BRISCOE
GROUP LIMITED

Interim Report

for the period ended 26 July 2020

“The health and wellbeing of our staff and customers and the protection of existing jobs and incomes will continue to be the highest priority of the Board and leadership team.”

Rod Duke
Group Managing Director

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Chairman's and Managing Director's Report

"We're extremely proud of how the Group has navigated this first half. Swift action taken by your Board and management reduced the risk and mitigated the impacts of Covid-19."

Dame Rosanne Meo

Briscoe Group successfully challenged the extraordinary circumstances posed by the Covid-19 pandemic in the first half of the 2021 financial year. The Group adapted in quick time to the closure of the store network, along with various supply and logistical issues, building on its existing strengths to deliver earnings just below record levels.

The health and wellbeing of our staff and customers remains the highest priority of the Board and leadership team. In the unique circumstances prevailing, the protection of existing jobs and incomes was a key area of focus, achieved with the full co-operation of the management, store and distribution centre teams.

New Paradigm of Uncertainty

The pandemic has created a new paradigm of uncertainty for all retailers, with the prospect of further social, cultural and economic impacts affecting the general retail environment.

We know that the price of this change in our operating environment will be continued vigilance and focus, so that we are aware of issues quickly and respond effectively – even more so than in the pre-Covid environment. We must continue to develop the flexibility and agility required in these times.

We have these attributes in our business: a lean management structure in which roles are clearly defined and value-driven, a flat structure so that information and decisions travel efficiently through the business, and by encouraging quick decision-making and implementation. The senior leadership team continues to perform in a manner that meets these expectations. We are confident that we have the right team in place across the entire business to weather the unpredictable times and move forward with purpose.

The Covid-19 crisis has provided many examples of our capacity to adapt to changing circumstances, as set out in "Our Response to Covid-19" on pages 14 - 17. Among the most vivid was the early decision to change our marketing mix, reducing the traditional media spend and increasing our emphasis on digital promotion. This response to the new circumstances became a key driver in the very strong growth in our online sales that occurred in the period after the national lockdown.

It is clear that our customers are increasingly comfortable shopping via both our store and online channels, moving between them according to the needs of the moment.

The most pronounced impact of the Covid-19 pandemic – that many customers adapted rapidly to online media – complemented our shift towards an online customer targeting strategy. It is important to note that this includes a significant in-store dimension – the development of digital tools for our store team members to free up time to invest in customers.

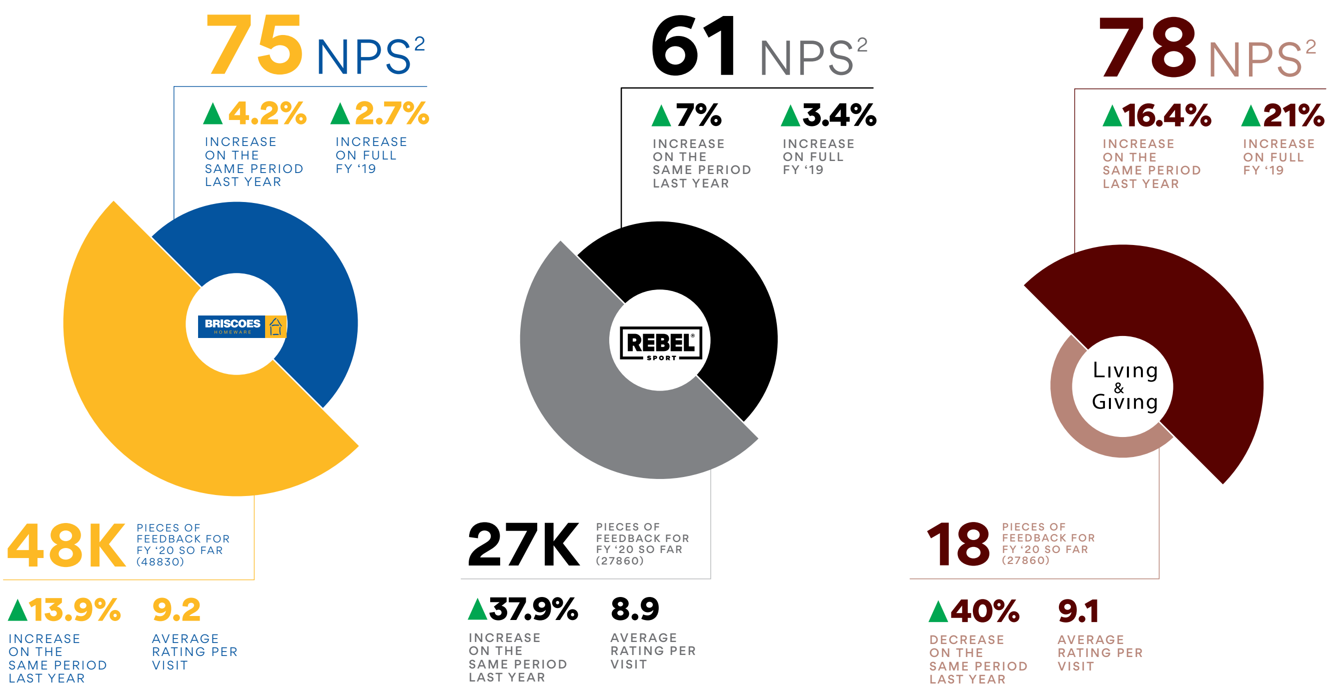
Our focus on driving high levels of customer service in-store is measured against a standard retail industry metric called Net Promoter Score. We have made progress on this aspect of our business in both Briscoes Homeware and Rebel Sport, as illustrated by the infographic below–

Strength of Our People

"I would like to thank the entire team for their efforts across these extraordinary past six months. We could not possibly have achieved what we have without the dedication and commitment of our people at every level of the business."

Dame Rosanne Meo

Our response to the various challenges faced this year has highlighted the capability of teams at all levels and in all parts of the company. The senior leadership team continued to display a high degree of strategic awareness and flexibility.



Net Promoter Score First Half Ended July 2020

The commitment and dedication of our front-line teams – instore, at the distribution centre and in online fulfilment centres – was again an essential component of our strong operational performance.

We continued to invest in talent and capability in all parts of the Group – enhancing our ability to perform well in the short term and to evolve successfully in a dynamic retail environment. We also continue to support other team members engaged in tertiary education and have a number of our team studying for Masters degrees with Massey University, Auckland University of Technology and Auckland University.

The Briscoe Group Education Foundation was established to provide employees and their children the opportunity to up-skill and fulfil their educational ambitions and we took great satisfaction from being able to celebrate the successful completion of the First Foundation programme by two Briscoe Group participants earlier this year.

To date Briscoe Group scholarships have been awarded to 26 team members or members of their families. A further three scholarships are expected to be awarded in 2020 and we have received a pleasingly large number of applications this year.

Strong Trading Performance

"We are delighted to have produced such a strong first-half result despite the extraordinary upheavals experienced during this period."

Rod Duke

The Group achieved a remarkable turnaround in performance between the first and second quarters of the year. Sales had decreased by 35.58% in the first quarter (vs the first quarter of FY 2020), then rebounded to be up by 28.24% on the equivalent basis in the second.

Given a nationwide lockdown put in place with five weeks remaining in the first quarter, a steep decline in sales from that point onward was inevitable. In total, our stores were unable to open for 50 days. The Covid-19 restrictions extended in declining levels of stringency well into the second quarter, but the rebound in sales was very striking, reflecting a combination of pent-up consumer demand and our own success in adapting our trading platform to maintain an attractive proposition for customers.

Across the full half-year, sales for the homeware segment fell by 3.74% and those for sporting goods by 3.07%.

Our online business experienced extraordinary growth after the move to the national lockdown in March, driving a 99.85% increase in traffic over the previous half-year. The completion of our new online platform proved timely, as it managed the sharply increased traffic levels with notable success.

At the same time, the implementation of online fulfilment centres across our national network provided capacity to deal with the surge in online trading and also mitigated the risks that could arise with any regional lockdowns such as the Level 3 event in Auckland in August.

We also completed the roll-out of 'Click and Collect' facilities across all stores. This service is proving extremely popular and has recently accounted for more than 30% of all our online orders.

To ensure our online development is both successful in its own right and fully integrated with the rest of our operational platform, we have created a new senior management position – General Manager Online and Digital. Isabel Campbell has recently been appointed to this role and will be an important addition to our senior team in aligning both current developments within the business and strategic initiatives to drive future growth. The new role includes responsibility for all of our ecommerce business and infrastructure, including the national Contact Centre.

Store Development Projects Continue

Despite the demands on management focus created by Covid-19 the Group achieved further solid progress in its ongoing store development programme.

The Briscoes Homeware and Rebel Sport stores in Nelson were relocated in May, to a new dual site with more carparking and better access for customers. The new stores are bigger and brighter, with the Rebel Sport store featuring our new generation fit-out.

The refurbishment of the Briscoes Homeware and Rebel Sport stores in Tauranga was completed in July. The new configuration features a bigger Briscoes Homeware store and new back-of-house and common team facilities.

Work also continued on a number of projects in relation to Group-owned properties. The re-roofing of Briscoes Invercargill has made good progress and is expected to be completed by the end of October 2020.

Site works commenced at 36 Taylors Road, Auckland after the demolition of the former Briscoes Homeware store. The new store, also bigger and brighter and featuring the new generation fit-out, is expected to open during the first quarter of 2021. This will allow us to create a new Rebel Sport store in the retail space on the ground floor of the new Support Office building at 1 Taylors Road.

The Silverdale development also progressed well and is expected to be completed in late October 2021. This will see the opening of new generation Briscoes Homeware and Rebel Sport stores to service a significant catchment comprising Silverdale, Hibiscus Coast, Orewa and surrounding areas.

Strategic initiatives

Our ultimate focus remains on offering our customers compelling brand propositions and enjoyable shopping experiences.

The Group has made good progress on the review of its operational strategies, with the evaluation phase being completed and work on key priorities then commencing during the half-year. This project has established a range of plans to sustain and build the business over the next three-to-five years, focusing in three key areas:

1. **Significantly enhancing the shopping experience our customers enjoy**

   Initial focus: A research programme to build further understanding of customer needs.

2. **An end-to-end review and redesign of our supply chain**

   Initial focus: A study to identify opportunities for both 'quick wins' and changes in the design of the supply chain to deliver longer-term growth.

3. **New streams of revenue**

   Initial focus: System development to support extensions in our product range through smart use of technology, systems and supply relationships.

   We are excited about the potential to unlock value across all three streams of activity and expect to see initial gains emerging before the end of the current year.

"KPMG New Zealand is proud to be supporting Briscoe Group on an important program to improve their supply chain and operations. The organisation's ability to adapt to market changes at pace positions it very well to succeed in today's volatile market. Focused growth in digital adoption, data and analytics, and in agile, integrated planning - will set the business up to continue this growth over the next decade and beyond."

Ian Williamson
KPMG Partner – Management Consulting

Financial Results

The company achieved a net profit after tax (NPAT) of $27.98 million for the half-year, compared to $28.35 million for the first half of last year.

Included in the result is a credit adjustment to tax expense totalling $0.53 million. This reflected two reversals of deferred tax liability arising from the sale of the Group's Nelson property and the reintroduction of tax depreciation on commercial and industrial buildings as part of the COVID-19 Response (Taxation and Social Assistance Urgent Measures) Act.

The Group was only eligible for the first round of the Government wage subsidy and the $11.5 million received supported our ability to pay the team's normal remuneration throughout Alert Levels 4 and 3. Other steps taken by the Group to minimise the impact of Covid-19 disruptions included negotiating equitable solutions in relation to a wide range of trade and non-trade expenditure with suppliers and landlords, and salary and fee sacrifices across the senior leadership team and Board.

The earnings were generated on sales revenue of $292.41 million compared to the $302.98 million generated for the same period last year.

Despite the shortfall to the previous half-year in sales, gross margin dollars improved as a result of the gross margin percentage increasing from 40.56% to 42.16%. The growth in gross margin percentage reflects the company's reaction to the disruption in trading caused by Covid-19 – in particular, the move to quickly adapt and analyse promotional activity to optimise promotional discount levels. Working with suppliers to ensure continuity of product was also key to protecting and growing margin during this first half. Having less inventory in the business also meant that, post lockdown, stores were significantly more efficient in processing and managing stock flows which affected both sales and gross margin positively.

Financial Position

Cash balances closed at $98.56 million, compared to $67.41 million held at the beginning of the period. This included approximately $23 million of creditor payments included in the trade payables balance which were subsequently paid on or before 31 July 2020.

The steps taken during these extra months to protect the Group and preserve liquidity ensured that our balance sheet remained strong – a critically important factor in these uncertain and unpredictable times. The strong balance sheet ensures we have flexibility to continue to protect the business as well as funding strategic initiatives to grow profitability.

Corporate Governance

As a result of the disruption caused by Covid-19 we have not yet appointed an additional independent director, however it is still the Board's intention to do so and will notify shareholders in due course.

Also noting, in recognition of the importance of the balance between independent and non-independent directors, during this first half Tony Batterton joined the Human Resources Committee under the chairmanship of Andy Coupe.

Dividend

The Board was very pleased to announce the resumption of dividend payments through the declaration of an interim dividend of 9.00 cents per share (cps), compared to last year's interim dividend of 8.50 cps. Books closed to determine entitlements at 5pm on 22 September 2020 and payment made on 1 October 2020.

Kathmandu

The Group did not receive a dividend during the period from its investment in Kathmandu Holdings Limited (Kathmandu) as a result of their response to the COVID-19 situation. The Group's half-year result for last year included $1.71 million from Kathmandu. We remain supportive of the Kathmandu business and continue to monitor its progress through this difficult trading environment.

Half Year Review

The interim financial statements presented in this report are unaudited but have been reviewed independently by PricewaterhouseCoopers, which has issued an unqualified independent review report to the company's shareholders (refer pages 38 and 39).

Cure Kids

We are proud to be a key partner of Cure Kids, a charity established to find cures and better treatments for serious illnesses and diseases that affect thousands of children in New Zealand.

Our generous customers, staff and suppliers support our efforts to raise funds for this incredible charity and we're proud to have, together, raised over $8.0 million dollars during our 15-year partnership.

Outlook

The economic outlook for the second half of the year is very uncertain, with the potential for disruption ever present, as illustrated by the recent re-imposition of Alert Levels 3 and 2. We are extremely conscious of the need for continuing caution in relation to future negative effects of Covid-19 on key economic indicators such as consumer spending, economic growth and unemployment. We also recognise that we need to ensure that in building back after the pandemic that we build better.

We are encouraged by the recovery in our business since the national lockdown ended in May and the way that has been largely sustained across both our online platform and our stores. The second half of the financial year has started strongly in regard to sales, gross profit dollars and gross profit percentage, despite our Auckland stores being closed for 19 days in August.

The health and wellbeing of our staff and customers and the protection of existing jobs and income will continue to be the highest priority of the board and leadership team.

We know we have the right team in place across the business to weather these unpredictable times, and the right programmes under way to deliver improved profit and returns.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SPEIGHT'S


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Our Response to Covid-19

Before we gear up and prepare for the busiest period of the year, we wanted to take a moment to pause and reflect on the last 6 months. It's been unprecedented and it's appropriate for us to take this opportunity to talk about how proud and grateful we are to our staff and management regarding how we as a Group have handled this unforeseen challenge.

2020 has, without doubt, been a remarkable year. And it's not over.

It's been a year where the norms and models of retailing, as with everything else, went out the window. Every retailer across the globe faced, and continues to face, a reckoning. It has forced changes to supply-chain, inventory management, human resource management and sales and fulfilment processes. It has forced us all to rethink many of the principles of retailing we hold as gospel. As markets globally, regionally and locally remain on edge the pandemic has brought our ways of working, our culture, our technology and even our proposition here at the Group into the spotlight.

These recent months have proven that one thing remains absolutely critical. One thing that we fortunately have in spades. Resilience.

In the few short months since COVID-19 became our new operational reality our resilience as a Group has proven extraordinary. Who could have imagined, with the country under a full lockdown, that our Group would be here today, posting robust financial figures but perhaps more importantly, doing so safely, with a full complement of engaged employees, and with customer satisfaction and preference scores up on pre-COVID levels?

This didn't happen by accident and it is worth reflecting on what allowed our organisation to get to this point.

It's important that we start with our people. Our response to ensuring our employees' physical, emotional and financial wellbeing was, and remains, our priority and we're proud of how we abided by the spirit and not just the intent of the lockdown

Andrew Scott **Rod Duke** **Aston Moss** **Geoff Scowcroft**

regulations. We moved fast to provide clear and timely communications informing our team members not only of changing dynamics but also what they could expect in the days, weeks and months ahead. This ability to proactively and transparently engage with our staff helped protect jobs and secure incomes for staff members and their families.

From the outset, we made the commitment to our team that we would continue to pay them at 100% of their normal incomes to ensure they had peace of mind during the lockdown. We've made no redundancies. Nor have there been any plans to close stores. To further protect both the jobs and the incomes of our frontline team members, our Briscoe Group families, who are dependent upon being paid in full and on time each and every week, we, like many others, were eligible for the government's first round of wage subsidy as a result of our significant decline in revenue. While this went some way to offsetting costs at a time of zero or diminished sales, there was still a sizable gap that the Group funded to ensure that during this period our staff felt their lives were to some degree certain and predictable. The Group was not eligible for subsequent rounds of the wage subsidy.

In light of the uncertainty surrounding the impact of COVID and the rapid escalation to Alert Level 4 on 25 March 2020, the Board made the decision to cancel the final dividend of 12.5 cents per share which was due to be paid on 31 March 2020.

We're proud of how our senior management indicated their desire to play a part in limiting impact felt across the company. There was broad support for the very considered reduction in senior management salaries complemented by our Board of Directors volunteering to reduce their fees.

It's also worth calling out that our financial responses to weather the early COVID lashings could only get us so far. What was crucial was our teams' and staff members' attitude to the crisis. Theirs was a response that humbled many in the organisation. They gave management their trust and confidence, responding to the difficulties and challenges with typical determination and admirable energy which went a long way to ensuring we emerged to welcome back our customers stronger, wiser and more resilient.

When we look back on this time one of the most significant outtakes will undoubtedly be the shift in ways of working. Enforced lockdown, working from home, remote teams and many other factors influencing day to day working processes meant a radical rethinking of how we get things done. The mind boggles to consider what would have happened had this pandemic struck in the years prior to our embrace of the internet.

When the pandemic struck our first priority was to ensure a steady flow of communication. Our teams adapted quickly, using available technologies to remain in constant communication. From video-conferencing platforms like Microsoft Teams and Zoom to less formal group chat platforms like WhatsApp, our teams dived into new ways of keeping information flowing while retaining a human connection from bedrooms, studies, living rooms and kitchens all around New Zealand.

These ad-hoc platforms were supported by our more robust inter-organisational communication portal Axonify, which has proven an incredible tool for the Group to engage with staff and teams, as well as more recent updates to our systems focused on recruitment and the onboarding of new team members. Via these mechanics we have all remained in contact, engaged and motivated. Wisdom has been shared, questions asked and answered, and insights gleaned. For the Group leaders, senior management and our staff across the country this has meant we could hear and be heard.

We've also used this period to drive our agenda of 'Digital Enablement' forward and this has been a real success. Our early work on automating tasks and providing easy access to tools means our team can do "more on the floor" but we want to remind everyone - these technologies don't replace our people. Instead they enable us to increase our team members' confidence, competence and capacity to welcome and assist our customers. Service will continue to be a prime area of focus for the years ahead.

This pandemic has forced upon all New Zealanders a new reality and one of the hallmarks has been an increased comfort factor with ecommerce and digital experiences. As much as every retailer wants to take the lead in technological innovation there is a very real need to not overinvest but rather align to our customers' behavioural preferences. Our timing on implementing the Group's new online system was spot on. Completed early this year, the new Episerver platform was a timely and solid foundation for the huge increase in online demand experienced once lockdown was imposed. We're delighted with its performance and the level of support provided to optimise the system's performance during implementation was exceptional.

Over the last couple of months we and our customers, together, have taken a radical journey. They have embraced new forms of shopping, from search to fulfilment, and we have had to ensure our service capabilities across that spectrum have met their expectations. For a significant period, we relied solely on our online platform for all sales and this forced a significant resource and procedural shift to accommodate product management, transactional and fulfilment requirements. Our longstanding relationships with suppliers certainly helped us manage a supply chain that required unexpected products or levels of stock. Inventory management also had to be carefully managed to ensure the ecommerce platform provided a faithful account of stock levels across stores and DC in a rapid transactional environment. Click and Collect has now been rolled out to all of our stores and additional 'contactless' Click and Collect has been made available to stores within Auckland during the more recent Level 3 lockdown regulations. We're excited about the innovative technology being trialled in this space especially in relation to digital queuing functionality.

For retailers around the world this crisis proved a turning point in their digital investment and execution strategy. While we had already begun a robust digital transition, the first half of 2020 forced upon us the need to very quickly ramp up further digital capabilities in order to survive. COVID has proven to be the ultimate prototyping environment, with little option but to fully engage in experimentation – and the learning curve, while steep, has been invaluable.

While reflecting on our resilience throughout these developments another contributing factor became apparent. Much is made in modern management of structural agility and many organisations around the world, both retailers and non-retailers alike, have struggled to embed agility across siloed, regimented and geographically separated organisational structures. As a Group we resist complexity. We keep things simple and lean and it is this leanness that made it easy to adapt our thinking when our operational context was turned upside down. It was this leanness that made it easier to get consensus and to execute ideas quickly.

So, as we face an uncertain period ahead, we believe we have proven ourselves at the coalface. We have weathered a severe storm and emerged stronger and smarter. We have emerged more resilient and adaptable to change and, as change will be a defining factor of our industry and a requirement for survival, we feel the lessons learnt and actions taken during these extraordinary months have stood us in good stead to look into an admittedly uncertain future with a degree of confidence and optimism.

So from the four of us we would like again to say thank you to the many teams across the Group for standing shoulder to shoulder (or as close as we could in a socially distanced world) and buckling down to the hard work of making sure we remain a viable business, one loved by many New Zealanders and one in return committed to New Zealand.

Rod, Andrew, Aston & Geoff

Directors' Approval of Consolidated Financial Statements

for the 26 week period ended 26 July 2020

Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Interim Financial Statements on 8 September 2020.

Approval by Directors

The Directors are pleased to present the Consolidated Interim Financial Statements for Briscoe Group Limited for the 26 week period ended 26 July 2020. (Comparative period is for the 26 week period ended 28 July 2019).

Rosanne Meo

Dame Rosanne Meo
CHAIRMAN

Dame Rosanne Meo

Rod Duke
GROUP MANAGING DIRECTOR

8 September 2020
For and on behalf of the Board of Directors

Consolidated Income Statement

For the 26 week period ended 26 July 2020 (unaudited)

	Notes	26 Week Period Ended 26 July 2020 Unaudited $000	Restated[1.] 26 Week Period Ended 28 July 2019 Unaudited $000
Sales revenue		**292,407**	302,984
Cost of goods sold		**(169,132)**	(180,102)
Gross profit		**123,275**	122,882
Other income		**106**	1,790
Store expenses		**(41,987)**	(47,170)
Administration expenses		**(35,446)**	(31,843)
Earnings before interest and tax		**45,948**	45,659
Finance income		**228**	477
Finance costs		**(7,456)**	(6,588)
Net finance income/(costs)		**(7,228)**	(6,111)
Profit before income tax		**38,720**	39,548
Income tax expense		**(10,741)**	(11,201)
Net profit attributable to shareholders	6	**27,979**	28,347

1. Refer Note 18 for details of restatement.

Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)		**12.59**	12.78
Diluted earnings per share (cents)		**12.52**	12.66

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

Consolidated Statement of Comprehensive Income

For the 26 week period ended 26 July 2020 (unaudited)

	Notes	26 Week Period Ended 26 July 2020 Unaudited $000	Restated[1.] 26 Week Period Ended 28 July 2019 Unaudited $000
Net profit attributable to shareholders		**27,979**	28,347
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Change in value of investment in equity securities	10	**(97,935)**	(11,522)
Items that may be subsequently reclassified to profit or loss:			
Fair value gain recycled to income statement		**(3,048)**	(1,025)
Fair value gain taken to the cashflow hedge reserve		**1,989**	1,439
Deferred tax on fair value gain taken to income statement		**853**	287
Deferred tax on fair value gain taken to cashflow hedge reserve		**(557)**	(403)
Total other comprehensive income		**(98,698)**	(11,224)
Total comprehensive income attributable to shareholders		**(70,719)**	17,123

1. Refer Note 18 for details of restatement.

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

Consolidated Balance Sheet

As at 26 July 2020 (unaudited)

	Notes	26 July 2020 Unaudited $000	Restated [1.] 28 July 2019 Unaudited $000	26 January 2020 Audited $000
ASSETS				
Current assets				
Cash and cash equivalents		**98,560**	55,529	67,414
Trade and other receivables		**2,672**	2,659	3,533
Inventories		**86,673**	88,827	87,414
Held-for-sale assets	8	**-**	5,521	5,408
Derivative financial instruments		**65**	924	269
Total current assets		**187,970**	153,460	164,038
Non-current assets				
Property, plant and equipment		**108,720**	94,763	97,265
Intangible assets		**3,463**	2,634	3,464
Right-of-use assets		**260,368**	226,190	266,001
Deferred tax		**14,240**	11,070	11,676
Investment in equity securities	10	**56,169**	90,467	154,104
Total non-current assets		**442,960**	425,124	532,510
TOTAL ASSETS		**630,930**	578,584	696,548
LIABILITIES				
Current liabilities				
Trade and other payables		**87,177**	73,488	81,260
Lease liabilities		**18,364**	16,491	17,744
Taxation payable		**4,237**	2,398	4,895
Derivative financial instruments		**1,814**	192	1,014
Total current liabilities		**111,592**	92,569	104,913
Non-current liabilities				
Trade and other payables		**969**	808	852
Lease liabilities		**276,801**	238,121	278,664
Total non-current liabilities		**277,770**	238,929	279,516
TOTAL LIABILITIES		**389,362**	331,498	384,429
NET ASSETS		**241,568**	247,086	312,119
EQUITY				
Share capital	12	**60,869**	60,074	60,752
Cashflow hedge reserve		**(1,282)**	538	(519)
Equity-based remuneration reserve		**892**	994	841
Other reserves		**(31,684)**	16,216	66,251
Retained earnings		**212,773**	169,264	184,794
TOTAL EQUITY		**241,568**	247,086	312,119

1. Refer Note 18 for details of restatement.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the 26 week period ended 26 July 2020 (unaudited)

	Notes	26 Week Period Ended 26 July 2020 Unaudited $000	Restated [1.] 26 Week Period Ended 28 July 2019 Unaudited $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**292,366**	302,633
Rent received		**7**	6
Dividends received		**-**	1,707
Interest received		**220**	483
Insurance recovery		**-**	77
		292,593	304,906
Cash was applied to			
Payments to suppliers		**(185,179)**	(218,340)
Payments to employees		**(25,989)**	(36,301)
Interest paid		**(7,456)**	(6,589)
Net GST paid		**(11,475)**	(7,893)
Income tax paid		**(13,666)**	(15,896)
		(243,765)	(285,019)
Net cash inflows from operating activities		**48,828**	19,887
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**1,996**	-
		1,996	-
Cash was applied to			
Purchase of property, plant and equipment		**(12,587)**	(11,174)
Purchase of intangible assets		**(846)**	(489)
Investment in equity securities		**-**	-
		(13,433)	(11,663)
Net cash outflows from investing activities		**(11,437)**	(11,663)
FINANCING ACTIVITIES			
Cash was provided from			
Issue of new shares	12	**99**	1,017
Net proceeds from borrowings	11	**-**	-
		99	1,017
Cash was applied to			
Dividends paid	13	**-**	(26,613)
Lease liabilities payments		**(6,289)**	(7,904)
		(6,289)	(34,517)
Net cash outflows from financing activities		**(6,190)**	(33,500)
Net decrease in cash and cash equivalents		**31,201**	(25,276)
Cash and cash equivalents at beginning of period		**67,414**	80,777
Foreign cash balance cash flow hedge adjustment		**(55)**	28
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**98,560**	55,529

1. Refer Note 18 for details of restatement.

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

Consolidated Statement of Changes in Equity

For the 26 week period ended 26 July 2020 (unaudited)

	Notes	Share Capital Unaudited $000	Cashflow Hedge Reserve Unaudited $000	Equity- Based Remuneration Reserve Unaudited $000	Other Reserves Unaudited $000	Retained Earnings Unaudited $000	Total Equity Unaudited $000
Balance at 27 January 2019		58,929	240	1,097	27,738	185,537	273,541
Impact of adopting NZ IFRS 16		-	-	-	-	**(18,205)**	**(18,205)**
Adjusted balance at 28 January 2019		**58,929**	**240**	**1,097**	**27,738**	**167,332**	**255,336**
Net profit attributable to shareholders for the period		**-**	**-**	**-**	**-**	**28,347**	**28,347**
Other comprehensive income:							
Change in value of investment in equity securities	10	-	-	-	(11,522)	-	(11,522)
Net fair value gain taken through cashflow hedge reserve		-	298	-	-	-	298
Total comprehensive income for the period		-	298	-	(11,522)	28,347	17,123
Transactions with owners:							
Dividends paid	13	-	-	-	-	(26,613)	(26,613)
Share options charged to income statement		-	-	168	-	-	168
Performance rights charged to income statement		-	-	43	-	-	43
Share options exercised	12	1,145	-	(128)	-	-	1,017
Transfer for share options lapsed and forfeited		-	-	(198)	-	198	-
Deferred tax on equity-based remuneration		-	-	12	-	-	12
Balance at 28 July 2019 (Restated[1.])		60,074	538	994	16,216	169,264	247,086
Net profit attributable to shareholders for the period		-	-	-	-	34,236	34,236
Other comprehensive income:							
Change in value of investment in equity securities	10	-	-	-	50,035	-	50,035
Net fair value loss taken through cashflow hedge reserve		-	(1,057)	-	-	-	(1,057)
Total comprehensive income for the period		-	(1,057)	-	50,035	34,236	83,214
Transactions with owners:							
Dividends paid		-	-	-	-	(18,881)	(18,881)
Share options charged to income statement		-	-	-	-	-	-
Performance rights charged to income statement		-	-	62	-	-	62
Share options exercised		678	-	(75)	-	-	603
Transfer for share options lapsed and forfeited		-	-	(175)	-	175	-
Deferred tax on equity-based remuneration		-	-	35	-	-	35
Balance at 26 January 2020		**60,752**	**(519)**	**841**	**66,251**	**184,794**	**312,119**
Net profit attributable to shareholders for the period		**-**	**-**	**-**	**-**	**27,979**	**27,979**
Other comprehensive income:							
Change in value of investment in equity securities	10	**-**	**-**	**-**	**(97,935)**	**-**	**(97,935)**
Net fair value gain taken through cashflow hedge reserve		**-**	**(763)**	**-**	**-**	**-**	**(763)**
Total comprehensive income for the period		**-**	**(763)**	**-**	**(97,935)**	**27,979**	**(70,719)**
Transactions with owners:							
Dividends paid	13	**-**	**-**	**-**	**-**	**-**	**-**
Share options charged to income statement		**-**	**-**	**-**	**-**	**-**	**-**
Performance rights charged to income statement		**-**	**-**	**68**	**-**	**-**	**68**
Share options exercised	12	**117**	**-**	**(18)**	**-**	**-**	**99**
Transfer for share options lapsed and forfeited		**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax on equity-based remuneration		**-**	**-**	**1**	**-**	**-**	**1**
Balance at 26 July 2020		**60,869**	**(1,282)**	**892**	**(31,684)**	**212,773**	**241,568**

1. Refer Note 18 for details of restatement.

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

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

1. Reporting Entity

Briscoe Group Limited (the Company) and its subsidiaries (together the Group) is a retailer of homeware and sporting goods. The Company is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange (NZX). Briscoe Group Limited is registered under the Companies Act 1993 and is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013. The address of its registered office is 1 Taylors Road, Morningside, Auckland 1025, New Zealand. The Company is registered in Australia as a foreign company under the name Briscoe Group Australasia Limited and is listed on the Australian Securities Exchange as a foreign exempt entity. (NZX / ASX code: BGP).

2. Basis of Preparation of Financial Statements

These unaudited consolidated condensed interim financial statements ('interim financial statements') have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with the requirements of International Accounting Standard (IAS) 34 Interim Financial Reporting and with New Zealand Equivalent to International Accounting Standard (NZ IAS) 34 Interim Financial Reporting and the NZX Main Board Listing Rules. The Group is designated as a for-profit entity for financial reporting purposes.

The interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these interim financial statements should be read in conjunction with the audited consolidated financial statements for the period ended 26 January 2020 and any public announcements made by Briscoe Group Limited during the interim reporting period and up to the date of these interim financial statements.

These interim financial statements are presented in New Zealand dollars, which is the Company's functional currency and the Group's presentation currency.

The interim financial statements are in respect of the 26 week period 27 January 2020 to 26 July 2020. The comparative period is in respect of the 26 week period 28 January 2019 to 28 July 2019. The year-end balance date will be 31 January 2021 and full financial statements will cover the 53 week period 27 January 2020 to 31 January 2021. The Group operates on a weekly trading and reporting cycle resulting in 52 weeks for most years with a 53 week year occurring once every 5-6 years.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the interim financial statements. Actual results may differ from these estimates. The same significant judgements, estimates and assumptions included in the notes to the financial statements for the full year period ended 26 January 2020 have been applied to these consolidated condensed interim financial statements.

3. Accounting Policies

The interim financial statements of the Group for the 26 week period ended 26 July 2020 have been prepared using the same accounting policies and methods of computations as, and should be read in conjunction with, the financial statements and related notes included in the Group's Annual Report for the full year period ended 26 January 2020.

4. COVID-19

The global pandemic in relation to Covid-19 was declared by the World Health Organisation on 11 March 2020. The subsequent Alert Level 4 and 3 lockdowns imposed by the New Zealand Government had a significant impact on the Group's first quarter performance, however the Group has experienced a significant ongoing lift in sales since 14 May 2020, when Level 3 was lifted.

The Group was eligible for and received $11.5 million in relation to the Government's wage subsidy. This amount has been offset against the cost of wages and salaries in the consolidated income statement under store expenses ($10.1 million) and administration expenses ($1.4 million).

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

The Board note the high level of business uncertainty that continues to exist in relation to the impacts of the Covid-19 pandemic including the possibility of supply chain disruption, erosion of consumer spending and further government-imposed lockdowns. Other than minor immaterial inventory adjustments for a few impacted categories, there are no other provisions in these statements for the period ended 26 July 2020 for financial impacts of Covid-19.

5. Seasonality

The Group's revenue and profitability follow a seasonal pattern with higher sales and net profits typically achieved in the second half of the financial year as a result of additional sales generated during the Christmas trading period.

6. Segment information

The Group has two reportable operating segments that are defined by the retail sectors within which the Group operates, namely homeware and sporting goods. The following is an analysis of the Group's revenue and results by operating segment. Revenue reported below is generated solely in New Zealand from sales to external customers and due to the nature of the retail businesses there is no reliance on any individual customer. There were no inter-segment sales in the period (2019: Nil).

Segment profit represents the profit earned by each segment and reflects the income statements associated with the two trading subsidiary companies, Briscoes (NZ) Limited and The Sports Authority Limited (trading as Rebel Sport). Earnings before interest and tax (EBIT) is a non-GAAP measure.

For the period ended 26 July 2020

	Homeware $000	Sporting Goods $000	Eliminations/ Unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	184,347	108,060	-	292,407
Gross profit	79,025	44,250	-	123,275
Earnings before interest and tax	28,062	16,885	1,001	45,948
Finance income	39	178	11	228
Finance costs	(4,917)	(2,488)	(51)	(7,456)
Net finance income / (costs)	(4,878)	(2,310)	(40)	(7,228)
Income tax expense	(6,385)	(4,081)	(275)	(10,741)
Net profit after tax	16,799	10,494	686	27,979
BALANCE SHEET				
Assets	359,199	221,962	49,769[1.]	630,930
Liabilities	263,866	135,315	(9,819)	389,362
OTHER SEGMENTAL ITEMS				
Acquisitions of property, plant and equipment, intangibles and investments	11,188	2,245	-	13,433
Depreciation and amortisation expense	10,121	5,655	-	15,776

	$000
1. Investment in equity securities	*58,952*
Intercompany eliminations	*(7,878)*
Other balances	*(1,305)*
	49,769

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

For the period ended 28 July 2019

	Homeware $000	Sporting Goods $000	Eliminations/ Unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	191,503	111,481	-	302,984
Gross profit	78,006	44,876	-	122,882
Earnings before interest and tax	25,825	17,167	2,667	45,659
Finance income	120	345	12	477
Finance costs	(4,335)	(2,186)	(67)	(6,588)
Net finance income / (costs)	(4,215)	(1,841)	(55)	(6,111)
Income tax expense	(6,125)	(4,291)	(785)	(11,201)
Net profit after tax	15,485	11,035	1,827	28,347
BALANCE SHEET				
Assets	325,100	193,855	59,629[1.]	578,584
Liabilities	248,730	121,421	(38,653)	331,498
OTHER SEGMENTAL ITEMS				
Acquisitions of property, plant and equipment, intangibles and investments	10,650	1,013	-	11,663
Depreciation and amortisation expense	8,123	4,716	-	12,839

	$000
1. Investment in equity securities	*90,467*
Intercompany eliminations	*(37,565)*
Other balances	*6,727*
	59,629

7. Expenses

Profit before income tax includes the following specific (income) and expenses:

	26 Week Period Ended 26 July 2020 $000	26 Week Period Ended 28 July 2019 $000
Depreciation of property, plant and equipment	**4,152**	2,901
Amortisation of software costs	**847**	375
Depreciation of right-of-use assets	**10,777**	9,563
Interest on leases	**7,405**	6,521
Operating lease rental expense	**6**	804
Wages, salaries and other short-term benefits	**39,362**	35,528
Government wage subsidy received	**(11,455)**	-
Equity-based remuneration	**68**	211

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

8. Held-for-sale assets

	As at 26 July 2020 $000	As at 28 July 2019 $000	As at 26 January 2020 $000
Land and buildings	-	5,521	5,408

9. Property, plant and equipment

Acquisitions and disposals

During the 26 week period ended 26 July 2020, the Group acquired property, plant and equipment with a total cost of $12,587,105 (2019: $11,174,091). Property, plant and equipment with a net book value of $2,387,943 (2019: $5,272) were disposed of during the 26 week period ended 26 July 2020.

10. Investment in equity securities

During 2015 and 2019 Briscoe Group Limited acquired 48,007,465 shares in Kathmandu Holdings Limited for a total cost of $87,853,048. This holding represented an 6.77% ownership in Kathmandu Holdings Limited as at 26 July 2020. These shares are equity investments, quoted in the active market, which the Group has elected to designate as a financial asset at fair value through other comprehensive income (FVOCI). An adjustment was made at period end to reflect the fair value of these shares as at 26 July 2020.[1.]

	$000
At 27 January 2019	101,989
Additions	-
Change in value credited to other reserves	(11,522)
At 28 July 2019	90,467
Additions	13,602
Change in value credited to other reserves	50,035
At 26 January 2020	154,104
Additions	-
Change in value credited to other reserves	**(97,935)**
At 26 July 2020	**56,169**

1. Fair value determined to be $1.17 ($2019: $2.12) per share as per NZX closing price of Kathmandu Holdings Limited as at 24 July 2020 (2019: 26 July 2019).

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

11. Interest bearing liabilities

There were no interest bearing liabilities as at 26 July 2020 (2019: Nil). The unsecured facility with the Bank of New Zealand for $30 million in place at the last year-end balance date of 26 January 2020, expires on 20 September 2020. This has been renewed for a further twelve months from the current expiry date. The facility is sufficiently flexible that the amounts can be drawn down and repaid to accommodate fluctuations in operating cash flows within overall limits, without the need for prior approval of the bank.

12. Share capital

	Authorised Shares No. of Shares	Share capital $000
At 27 January 2019	221,599,500	58,929
Issue of ordinary shares during the period:		
Exercise of options	370,000	1,145[1.]
At 28 July 2019	221,969,500	60,074
Issue of ordinary shares during the period:		
Exercise of options	219,000	678
At 26 January 2020	222,188,500	60,752
Issue of ordinary shares during the period:		
Exercise of options	**30,000**	**117**[1.]
At 26 July 2020	**222,218,500**	**60,869**

1. When options are exercised the amount in the share options reserve relating to those options exercised, together with the exercise price paid by the employee, is recognised in share capital. The amounts recognised for the 30,000 shares issued during the 26 week period ended 26 July 2020 were $18,197 and $99,300 respectively ($127,500 and $1,017,500 respectively for the 370,000 shares issued during the 26 week period ended 28 July 2019).

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

13. Dividends

	Period ended 26 July 2020 Cents per share	Period ended 28 July 2019 Cents per share	Period ended 26 July 2020 $000	Period ended 28 July 2019 $000
Final dividend for the period ended 26 January 2020[1.]	-	-	-	-
Final dividend for the period ended 27 January 2019	-	12.00	-	26,613
	-	12.00	-	26,613

1. On 16 March 2020 the directors declared a final dividend of 12.50 cents per share. On 23 March 2020 the directors cancelled the dividend due to the uncertainty surrounding COVID-19.

All dividends are fully imputed. No supplementary dividends were provided to shareholders. (2019: $189,514).

On 8 September 2020 the Directors resolved to provide for an interim dividend to be paid in respect of the period ended 31 January 2021. The dividend will be paid at the rate of 9.00 cents per share for all shares on issue as at 22 September 2020, with full imputation credits attached.

14. Fair Value measurements of financial instruments

The Group's activities expose it to a variety of financial risks, market risk (including currency and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. The Group uses certain derivative financial instruments to hedge certain risk exposures.

The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements for the period ending 26 January 2020. There have been no changes in the risk management policies since year end.

Based on NZ IFRS 13 Fair Value Measurement, the fair value of each financial instrument is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: Quoted prices (unadjusted in active market for identical assets and liabilities);

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3: Inputs for the asset or liability, that are not based on observable market data (that is unobservable inputs).

The financial instruments held by the Group that are measured at fair value are; over-the-counter derivatives (foreign exchange contracts) and an investment in equity securities. The derivatives have been determined to be within level 2 (for the purposes of NZ IFRS 13) of the fair value hierarchy as all significant inputs required to ascertain the fair values are observable. The investment in equity securities is determined to be within level 1 as quoted prices are available from an active equities market for identical securities. There were no transfers between levels 1 and 2 during the period.

There were no changes in valuation techniques during the period.

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

The following methods and assumptions were used to estimate the fair values for each class of financial instrument.

Trade debtors, trade creditors, related party payables and bank balances

The carrying value of these items is equivalent to their fair value.

Derivative financial instruments

Derivative financial instruments comprise of forward foreign exchange contracts which have been fair valued using market forward foreign exchange rates at period end.

Investment in equity securities

The investment in equity securities has been fair valued using equity prices quoted on market at period end.

The following table presents the Group's assets and liabilities that are measured at fair value at 26 July 2020:

	As at 26 July 2020 $000	As at 28 July 2019 $000	As at 26 January 2020 $000
Assets			
Derivative financial instruments	**65**	924	269
Investment in equity securities	**56,169**	90,467	154,104
Total Assets	**56,234**	91,391	154,373
Liabilities			
Derivative financial instruments	**1,814**	192	1,014
Total Liabilities	**1,814**	192	1,014

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

15. Related party transactions

During the 26 week period the Company advanced and repaid loans to its subsidiaries by way of internal transfers between current accounts. In presenting the financial statements of the Group, the effect of transactions and balances between fellow subsidiaries and those with the Parent have been eliminated. All transactions with related parties were in the normal course of business.

Material transactions between the Company and its subsidiaries were:

	26 Week Period Ended 26 July 2020 $000	26 Week Period Ended 28 July 2019 $000
Management fees charged by the Company to:		
Briscoes (NZ) Limited	**7,251**	6,635
The Sports Authority Limited (trading as Rebel Sport)	**4,307**	3,930
Total management fees charged	**11,558**	10,565
Dividends received by the Company from:		
Briscoes (NZ) Limited	**-**	26,598
The Sports Authority Limited (trading as Rebel Sport)	**-**	-
Total dividends received	**-**	26,598

In addition, the Group undertook transactions during the 26 week period with the following related parties as detailed below:

- The R A Duke Trust, of which RA Duke is a trustee, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments (net of rental relief) of $276,221 (2019: $322,500) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments (net of rental relief) of $236,364 (2019: $278,285) as owner of the Briscoes Homeware premises at Wairau Park, Auckland, under an agreement to lease premises to Briscoes (NZ) Limited.
- RA Duke Trust (including RA Duke Limited) received dividends of Nil (2019: $20,506,879).
- P Duke, spouse of RA Duke, received payments of $32,500 (2019: $32,500) in relation to her employment as an overseas buying specialist with Briscoe Group Limited and rental payments (net of rental relief) of $343,750 (2019: $412,500) as owner of the Briscoes Homeware premises at Panmure, Auckland under an agreement to lease premises to Briscoes (NZ) Limited.

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

Directors received directors' fees and dividends in relation to their personally-held shares as detailed below:

	26 Week Period Ended 26 July 2020		26 Week Period Ended 28 July 2019	
	Directors' Fees $000	Dividends $000	Directors' Fees $000	Dividends $000
Executive Director				
RA Duke	-	-	-	-
Non-Executive Directors				
RPO'L Meo	59	-	66	-
MM Devine[1.]	-	-	12	1
AD Batterton	34	-	37	-
RAB Coupe	35	-	39	1
	128	-	154	2

Directors received dividends in relation to their non-beneficially held shares as detailed below:

	26 Week Period Ended 26 July 2020 $000	26 Week Period Ended 28 July 2019 $000
Executive Director		
RA Duke	-	20,507
Non-Executive Directors		
RPO'L Meo	-	12
AD Batterton	-	2
RAB Coupe	-	-
	-	20,521

1. Mary Devine resigned as director effective 31 March 2019.

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

16. Contingent liabilities

There were no contingent liabilities as at 26 July 2020. (2019: Nil).

17. Events after balance date

On 8 September 2020 the directors resolved to provide for an interim dividend to be paid in respect of the 52 week period ending 31 January 2021. The dividend will be paid at a rate of 9.00 cents per share on issue as at 22 September 2020, with full imputation credits attached.

Since balance date and up to the date of these financial statements a further 247,500 ordinary shares have been issued under the Executive Share Option Plan as a result of executives exercising share options.

For the period of 12 August 2020 through to and including the 23 August 2020, the Group's Auckland stores were closed as a result of the Auckland region of New Zealand being placed in Alert Level 3. The Group continued to operate effectively through its online channel (including offering contactless click and collect). This development highlights the uncertainty of Covid-19 impacts into the future and the Board and management continue to monitor the situation closely.

18. Accounting standards

The accounting policies applied are consistent with those of the annual financial statements for the period ended 26 January 2020, as described in those annual financial statements.

There were no one new standards applied during the period.

Restatement

The Group adopted NZ IFRS 16 Leases on 28 January 2019 and the impacts of this adoption was disclosed in the interim financial statements of the Group for the period ended 28 July 2019. As disclosed in the financial statements for the period ended 26 January 2020 there has been significant change in market practice in relation to deriving the incremental borrowing rate. The financial statements for the period ended 26 January 2020 were prepared with incremental borrowing rates that better aligned with the changed market practice. The comparatives in these interim financial statements of the Group have been restated to reflect the transition note included in the financial statements for the period ended 26 January 2020.

Extracts from the consolidated balance sheet and the consolidated income statement are shown below detailing the specific impacts as a result of the restatement.

Notes to the Financial Statements

For the 26 week period ended 26 July 2020 (unaudited)

Consolidated Income Statement (extract):

	26 Week Period 28 July 2019 Unaudited Before Restatement $000	Adjustments $000	26 Week Period 28 July 2019 Unaudited After Restatement $000
Store expenses	(46,531)	(639)	**(47,170)**
Administration expenses	(31,814)	(29)	**(31,843)**
Earnings before interest and tax	**46,327**	**(668)**	**45,659**
Finance costs	(7,360)	772	**(6,588)**
Net finance income/(costs)	(6,883)	772	**(6,111)**
Profit before income tax	**39,444**	**104**	**39,548**
Income tax expense	(11,172)	(29)	**(11,201)**
Net profit attributable to shareholders	**28,272**	**75**	**28,347**
Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)	12.74	0.04	**12.78**
Diluted earnings per share (cents)	12.63	0.03	**12.66**

Consolidated Balance Sheet (extract):

	28 July 2019 Unaudited Before Restatement $000	Adjustments $000	28 July 2019 Unaudited After Restatement $000
Right-of-use assets	211,426	14,764	**226,190**
Deferred tax	11,770	(700)	**11,070**
Current lease liabilities	14,988	1,503	**16,491**
Non-current lease liabilities	227,360	10,761	**238,121**
NET ASSETS	**245,286**	**1,800**	**247,086**
Retained earnings	167,464	1,800	**169,264**

Independent review report

To the shareholders of Briscoe Group Limited

Report on the consolidated interim financial statements

We have reviewed the accompanying consolidated interim financial statements of Briscoe Group Limited (the Company) and its controlled entities (the Group) on pages 22 to 37, which comprise the consolidated balance sheet as at 26 July 2020, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the 26 week period ended on that date, and selected explanatory notes.

Director's responsibility for the consolidated interim financial statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying consolidated interim financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

We are independent of the Group. Other than in our capacity as auditors and providers of other related assurance services we have no relationship with, or interests in, the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 26 July 2020, and its financial performance and cash flows for the 26 week period then ended, in accordance with IAS 34 and NZ IAS 34.

Who we report to

This report is made solely to the Company's Shareholders, as a body. Our review work has been undertaken so that we might state to the Company's Shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
8 September 2020

Auckland

Directory

Directors

Dame Rosanne PO'L Meo (Chairman)
Rodney A. Duke
Anthony (Tony) D. Batterton
Richard A. (Andy) Coupe

Registered Office

1 Taylors Road, Morningside
Auckland Telephone (09) 815 3737
Facsimile (09) 815 3738

Postal Address

PO Box 884
Auckland Mail Centre
Auckland

Solicitors

Simpson Grierson

Bankers

Bank of New Zealand

Auditors

PricewaterhouseCoopers

Share Registrar

Link Market Services Limited
Deloitte Centre
Level II
80 Queen Street
Auckland 1010
Telephone +64 9 375 5998

Websites

www.briscoegroup.co.nz
www.briscoes.co.nz
www.rebelsport.co.nz
www.livingandgiving.co.nz

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briscoegroup.co.nz