this was consistent with Australian Accounting Standards. - Assessed the effectiveness of relevant controls in relation to the inventory costing process and assessed the accuracy of the Group's inventory valuation model, on a sample basis. - Assessed the basis by which the Group ensures inventory was recorded at the lower of cost and net realisable value, including the rationale for recording specific adjustments to value inventory below cost. In doing so, we examined sales margins achieved, the process for identifying specific slow moving inventories, historical inventory turnover and expected future sales.

Information other than the Financial Statements and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report but does not include the financial report and our auditor's report thereon.

We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 on the other information obtained prior to the date of this auditor's report, 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.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Nick Scali Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group 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.

Ernst & Young

Lisa Nijssen-Smith
Partner
Sydney
5 August 2021

Nick Scali Limited
Shareholder Information
30 June 2021

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows.

The information is current as at 15 July 2021.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

Shareholders category	Number of holders of ordinary shares
1 to 1,000	2,546
1,001 to 5,000	1,972
5,001 to 10,000	447
10,001 to 100,000	328
100,001 and Over	27
Total	**5,320**

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number Held	% of total shares issued
HSBC Custody Nominees (Australia) Limited	14,989,244	18.51
Citicorp Nominees Pty Limited	14,483,234	17.88
Scali Consolidated Pty Limited	11,039,474	13.63
J P Morgan Nominees Australia Pty Limited	9,704,192	11.98
National Nominees Limited	4,598,563	5.68
BNP Paribas Nominees Pty Ltd	2,527,570	3.12
Gragher Retail Securities Pty Ltd	1,200,000	1.48
Molvest Pty Ltd	1,200,000	1.48
BNP Paribas Nominees Pty Ltd	645,273	0.80
Netwealth Investments Limited	417,992	0.52
HSBC Custody Nominees (Australia) Limited	412,163	0.51
Citicorp Nominees Pty Limited	363,500	0.45
BNP Paribas Nominees Pty Ltd	283,349	0.35
28421 Pty Limited	211,500	0.26
BNP Paribas Nominees Pty Ltd	201,154	0.25
BNP Paribas Nominees Pty Ltd	172,964	0.21
BNP Paribas Nominees (NZ) Ltd	144,580	0.18
McNiven & Co Pty Ltd	142,500	0.18
Brispot Nominees Pty Ltd	133,848	0.17
BNP Paribas Nominees Pty Ltd	128,349	0.16
	62,999,449	77.80

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Nick Scali Limited
Shareholder Information
30 June 2021

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number Held	% of total shares issued
Scali Consolidated Pty Limited	11,039,474	13.63
Magellan Financial Group Limited	5,161,144	6.37
Commonwealth Bank of Australia	4,176,370	5.16
	20,376,988	25.16

Voting rights

Ordinary shares

All ordinary shares carry one vote per share without restriction.

There are no other classes of equity securities.

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