



DUSK GROUP LIMITED
APPENDIX 4D

Half Year Report
For the 26 week period ended 26 December 2021

This information should be read in conjunction with the interim condensed report for the half year ended 26 December 2021.

1. Details of the reporting period and the prior corresponding period

Prior corresponding period: 28 June 2021 to 26 December 2021 (26 weeks)
29 June 2020 to 27 December 2020 (26 weeks)

2. Results for announcement to the market

					\$'000
Revenue from ordinary activities	Down	12.0%	to		80,016
Profit from ordinary activities after tax attributable to members	Down	10.1%	to		15,180
Net profit attributable to members	Down	10.1%	to		15,180

3. Dividends

	Amount per security Cents	Franked amount per security Cents
Final FY2021 dividend - Ordinary (paid 24 September 2021)	10.0	10.0
Interim FY2022 dividend - Ordinary (resolved, not yet provided for at 26 December 2021)	10.0	10.0
Record date for determining entitlements to the dividend – 14 March 2022		
Payment date of interim dividend – 28 March 2022		

The company does not have a dividend reinvestment plan.

4. Net tangible assets per security

	26 December 2021	27 December 2020
Net tangible assets per ordinary security	59.65 cents	52.64 cents

5. Entities over which control has been gained or lost during the period

Not applicable.

6. Details of associate and joint ventures

Not applicable.

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Interim Consolidated Financial Report

For the 26 Weeks Ended 26 December 2021

Dusk Group Limited

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Dusk Group Limited

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Directors' Report

The directors present their report, together with the interim consolidated financial statements on Dusk Group Limited and its controlled entities (referred to hereafter as “dusk”, “the Group” or “the Company”) for the 26 weeks ended 26 December 2021 (“1H FY22”).

The Group utilises a 52 week retail calendar year for financial reporting purposes. The half year represents 26 weeks which ended on 26 December 2021. The prior half year was a 26 week retail calendar period, which ended on 27 December 2020 (“1H FY21”).

Directors

The names of the Company's directors in office during the 26 weeks ended and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

John Joyce
Trent Peterson
David MacLean
Tracy Mellor
Katherine Ostin
Peter King

Dividends

The directors declared a fully franked final dividend of 10.0 cents per share, which was paid to the holders of fully paid ordinary shares on 24 September 2021.

Principal activities

The principal activities of the Group for the 26 weeks ended 26 December 2021 comprised of retailing of scented and unscented candles, home decor, home fragrance and gift solutions.

There were no significant changes in the nature of the Group's principal activities during the period.

Review and results for the period

The net profit after tax (NPAT) of the Group for the 26 weeks ended 26 December 2021 was \$15.2 million (27 December 2020: \$16.9 million).

The Directors' Report includes references to pro forma results. The pro forma results have been derived from dusk's statutory accounts and adjusted to a pro forma basis to reflect the ongoing operations of dusk more appropriately. The Directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the business. Non-IFRS measures contained within this report are not subject to audit. Other companies may calculate such measures in a different manner to the Group.

Pro forma earnings before interest and tax (“EBIT”) was \$21.3 million for the 26 weeks ended 26 December 2021 which is reconciled to statutory EBIT as follows (with comparatives):

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Directors' Report

Review and results for the period (continued)

	26 weeks ended 26 December 2021	26 weeks ended 27 December 2020
	\$000's	\$000's
Statutory profit before income tax	21,889	24,140
Add/(deduct):		
Finance costs	754	858
Statutory EBIT	22,643	24,998
Add/(deduct) the following items:		
Impact of AASB 16 (i)	(475)	(280)
IPO costs (ii)	-	6,518
Net JobKeeper benefit (iii)	-	(2,831)
JobSaver receipts (iv)	(1,050)	-
Rental concessions received (v)	(266)	(365)
Acquisition costs (vi)	439	-
Pro forma EBIT	21,291	28,040

(i) Adjustment is reflective of management measuring and reviewing company performance prior to any AASB 16 adjustments.

(ii) The Group incurred certain non-recurring transaction costs and similar items for the IPO.

(iii) Net JobKeeper benefit reflects the removal of the non-recurring benefit to earnings of the JobKeeper Payment received from the Australian Government. It reflects the amount of subsidy received by the Group to the extent it subsidised amounts earned and payable to qualifying staff in relation to hours worked in the period, and therefore reduced the cost of doing business otherwise incurred by the Group. This net benefit was repaid to the Australian Government in May 2021.

(iv) JobSaver receipts reflect the removal of the non-recurring benefit to earnings of the JobSaver payment received from the New South Wales Government.

(v) As an impact of COVID 19, the Group has negotiated with some of its landlords to achieve rent concessions. The rent concessions reflect credits received from landlords on contracted lease costs under the practical expedients of AASB 16 Leases.

(vi) The Group incurred certain non-recurring transaction costs and similar items for the pending acquisition of Eroma Group. Further costs will be incurred in the second half of FY22.

Significant changes in state of affairs

During the financial half year, sales were adversely impacted by the government mandated stores closures in NSW, Victoria and ACT. This reduced the number of store trading days by approximately 24% (5,483 trading days lost). In addition, when stores were open, foot traffic in centres was significantly lower as many shoppers appear to have exercised caution as the potential risk of infection of the Omicron variant of COVID-19 escalated through December 2021.

On 17 December 2021, dusk announced it had agreed to purchase 100% of Eroma Group, Australia's leading supplier of candle making inputs, including fragrance oils, waxes, packaging, containers and candle making kits. The Enterprise Value for the acquisition is \$28.0 million (cash and debt free). The total acquisition consideration comprises \$15.0 million in cash and a \$13.0 million placement of ordinary shares in dusk, issued pro-rata to all Eroma shareholders.

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Directors' Report

Significant changes in state of affairs (continued)

There were no other significant changes in the state of affairs of the consolidated entity during the financial half year.

Share-based payments

As at the date of this report, there were 2,125,000 unissued ordinary shares under the option plan. Option holders are entitled to the issue of one ordinary share in the share capital of Dusk Group Limited.

Significant events after reporting period

On 24 February 2022, the directors declared an interim dividend on ordinary shares in respect of the 2022 financial year. The total amount of the dividend is \$6.23 million which represents a fully franked dividend of 10 cents per share. The dividend has not been provided for in the 26 December 2021 financial statements.

The acquisition of Eroma Group is scheduled to complete on or around the 28 February 2022, subject to conditions precedent being satisfied and other customary conditions. Other than the above, no matters or circumstances have arisen since reporting date which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the 26 weeks ended 26 December 2021 has been received and can be found on page 4 of the interim consolidated financial report.

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



Director:
Peter King

Dated: 24 February 2022



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Dusk Group Limited

As lead auditor for the review of the half-year financial report of Dusk Group Limited for the half-year ended 26 December 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dusk Group Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive, stylized font.

Ernst & Young

A handwritten signature in black ink that reads 'Lisa Nijssen-Smith' in a cursive, stylized font.

Lisa Nijssen-Smith
Partner
24 February 2022

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Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 26 December 2021

		26 weeks ended 26 December 2021	26 weeks ended 27 December 2020
	Notes	\$000's	\$000's
Revenue from contracts with customers	4	80,016	90,948
Cost of sales		(25,631)	(29,374)
Gross profit		54,385	61,574
Other income	5	1,328	381
Depreciation and amortisation expense		(8,378)	(8,122)
Employee benefit expense		(15,904)	(14,205)
Asset, property and maintenance expenses		(82)	(61)
Occupancy expenses		(1,425)	(1,444)
Advertising expenses		(1,589)	(1,087)
IPO costs		-	(6,518)
Acquisition costs		(439)	-
Other expenses		(5,253)	(5,520)
Finance costs		(754)	(858)
Profit before tax		21,889	24,140
Income tax expense	6	(6,709)	(7,246)
Profit for the period		15,180	16,894
Other comprehensive income		-	-
Total comprehensive income for the period		15,180	16,894
Earnings per share (EPS) (in dollars)			
Basic, profit for the period attributable to ordinary equity holders of the parent	14	0.24	0.27
Diluted, profit for the period attributable to ordinary equity holders of the parent	14	0.24	0.27

The accompanying notes form part of these financial statements.

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Interim Consolidated Statement of Financial Position As at 26 December 2021

		26 December 2021	27 June 2021
	Notes	\$000's	\$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		33,312	21,408
Trade receivables and other financial assets		700	695
Inventories	7	19,627	14,424
Right-of-return assets		368	416
Prepayments		2,001	988
TOTAL CURRENT ASSETS		56,008	37,931
NON-CURRENT ASSETS			
Property, plant and equipment		9,827	9,192
Right-of-use assets	10	31,389	28,451
Intangible assets		2,102	1,790
Deferred tax assets		6,911	7,112
TOTAL NON-CURRENT ASSETS		50,229	46,545
TOTAL ASSETS		106,237	84,476
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	18,780	8,655
Provisions	9	2,616	2,876
Employee benefit liabilities		1,671	1,196
Lease liabilities	10	14,322	13,182
Income tax payable		4,840	6,103
TOTAL CURRENT LIABILITIES		42,229	32,012
NON-CURRENT LIABILITIES			
Provisions	9	1,220	1,087
Lease liabilities	10	23,080	20,748
Employee benefit liabilities		463	414
TOTAL NON-CURRENT LIABILITIES		24,763	22,249
TOTAL LIABILITIES		66,992	54,261
NET ASSETS		39,245	30,215
EQUITY			
Issued capital	11	3,487	3,487
Other capital reserves	12	(3,265)	(3,342)
Retained earnings		39,023	30,070
TOTAL EQUITY		39,245	30,215

The accompanying notes form part of these financial statements.

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Interim Consolidated Statement of Changes in Equity For the Half Year Ended 26 December 2021

	Issued capital \$000's	Retained earnings \$000's	Other capital reserves \$000's	Total equity \$000's
Balance at 27 June 2021	3,487	30,070	(3,342)	30,215
Profit for the period	-	15,180	-	15,180
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	15,180	-	15,180
Dividends paid	-	(6,227)	-	(6,227)
Share-based payments for new options plan	-	-	77	77
Balance at 26 December 2021	3,487	39,023	(3,265)	39,245
Balance at 28 June 2020	3,415	21,548	112	25,075
Profit for the period	-	16,894	-	16,894
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	16,894	-	16,894
Dividends paid	-	(4,000)	-	(4,000)
Cash buyback of options	-	-	(4,900)	(4,900)
Deferred tax on cash buyback of options	-	-	1,463	1,463
Share-based payments for new options plan	-	-	25	25
Issue of shares	72	-	(72)	-
Balance at 27 December 2020	3,487	34,442	(3,372)	34,557

The accompanying notes form part of these financial statements.

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Interim Consolidated Statement of Cash Flows For the Half Year Ended 26 December 2021

	26 weeks ended 26 December 2021 \$000's	26 weeks ended 27 December 2020 \$000's
OPERATING ACTIVITIES:		
Receipts from customers (inclusive of GST)	88,648	102,658
Payments to suppliers and employees (inclusive of GST)	(53,433)	(68,585)
Interest paid	(754)	(858)
Income taxes paid	(7,771)	(4,446)
Receipt of government grants - JobSaver	1,050	-
Net cash flows from operating activities	<u>27,740</u>	<u>28,769</u>
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,118)	(1,737)
Purchase of intangible assets	(384)	(18)
Proceeds from sale of financial derivative	27	-
Net cash flows used in investing activities	<u>(2,475)</u>	<u>(1,755)</u>
FINANCING ACTIVITIES:		
Cash buyback of options	-	(5,057)
Dividends paid by parent entity	(6,227)	(9,772)
Payment of principal portion of lease liabilities	(7,134)	(5,670)
Net cash flows used in financing activities	<u>(13,361)</u>	<u>(20,499)</u>
Net increase in cash and cash equivalents held	11,904	6,515
Cash and cash equivalents at beginning of the period	<u>21,408</u>	<u>28,354</u>
Cash and cash equivalents at 26 December/27 December	<u><u>33,312</u></u>	<u><u>34,869</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Half Year Ended 26 December 2021

The interim consolidated financial report of Dusk Group Limited and its controlled entities (referred to hereafter as “dusk”, “the Group” or “the Company”) for the 26 weeks ended 26 December 2021 (“1H FY22”) was authorised for issue in accordance with a resolution of the directors on the date the director's declaration was signed.

The Group utilises a 52 week retail calendar year for financial reporting purposes. The half year represents 26 weeks which ended on 26 December 2021. The prior half year was a 26 week retail calendar period, which ended on 27 December 2020.

Dusk Group Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”).

The registered office and principal place of business of the Company is Building 1, Level 3, 75 O’Riordan Street, Alexandria, NSW 2015.

The nature of the operations and principal activities of the Group are described in the directors' report.

1 Summary of significant accounting policies

(a) Basis of preparation

The report is a half year financial report for the 26 weeks ended 26 December 2021, which has been prepared in accordance with AASB 134 Interim Financial Reporting.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 27 June 2021 that is readily available on the ASX website.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand (\$000).

Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current period.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(b) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements For the Half Year Ended 26 December 2021

2 Critical accounting estimates and judgments

The preparation of the Group's interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3 Segment information

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision makers (CODM). The CODM have been identified as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Group on the basis that they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

The Group has considered its internal reporting framework, management and operating structure and the directors' conclusion is that the Group has one operating segment being retail sales in the home fragrances and accessories category, operating in one geographical location, Australia.

4 Revenue from contracts with customers

	26 weeks ended 26 December 2021 \$000's	26 weeks ended 27 December 2020 \$000's
Sale of goods	78,289	89,015
Loyalty program membership	1,727	1,933
Total revenue from contracts with customers	80,016	90,948

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

4 Revenue from contracts with customers (continued)

(a) Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods. Payment is generally received at point of sale or the placement of an online order.

Loyalty Program Membership - dusk Rewards

The performance obligation is satisfied upon the customer receiving the benefits of membership.

(b) Seasonality of operations

Sales and earnings for the Group are typically greater in the first half of the financial year due to the elevated trading that is experienced in the lead up to Christmas.

5 Other income

	26 weeks ended 26 December 2021 \$000's	26 weeks ended 27 December 2020 \$000's
Rental concessions received (i)	266	365
Recoveries	12	16
JobSaver receipts	1,050	-
	1,328	381

(i) As an impact of COVID 19, the Group negotiated with its landlords to achieve rent concessions. The rent concessions reflect credits received from landlords on contracted lease costs under the practical expedients of AASB 16 Leases.

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

6 Income tax

The major components of income tax expense in the interim consolidated statement of profit or loss and other comprehensive income:

	26 weeks ended 26 December 2021 \$000's	26 weeks ended 27 December 2020 \$000's
Current tax expense		
Current income tax charge	6,466	9,162
Deferred tax expense		
Relating to origination and reversal of temporary differences	243	(1,916)
Income tax expense recognised in interim consolidated statement of profit or loss	6,709	7,246

7 Inventories

	26 December 2021 \$000's	27 June 2021 \$000's
Finished goods	16,093	13,882
Goods in transit	4,495	1,458
Provision for diminution in value	(961)	(916)
Inventories at lower of cost and net realisable value	19,627	14,424

During the half year ended 26 December 2021, \$22,070 (27 December 2020: \$45,398) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

8 Trade and other payables

	26 December 2021 \$000's	27 June 2021 \$000's
CURRENT		
Trade payables	9,377	3,869
Accrued expense	3,995	2,924
Other payables	3,322	550
Contract liabilities	2,086	1,312
	<u>18,780</u>	<u>8,655</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30-60 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

9 Provisions

	26 December 2021 \$000's	27 June 2021 \$000's
CURRENT		
Make good provision	158	136
Payroll provision	122	122
Refund liabilities	1,993	2,352
Voucher liabilities	305	226
Other provisions	38	40
	<u>2,616</u>	<u>2,876</u>
NON-CURRENT		
Make good provision	1,161	1,042
Other provisions	59	45
	<u>1,220</u>	<u>1,087</u>
Total	<u>3,836</u>	<u>3,963</u>

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

9 Provisions (continued)

	Refund liabilities \$000's	Voucher liabilities \$000's	Make good provision \$000's	Payroll provision \$000's	Other provisions \$000's	Total \$000's
At 28 June 2020	1,907	254	843	1,993	114	5,111
Arising during the year	2,797	44	353	422	10	3,626
Utilised	(2,352)	(72)	(18)	(2,293)	(39)	(4,774)
At 27 June 2021	2,352	226	1,178	122	85	3,963
Arising during the period	767	158	141	-	32	1,098
Utilised	(1,126)	(79)	-	-	(20)	(1,225)
At 26 December 2021	1,993	305	1,319	122	97	3,836

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

10 Leases

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property \$000's	Storage licenses \$000's	Total \$000's
As at 27 June 2021	28,355	96	28,451
Additions	9,656	105	9,761
Depreciation expense	(6,787)	(36)	(6,823)
As at 26 December 2021	31,224	165	31,389

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021 \$000's
As at 27 June 2021	33,930
Additions	10,606
Accretion of interest	706
Payments in accordance with lease agreements	(7,840)
As at 26 December 2021	37,402
Current	14,322
Non-current	23,080

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

10 Leases (continued)

The following are the amounts recognised in profit or loss:

	26 weeks ended 26 December 2021 \$000's
Rental concessions received	(266)
Depreciation expense of right-of-use assets	6,823
Interest expense on lease liabilities	706
Expenses relating to variable and holdover lease payments	<u>1,425</u>
Total amount recognised in profit or loss	<u>8,688</u>

The Group had total cash outflows for leases of \$9,265,000 in the 26 weeks ended 26 December 2021. The Group also had non-cash additions to right-of-use assets and lease liabilities of \$10,606,000 for the 26 weeks ended 26 December 2021.

11 Issued capital

	26 December 2021 \$000's	27 June 2021 \$000's
62,267,865 (2021: 62,267,865) Ordinary shares	<u>3,487</u>	<u>3,487</u>

Movement in ordinary shares

	Thousand no. of shares	Thousand no. of shares
At the beginning of the reporting period	62,268	57,718
Shares issued during the period	-	4,550
At the end of the reporting period	<u>62,268</u>	<u>62,268</u>

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

12 Other capital reserves

	Share-based payment reserve \$000's
At 27 June 2021	(3,342)
Share-based payments	77
At 26 December 2021	(3,265)

Nature and purpose of reserve

Share-based reserve

During the 2021 financial year, the Group has issued 1,000,000 new options pursuant to the equity incentive plan as disclosed in section 6.3.4.2 of the Prospectus.

During the 2022 financial year, the Group has issued 1,125,000 new options pursuant to the equity incentive plan. No other options have been exercised, granted or forfeited.

13 Commitments and contingencies

Contractual commitments

The Parent entity did not have any contractual commitments as at 26 December 2021 (2020: \$nil).

For the 26 weeks ended 26 December 2021, the Parent has \$130,000 (2020: \$130,000) of bank guarantees.

Contingent liabilities

The Parent is a guarantor on the Commonwealth Bank of Australia banking facilities held by Dusk Australasia Pty Ltd.

The Parent has issued the following guarantees in relation to the debts of its subsidiaries:

- Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*, Dusk Group Limited have entered into a deed of cross guarantee on 9 June 2016. The effect of the deed is that Dusk Group Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Dusk Group Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The Parent did not have any other contingent liabilities as at 26 December 2021 (2020: none).

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Notes to the Financial Statements For the Half Year Ended 26 December 2021

14 Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	26 weeks ended 26 December 2021 \$000's	26 weeks ended 27 December 2020 \$000's
Profit after tax attributable to ordinary equity holders of the parent for basic earnings	15,180	16,894
Basic earnings per share (in dollars)	0.24	0.27
Diluted earnings per share (in dollars)	0.24	0.27

	26 weeks ended 26 December 2021 Thousands No.	26 weeks ended 27 December 2020 Thousands No.
Weighted average number of ordinary shares for basic EPS	62,268	62,268
Effect of dilution from: Share options	2,125	1,000
Weighted average number of ordinary shares adjusted for the effect of dilution	64,393	63,268

15 Events occurring after the reporting date

On 24 February 2022, the directors declared an interim dividend on ordinary shares in respect of the 2022 financial year. The total amount of the dividend is \$6.23 million which represents a fully franked dividend of 10 cents per share. The dividend has not been provided for in the 26 December 2021 financial statements.

The acquisition of Eroma Group is scheduled to complete on or around 28 February 2022, subject to conditions precedent being satisfied and other customary conditions. Further details of the transaction are provided in the Significant changes in state of affairs section of the Directors' report.

Other than the above, no matters or circumstances have arisen since reporting date which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company.

16 Statutory information

The registered office and principal place of business of the Company is:

Dusk Group Limited
Building 1, Level 3, 75 O'Riordan Street
Alexandria NSW 2015

Dusk Group Limited

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Directors' Declaration

The directors of the Company declare that:

1. The interim consolidated financial statements and notes, as set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the Group's financial position as at 26 December 2021 and of its performance for the 26 weeks ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director:

Peter King

Dated: 24 February 2022

Independent auditor's review report to the members of Dusk Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Dusk Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 26 December 2021, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the 26 weeks ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 26 December 2021 and of its consolidated financial performance for the 26 weeks ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 26 December 2021 and its performance for the 26 weeks ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Lisa Nijssen-Smith
Partner
Sydney
24 February 2022