

MIRA INFORM REPORT

Report No. :	541380
Report Date :	28.11.2018

IDENTIFICATION DETAILS

Name :	ESR GROUP HOLDINGS PTY LTD
Registered Office :	13 Greenhill Road Wayville SA, 5034
Country :	Australia
Financials (as on) :	30.06.2017 (Consolidated)
Date of Incorporation :	22.02.2005
Legal Form :	Australian Proprietary Company
Line of Business :	The subject operates in the import and retail of furniture and associated supplies.
No. of Employees :	436

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating : A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Australia	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

AUSTRALIA - ECONOMIC OVERVIEW

Australia is an open market with minimal restrictions on imports of goods and services. The process of opening up has increased productivity, stimulated growth, and made the economy more flexible and dynamic. Australia plays an active role in the WTO, APEC, the G20, and other trade forums. Australia's free trade agreement (FTA) with China entered into force in 2015, adding to existing FTAs with the Republic of Korea, Japan, Chile, Malaysia, New Zealand, Singapore, Thailand, and the US, and a regional FTA with ASEAN and New Zealand. Australia continues to negotiate bilateral agreements with Indonesia, as well as larger agreements with its Pacific neighbors and the Gulf Cooperation Council countries, and an Asia-wide Regional Comprehensive Economic Partnership that includes the 10 ASEAN countries and China, Japan, Korea, New Zealand, and India.

Australia is a significant exporter of natural resources, energy, and food. Australia's abundant and diverse natural resources attract high levels of foreign investment and include extensive reserves of coal, iron, copper, gold, natural gas, uranium, and renewable energy sources. A series of major investments, such as the US\$40 billion Gorgon Liquid Natural Gas Project, will significantly expand the resources sector.

For nearly two decades up till 2017, Australia had benefited from a dramatic surge in its terms of trade. As export prices increased faster than import prices, the economy experienced continuous growth, low unemployment, contained inflation, very low public debt, and a strong and stable financial system. Australia entered 2018 facing a range of growth constraints, principally driven by the sharp fall in global prices of key export commodities. Demand for resources and energy from Asia and especially China is growing at a slower pace and sharp drops in export prices have impacted growth.

Source : CIA

COMPANY NAME

REGISTERED NAME **ESR GROUP HOLDINGS PTY LTD**
T/AS EARLY SETTLER
ACN: 113 065 973
ABN: 73 113 065 973

SUMMARY PANEL

Established 1985
Incorporated 2005
Status Trading
Line of Business Homewares retail chain
Adverse Listings Nil

EXECUTIVE SUMMARY

ESR Group Holdings P/L - consolidated

	As at 30 June 2017	As at 30 June 2016	Change (%)
Revenue	\$84,956,200.00	\$75,563,698.00	12.43%
Profit b/tax	\$2,244,777.00	(\$300,422.00)	-847.21%
Profit a/tax	\$1,888,233.00	(\$300,422.00)	-728.53%
Net Profit Margin	2.22%	-0.40%	2.62%

During fiscal 2017, the subject recorded Net Cashflows from operating activities totalling \$3,183,517.

As at 30 June 2017 the subject recorded Working Capital of \$608,698 and a current ratio of 1.02 to 1 indicating satisfactory liquidity levels.

Net Assets totalled \$8,233,730 as at 30 June 2017.

CORPORATE SEARCH

Company Type Australian Proprietary Company

Status Registered

Incorporation Date 22 Feb 2005

Incorporation State VIC

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Registered Office 13 GREENHILL ROAD WAYVILLE
SA, 5034

Current Directors Total: 2

Director Name WATTS, STEPHEN CHARLES
Appointment Date 22 Feb 2005
Date of Birth 09 Apr 1967
Place of Birth WINNIPEG CANADA
Gender MALE
Resident Overseas N
Address 21 WRIGHT RD, CRAFTERS SA 5152

Director Name STONE, STEPHEN CHARLES
Appointment Date 22 Feb 2005
Date of Birth 04 Nov 1958
Place of Birth ADELAIDE SA
Gender MALE
Veda File Number 4187980
Resident Overseas N
Address 215 GROTE ST, ADELAIDE SA 5000

Current Secretaries Total: 1

Secretary Name WATTS, STEPHEN CHARLES STUART
Appointment Date 22 Feb 2005
Date of Birth 09 Apr 1967
Place of Birth WINNIPEG CANADA

O'MAHONEY, SIMON ANTHONY

Company Shares Total: 14840 Amount: \$14,090,572

Class ORDINARY SHARES [ORD]
Number of Shares Issued 14840
Paid Capital \$14,295,824.33
Total Amount Due and Payable \$543,176.67

Current Shareholders

Shareholder Name JUSTGUILD PTY. LTD.
Class ORD
Number Held 5222

Shareholder Name STONE, STEPHEN CHARLES ALTON
Beneficially Held Y
Class ORD
Number Held 6244
Fully Paid N
Jointly Held N

Shareholder Name COPAS, TIMOTHY KEITH
Number Held 2300

OMARD P/L
Holds 85

RASLO BAY P/L
Holds 989

SECURITY INTERESTS

Effective 30 January 2012 the Personal Property Securities Register (PPSR) was introduced to give the different Commonwealth, State and Territory laws and registers regarding security interests in personal property under one national system.

As a result of PPS Reform a number of existing Commonwealth, State and Territory personal property security registers will close. Interests registered on existing security interest registers will be migrated to the national PPS Register. Subsequently Registered Charges are no longer lodged with the Australian Securities and Investments Commission (ASIC).

BUSINESS STRUCTURE

HEAD OFFICE	164 – 168 Atlantic Dr KEYSBOROUGH, VIC 3173
POSTAL ADDRESS	PO Box 4522 DANDENONG SOUTH, VIC 3164
TELEPHONE	(613) 9767 7700
WEBSITE	www.earlysettler.com.au
EMAIL	monica.porter@esrgroup.com
TRADING STYLES	EARLY SETTLER RECOLLECTIONS SEQUEL FURNITURE
CONTROLLED ENTITIES	PRIMELAND P/L RECOLLECTIONS (NSW) UNIT TRUST RECOLLECTIONS (VIC) UNIT TRUST EARLY SETTLER QLD UNIT TRUST RECOLLECTIONS (QLD) UNIT TRUST

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BRANCHES	The subject maintains 55 stores across Australia
BANK	ANZ BANKING GROUP Branch: Corporate Centre ADELAIDE, SA 5000
EMPLOYEES	436

BACKGROUND

The subject was incorporated in Victoria on 22 February 2005 under the current style.

The subject was formed to restructure a group of 24 stores trading under the 'Early Settler', 'Recollections' and 'Sequel Furniture' trading styles, into the one entity.

Operations have been established since 1985.

The New South Wales and Victorian operations were restructured into the subject on 1 April 2005. The Western Australia, South Australian and Queensland operations were restructured into the subject effective 1 July 2005.

OPERATIONS

The subject operates in the import and retail of furniture and associated supplies.

The subject's first store was established in 1985 in Victoria, trading in country-style furniture. Over the last twenty years Early Settler has grown to 45 stores operating throughout Australia and New Zealand. During this time, Early Settler has expanded its range to include classic colonial, European and contemporary styles.

Recollections was established in Melbourne in 1987 with the aim of offering affordable home products to the period home renovator and professional builder. Recollections specialises in domestic lighting, bathroom, architectural hardware, and associated renovation and building products in period styles. The range includes bathroom features such as freestanding clawfoot bathtubs; classic lighting for indoors and out; reproduction hardware including electrical switches; fireplaces and fire accessories; outdoor and garden furniture; decorative homewares and accessories in traditional styles.

In 2005, the Early Settler brand merged with Recollections, to become part of ESR Group Holdings Pty Ltd (ESR). ESR is an Australian-owned company specialising in home furnishings, renovation and building products of traditional, period and country design.

The subject specialise in high quality timber and soft furnishings with matching homewares. Instore you'll find everything from dining room and lounge room furniture, bedroom and home office, outdoors and garden, through to occasional furniture such as coffee tables, side tables, entertainment units, couches and much more. The marriage of traditional furnishings with traditional home products and fixtures gives you a one-stop shop reminiscent of the first 'department stores' of yesteryear.

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The furniture is made from a wide variety of quality new and recycled Australian, New Zealand and imported timbers such as eucalypt hardwoods, oak and renewable resource hardwoods. Available in a wide variety of finishes and stain colours, our extensive range ensures that you get a multitude of choices to enhance any décor or colour scheme.

Activities are conducted from leased premises located at the above listed trading address.

ADVERSE

A search of records of on 23 November 2018 failed to trace any litigation listed against the subject at that date.

FINANCES

Below is a summary of the subject's income results for the past two financial years.

ESR Group Holdings P/L - consolidated

	As at 30 June 2017	As at 30 June 2016	Change (%)
Revenue	\$84,956,200.00	\$75,563,698.00	12.43%
Profit b/tax	\$2,244,777.00	(\$300,422.00)	-847.21%
Profit a/tax	\$1,888,233.00	(\$300,422.00)	-728.53%
Net Profit Margin	2.22%	-0.40%	2.62%

During fiscal 2017, the subject recorded Net Cashflows from operating activities totalling \$3,183,517.

As at 30 June 2017 the subject recorded total current assets of \$25,801,460. They included cash of \$86,952, receivables of \$6,592,589 and inventories of \$16,964,069.

Current liabilities at the same date totalled \$25,192,492 and included payables of \$12,963,928 and borrowings of \$10,440,647.

As at 30 June 2017 the subject recorded Working Capital of \$608,698 and a current ratio of 1.02 to 1 indicating satisfactory liquidity levels.

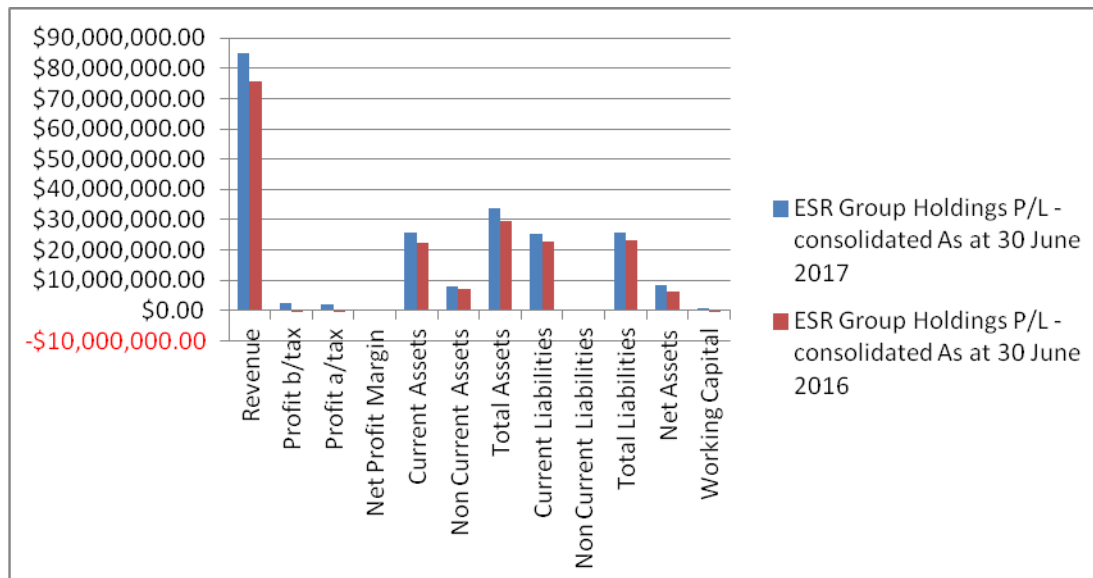
Net Assets totalled \$8,233,730 as at 30 June 2017. At this date, the subject further recorded a Debt to Equity ratio of 3.1 to 1.

ESR Group Holdings P/L - consolidated

	As at 30 June 2017	As at 30 June 2016	Change (%)
Revenue	\$84,956,200.00	\$75,563,698.00	12.43%
Profit b/tax	\$2,244,777.00	(\$300,422.00)	-847.21%

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Profit a/tax	\$1,888,233.00	(\$300,422.00)	-728.53%
Net Profit Margin	2.22%	-0.40%	2.62%
Current Assets	\$25,801,460.00	\$22,305,531.00	15.67%
Non Current Assets	\$7,989,966.00	\$7,055,193.00	13.25%
Total Assets	\$33,791,426.00	\$29,360,724.00	15.09%
Current Liabilities	\$25,192,492.00	\$22,557,085.00	11.68%
Non Current Liabilities	\$365,204.00	\$458,142.00	-20.29%
Total Liabilities	\$25,557,696.00	\$23,015,227.00	11.05%
Net Assets	\$8,233,730.00	\$6,345,497.00	29.76%
Working Capital	\$608,968.00	(\$251,554.00)	-342.08%
Current Ratio	1.02	0.99	3.57%
Debt to Equity	3.10	3.63	-14.42%



TRADE SURVEY

Trade payment records in the past 4 months have traced the following data.

Total Owing: \$8,086

Total Past Due: \$0

within terms: \$8,086

1 – 30 days past due: \$0

31 – 60 days past due: \$0

61 – 90 days past due: \$0

91+ days: \$0

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.91
UK Pound	1	INR 90.84
Euro	1	INR 80.42
AUD	1	INR 51.10

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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