

Results announcement



Results for announcement to the market		
Name of issuer	BRISCOE GROUP LIMITED	
Reporting Period	Half-Year - 30 January 2023 to 30 July 2023	
Previous Reporting Period	Half-Year - 31 January 2022 to 31 July 2022	
Currency	New Zealand Dollars	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$369,237	+0.35%
Total Revenue	\$369,237	+0.35%
Net profit/(loss) from continuing operations	\$ 42,750	-6.29%
Total net profit/(loss)	\$ 42,750	-6.29%
Interim Dividend		
Amount per Quoted Equity Security	\$ 0.12500000	
Imputed amount per Quoted Equity Security	\$ 0.04861111	
Record Date	20 September 2023	
Dividend Payment Date	11 October 2023	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$ 1.3900	\$1.3270
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to the section below "Half Year Review" for commentary. Earnings before interest and tax (EBIT) is a non-GAAP measure.	
Authority for this announcement		
Name of person authorised to make this announcement	Geoff Scowcroft	
Contact person for this announcement	Rod Duke	
Contact phone number	+ 64 9 815 3737	
Contact email address	rod.duke@briscoegroup.co.nz	
Date of release through MAP	13/09/2023	

Unaudited interim financial statements accompany this announcement.



Briscoe Group Posts Record Half Year Sales

Briscoe Group Limited (NZX/ASX code: BGP)

The directors of Briscoe Group Limited (NZX/ASX code: BGP) announce a net profit after tax (NPAT) of \$42.75 million for the half-year ended 30 July 2023 compared to \$45.62 million achieved for last year's first half. The half-year results are unaudited.

Dame Rosanne Meo, Briscoe Group Chair said, "This half-year result represents a very solid performance considering the continued headwinds faced by the retail sector and to post record sales for the half is a significant achievement. The ability of the leadership team to positively drive the business despite the enduring negative economic factors is impressive and reassuring for the entire Group."

The directors have resolved to pay an interim dividend of 12.50 cents per share (cps). This compares to last year's interim dividend of 12.00 cps. Books will close to determine entitlements at 5pm on 20 September 2023 and payment will be made on 11 October 2023. The company's dividend policy is to pay out at least 60% of NPAT when calculated on a full year basis.

Rod Duke, Group Managing Director, said, "To produce an NPAT of \$42.75 million in this economic environment is very pleasing. The team have done a great job in continuing to advance initiatives important for future growth while, at the same time, maintaining focus on the "business-as-usual" imperatives of driving sales and controlling costs."

The earnings were generated on sales revenue of \$369.24 million, an increase of 0.35% on the same period last year. Rod Duke said, "Whilst only a modest increase, to deliver positive sales across both the homeware and sporting goods segments in this current environment, is a significant achievement. It's also worth noting that this half-year result represents an increase of 51% on the NPAT produced for the half-year immediately before Covid (July 2019; \$28.27 million) on 22% (+\$66 million) higher sales."

Gross margin percentage declined for the period from 45.64% to 43.73%. Rod Duke said, "Like all retailers we are facing margin pressure from a number of factors as the impacts of the ongoing economic downturn are felt. As previously reported, our goal for the full year remains to be able to show that the Group can protect around half of the 633-basis gross profit margin points gained during the 2 years ended January 2021 and January 2022. With the plans we have in place we do not expect the same amount of decline for the second half of this financial year as was experienced for the first half."

“We were pleased earlier this year to be able to repeat last year’s wage rate increase for our in-store hourly-paid team of 7.0%. We are very mindful of the impact on all our team from the declining economic factors in an employment market which continues to be very competitive. The effort and commitment demonstrated by the entire team is truly outstanding and greatly appreciated.”

The Group received a dividend of \$1.44 million from its investment in KMD Brands Limited during the six months, matching the amount received for the same period last year.

Interest income booked by the Group increased by \$2.0 million, predominantly as a result of significantly increased interest rates.

Homeware sales for this first half increased in relation to last year by 0.28% from \$228.74 million to \$229.39 million and sporting goods sales by 0.46% from \$139.21 million to \$139.85 million.

The Group’s online business continues to perform well and represented 18.33% of Group sales as at 30 July 2023. Rod Duke said, “We continue to invest in both the front and back-end platforms with a number of initiatives completed including; implementation of a new product information system, introduction of enhanced online buying guides connected through QR codes for instore customers, improved experience of the reviews platform and integration of the ‘*Starshipit*’ shipping platform to improve both courier and fulfilment productivity efficiency.”

Inventory levels as at 30 July 2023 were \$120.21 million, up from \$113.00 million at the same time last year. Rod Duke said, “While this includes inventory for the new Rebel Sport store opened by the Group in April 2023 as well as additional inventory purchased in relation to major sporting events during 2023, the majority of the increase reflects significant supply chain cost increases – the actual increase in units held was less than 1%. We continue to work closely with our supply partners in relation to optimising the Group’s inventory position.”

The Group’s balance sheet remains strong with cash balances of \$126.90 million at the close of the period, compared to \$97.58 million held at the same time last year. Approximately \$18 million of creditor payments included in the trade payables balance were subsequently paid on 31 July 2023.

Despite the difficult trading conditions, the Group progressed a number of store development projects during this first half. Rod Duke said, “We were delighted to open a brand-new Rebel Sport store in Ashburton during April in conjunction with the relocation of the existing Briscoes Homeware store. Both stores have been received extremely well within the local catchment and we are very pleased with how they are trading. In addition, three full-store refurbishments were completed during the period at; Briscoes Homeware Whangarei, Rebel Sport Taupo and Rebel Sport Manukau. There are at least another three store refurbishments planned for the second half of the year.

“A number of other projects also continue to grow and benefit the Group’s profitability. A great example of this is the ongoing introduction of new products online which are shipped direct from suppliers. Sales continue to build from this initiative from which we expect sales to exceed \$10 million this year and we’re excited about the future opportunity from the momentum it’s generating.

“Opportunities to expand product and category ranges are also emerging in the current tightening market and we are extremely pleased to have secured a number of new market-leading, quality brands for the Group. Varying product ranges from Dyson, Samsung and Ecoya will be available from Briscoes Homeware by the end of the year. During the first half we also successfully launched the Huffer brand into eleven Rebel Sport stores and we plan to continue the rollout during the second half.

“Leveraging retail media across the in-store network and online platform is another opportunity for the Group to grow revenue. During the first half we successfully deployed digital marketing screens across all Briscoes Homeware and Rebel Sport stores. This initiative provides existing and new supply partners with the opportunity to showcase a range of product communications direct to our customers. This approach also encompasses our online channel where we see great opportunity to enhance value across our customer database and also web traffic.

“We remain cautious as to the retail environment with ongoing uncertainty in relation to economic conditions, customer sentiment, cost pressures, higher interest rates and political uncertainty given the upcoming election. As previously reported, we expect it to be difficult for the Group to replicate last year’s full-year record net profit after tax (NPAT) result of \$88.4 million. However, this first-half performance against the widely reported retail slow-down gives me great confidence about our ability to produce a solid second half result.”

The Group’s next planned market release will be shortly after its 3rd quarter which closes on 29 October 2023.

Wednesday 13 September 2023

Contact for enquiries:

Rod Duke
Group Managing Director
Tel: + 64 9 815 3737

Briscoe Group Limited

Financial Statements for the 26 week period ended 30 July 2023

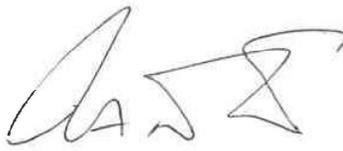
Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Interim Financial Statements on 12 September 2023.

Approval by Directors

The Directors are pleased to present the Consolidated Interim Financial Statements for Briscoe Group Limited for the 26 week period ended 30 July 2023. (Comparative period is for the 26 week period ended 31 July 2022).





12 September 2023

For and on behalf of the Board of Directors

Briscoe Group Limited
Consolidated Income Statement
For the 26 week period ended 30 July 2023 (unaudited)

	Notes	26 Week Period Ended 30 July 2023 Unaudited \$000	26 Week Period Ended 31 July 2022 Unaudited \$000
Sales revenue		369,237	367,946
Cost of goods sold		(207,773)	(200,009)
Gross profit		161,464	167,937
Other income		1,963	1,680
Store expenses		(60,329)	(59,508)
Administration expenses		(38,881)	(40,093)
Earnings before interest and tax		64,217	70,016
Finance income		2,674	718
Finance costs		(7,493)	(7,308)
Net finance income/(costs)		(4,819)	(6,590)
Profit before income tax		59,398	63,426
Income tax expense		(16,648)	(17,806)
Net profit attributable to shareholders	5	42,750	45,620
Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)		19.19	20.49
Diluted earnings per share (cents)		19.17	20.47

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

Briscoe Group Limited
Consolidated Statement of Comprehensive Income
For the 26 week period ended 30 July 2023 (unaudited)

	Notes	26 Week Period Ended 30 July 2023 Unaudited \$000	26 Week Period Ended 31 July 2022 Unaudited \$000
Net profit attributable to shareholders		42,750	45,620
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Change in value of investment in equity securities	8	(6,721)	(12,482)
Items that may be subsequently reclassified to profit or loss:			
Fair value loss/(gain) recycled to income statement		181	(3,873)
Fair value gain taken to the cashflow hedge reserve		3,653	3,490
Deferred tax on fair value (loss)/gain taken to income statement		(51)	1,084
Deferred tax on fair value gain taken to cashflow hedge reserve		(1,023)	(977)
Total other comprehensive income		(3,961)	(12,758)
Total comprehensive income attributable to shareholders		38,789	32,862

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

Briscoe Group Limited
Consolidated Balance Sheet

As at 30 July 2023 (unaudited)

	Notes	30 July 2023 Unaudited \$000	31 July 2022 Unaudited \$000	29 January 2023 Audited \$000
ASSETS				
Current assets				
Cash and cash equivalents		126,898	97,581	149,874
Trade and other receivables		3,761	5,193	6,184
Inventories		120,211	112,999	117,792
Derivative financial instruments		1,219	2,732	40
Total current assets		252,089	218,505	273,890
Non-current assets				
Property, plant and equipment		134,711	128,023	130,292
Intangible assets		2,059	2,235	1,994
Right-of-use assets		240,224	246,127	243,701
Deferred tax		16,044	14,302	16,622
Investment in equity securities	8	44,167	52,328	50,888
Total non-current assets		437,205	443,015	443,497
TOTAL ASSETS		689,294	661,520	717,387
LIABILITIES				
Current liabilities				
Trade and other payables		92,762	71,685	109,181
Lease liabilities		19,512	19,599	19,791
Taxation payable		1,375	5,320	11,308
Derivative financial instruments		81	99	2,513
Total current liabilities		113,730	96,703	142,793
Non-current liabilities				
Trade and other payables		859	938	892
Lease liabilities		263,000	266,191	265,178
Total non-current liabilities		263,859	267,129	266,070
TOTAL LIABILITIES		377,589	363,832	408,863
NET ASSETS		311,705	297,688	308,524
EQUITY				
Share capital	10	62,344	62,136	62,136
Cashflow hedge reserve		891	2,108	(1,869)
Equity-based remuneration reserve		402	445	575
Other reserves		(43,686)	(35,525)	(36,965)
Retained earnings		291,754	268,524	284,647
TOTAL EQUITY		311,705	297,688	308,524

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

Briscoe Group Limited
Consolidated Statement of Cash Flows

For the 26 week period ended 30 July 2023 (unaudited)

	Notes	26 Week Period Ended 30 July 2023 Unaudited \$000	26 Week Period Ended 31 July 2022 Unaudited \$000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		370,498	368,005
Rent received		32	11
Dividends received		1,440	1,440
Interest received		2,914	495
Insurance recovery		16	3
		374,900	369,954
Cash was applied to			
Payments to suppliers		(242,355)	(217,729)
Payments to employees		(48,079)	(50,391)
Interest paid		(7,494)	(7,293)
Net GST paid		(16,813)	(16,647)
Income tax paid		(27,183)	(30,846)
		(341,924)	(322,906)
Net cash inflows from operating activities		32,976	47,048
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		10	20
		10	20
Cash was applied to			
Purchase of property, plant and equipment		(10,000)	(7,652)
Purchase of intangible assets		(772)	(524)
		(10,772)	(8,176)
Net cash outflows from investing activities		(10,762)	(8,156)
FINANCING ACTIVITIES			
Cash was provided from			
Net proceeds from borrowings	9	-	-
		-	-
Cash was applied to			
Dividends paid	11	(35,643)	(34,510)
Lease liabilities payments		(9,769)	(9,403)
		(45,412)	(43,913)
Net cash outflows from financing activities		(45,412)	(43,913)
Net decrease in cash and cash equivalents		(23,198)	(5,021)
Cash and cash equivalents at beginning of period		149,874	102,481
Foreign cash balance cash flow hedge adjustment		222	121
CASH AND CASH EQUIVALENTS AT END OF PERIOD		126,898	97,581

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

Briscoe Group Limited
Consolidated Statement of Changes in Equity
For the 26 week period ended 30 July 2023 (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 30 January 2022		61,992	2,384	566	(23,043)	257,414	299,313
Net profit attributable to shareholders for the period		-	-	-	-	45,620	45,620
Other comprehensive income:							
Change in value of investment in equity securities	8	-	-	-	(12,482)	-	(12,482)
Net fair value gain taken through cashflow hedge reserve		-	(276)	-	-	-	(276)
Total comprehensive income for the period		-	(276)	-	(12,482)	45,620	32,862
Transactions with owners:							
Dividends paid	11	-	-	-	-	(34,510)	(34,510)
Performance rights charged to income statement		-	-	107	-	-	107
Performance rights vested	10	144	-	(144)	-	-	-
Deferred tax on equity-based remuneration		-	-	(84)	-	-	(84)
Balance at 31 July 2022		62,136	2,108	445	(35,525)	268,524	297,688
Net profit attributable to shareholders for the period		-	-	-	-	42,817	42,817
Other comprehensive income:							
Change in value of investment in equity securities	8	-	-	-	(1,440)	-	(1,440)
Net fair value gain taken through cashflow hedge reserve		-	(3,977)	-	-	-	(3,977)
Total comprehensive income for the period		-	(3,977)	-	(1,440)	42,817	37,400
Transactions with owners:							
Dividends paid		-	-	-	-	(26,718)	(26,718)
Performance rights charged to income statement		-	-	169	-	-	169
Performance rights vested		-	-	-	-	-	-
Performance rights forfeited		-	-	(24)	-	24	-
Deferred tax on equity-based remuneration		-	-	(15)	-	-	(15)
Balance at 29 January 2023		62,136	(1,869)	575	(36,965)	284,647	308,524
Net profit attributable to shareholders for the period		-	-	-	-	42,750	42,750
Other comprehensive income:							
Change in value of investment in equity securities	8	-	-	-	(6,721)	-	(6,721)
Net fair value loss taken through cashflow hedge reserve		-	2,760	-	-	-	2,760
Total comprehensive income for the period		-	2,760	-	(6,721)	42,750	38,789
Transactions with owners:							
Dividends paid	11	-	-	-	-	(35,643)	(35,643)
Performance rights charged to income statement		-	-	142	-	-	142
Performance rights vested	10	208	-	(208)	-	-	-
Deferred tax on equity-based remuneration		-	-	(107)	-	-	(107)
Balance at 30 July 2023		62,344	891	402	(43,686)	291,754	311,705

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

Briscoe Group Limited

Notes to the Financial Statements

For the 26 week period ended 30 July 2023 (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 29 January 2023 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 from 30 January 2023 to 30 July 2023. The comparative period is in respect of the 26-week period from 31 January 2022 to 31 July 2022. The year-end balance date will be 28 January 2024 and full financial statements will cover the 52-week period from 30 January 2023 to 28 January 2024. 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. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. If outcomes within the next financial period are significantly different from assumptions, this could result in adjustments to carrying amounts of the asset or liability affected. The same judgements, estimates and assumptions included in the notes to the financial statements for the full year period ended 29 January 2023 have been applied to these interim financial statements.

3. Accounting Policies

The interim financial statements of the Group for the 26-week period ended 30 July 2023 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 29 January 2023.

4. 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.

Briscoe Group Limited
Notes to the Financial Statements

For the 26 week period ended 30 July 2023 (unaudited)

5. Segment Information

The Group is organised into two reportable operating segments, namely homeware and sporting goods, reflecting the different retail sectors within which the Group operates. The Company is considered not to be a reportable operating segment. Eliminations and unallocated amounts as shown below are primarily attributable to the Company. There were no inter-segment sales in the period (2022: Nil).

Information in relation to the operations of each reportable operating segment is included below. Segment profit represents the profit earned by each segment and is extracted from the income statements associated with the two trading subsidiary companies, Briscoes (New Zealand) Limited and The Sports Authority Limited (trading as Rebel Sport). Earnings before interest and tax (EBIT) is a non-GAAP measure and used to assess the performance of the operating segments. This measure should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. This non-GAAP financial measure may not be comparable to similarly titled amounts reported by other companies.

For the period ended 30 July 2023

	Homeware \$000	Sporting goods \$000	Eliminations/ unallocated \$000	Total Group \$000
INCOME STATEMENT				
Total sales revenue	229,391	139,846	-	369,237
Gross profit	100,900	60,564	-	161,464
Earnings before interest and tax	37,948	23,304	2,965	64,217
Finance income	570	1,870	234	2,674
Finance costs	(5,023)	(2,469)	(1)	(7,493)
Net finance income / (costs)	(4,453)	(599)	233	(4,819)
Income tax expense	(9,503)	(6,358)	(787)	(16,648)
Net profit after tax	23,992	16,347	2,411	42,750
BALANCE SHEET				
Assets	386,519	259,936	42,839 ¹	689,294
Liabilities	259,265	136,507	(18,183)	377,589
OTHER SEGMENTAL ITEMS				
Acquisitions of property, plant and equipment, intangibles and investments	8,722	2,050	-	10,772
Depreciation and amortisation expense	11,276	6,215	-	17,491
	\$000			
1. Investment in equity securities	46,950			
Intercompany eliminations	(22,330)			
Other balances	18,219			
	<u>42,839</u>			

Briscoe Group Limited
Notes to the Financial Statements

For the 26 week period ended 30 July 2023 (unaudited)

For the period ended 31 July 2022

	Homeware \$000	Sporting goods \$000	Eliminations/ unallocated \$000	Total Group \$000
INCOME STATEMENT				
Total sales revenue	228,739	139,207	-	367,946
Gross profit	103,818	64,119	-	167,937
Earnings before interest and tax	38,685	28,565	2,766	70,016
Finance income	180	500	38	718
Finance costs	(4,846)	(2,414)	(48)	(7,308)
Net finance income / (costs)	(4,666)	(1,914)	(10)	(6,590)
Income tax expense	(9,674)	(7,463)	(669)	(17,806)
Net profit after tax	24,345	19,188	2,087	45,620
BALANCE SHEET				
Assets	374,322	235,522	51,676 ¹	661,520
Liabilities	248,418	128,141	(12,727)	363,832
OTHER SEGMENTAL ITEMS				
Acquisitions of property, plant and equipment, intangibles and investments	4,870	3,306	-	8,176
Depreciation and amortisation expense	11,016	5,869	-	16,885
	\$000			
1. Investment in equity securities	55,111			
Intercompany eliminations	(19,249)			
Other balances	15,814			
	<u>51,676</u>			

6. Expenses

Profit before income tax includes the following specific expenses:

	26 Week Period Ended 30 July 2023 \$000	26 Week Period Ended 31 July 2022 \$000
Depreciation of property, plant and equipment	5,521	5,171
Amortisation of software costs	707	851
Depreciation of right-of-use assets	11,263	10,863
Interest on leases	7,492	7,261
Operating lease rental expense	38	144
Wages, salaries and other short-term benefits	46,418	45,146
Equity-based remuneration	142	107

Briscoe Group Limited
Notes to the Financial Statements

For the 26 week period ended 30 July 2023 (unaudited)

7. Property, Plant and Equipment

Acquisitions and disposals

During the 26-week period ended 30 July 2023, the Group acquired property, plant and equipment with a total cost of \$9,999,800 (2022: \$7,652,352). Property, plant and equipment with a net book value of \$60,212 (2022: \$355,461) were disposed of during the 26-week period ended 30 July 2023.

8. Investment in Equity Securities

During 2015 and 2019 Briscoe Group Limited acquired 48,007,465 shares in KMD Brands Limited (previously Kathmandu Holdings Limited) for a total cost of \$87,853,048. This holding represented a 6.75% ownership in KMD Brands Limited as at 30 July 2023. (2022: 6.77%).

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 30 July 2023.¹

	\$000
At 30 January 2022	64,810
Additions	-
Change in value credited to other reserves	(12,482)
At 31 July 2022	52,328
Additions	-
Change in value credited to other reserves	(1,440)
At 29 January 2023	50,888
Additions	-
Change in value credited to other reserves	(6,721)
At 30 July 2023	44,167

1. Fair value determined to be \$0.92 (\$2022: \$1.09) per share as per NZX closing price of KMD Brands Limited (previously Kathmandu Holdings Limited) as at 28 July 2023 (2022: 29 July 2022), Level 1 in fair value hierarchy.

9. Interest Bearing Liabilities

There were no interest bearing liabilities as at 30 July 2023 (2022: Nil).

Briscoe Group Limited
Notes to the Financial Statements
For the 26 week period ended 30 July 2023 (unaudited)

10. Share Capital

	Authorised Shares No. of Shares	Share capital \$000
At 30 January 2022	222,556,300	61,992
Issue of ordinary shares during the period:		
Vesting of performance rights	89,286	144 ¹
At 31 July 2022	222,645,586	62,136
Issue of ordinary shares during the period:		
Vesting of performance rights	-	-
At 29 January 2023	222,645,586	62,136
Issue of ordinary shares during the period:		
Vesting of performance rights	120,192	208¹
At 30 July 2023	222,765,778	62,344

1. When performance rights vest, the amount in the equity-based remuneration reserve relating to those performance rights vested is transferred to share capital. The amount transferred for the 120,192 shares issued during the 26 week period ended 30 July 2023 was \$207,634 (\$143,969 for the 89,286 shares issued during the 26 week period ended 31 July 2022).

11. Dividends

	Period ended 30 July 2023 Cents per share	Period ended 31 July 2022 Cents per share	Period ended 30 July 2023 \$000	Period ended 31 July 2022 \$000
Final dividend for the period ended 29 January 2023	16.00	-	35,643	-
Final dividend for the period ended 30 January 2022	-	15.50	-	34,510
	16.00	15.50	35,643	34,510

All dividends paid were fully imputed. Supplementary dividends of \$238,534 (2022: \$234,354) were provided to shareholders not tax resident in New Zealand, for which the Group received a Foreign Investor Tax Credit entitlement.

On 12 September 2023 the Directors resolved to provide for an interim dividend to be paid in respect of the period ended 28 January 2024. The dividend will be paid at the rate of 12.50 cents per share for all shares on issue as at 20 September 2023, with full imputation credits attached.

12. 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 29 January 2023. 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

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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.

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 30 July 2023:

	As at 30 July 2023 \$000	As at 31 July 2022 \$000	As at 29 January 2023 \$000
Assets			
Derivative financial instruments	1,219	2,732	40
Investment in equity securities	44,167	52,328	50,888
Total Assets	45,386	55,060	50,928
Liabilities			
Derivative financial instruments	81	99	2,513
Total Liabilities	81	99	2,513

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13. 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 Company have been eliminated.

Material transactions between the Company and its subsidiaries were:

	26 Week Period Ended 30 July 2023 \$000	26 Week Period Ended 31 July 2022 \$000
Management fees charged by the Company to:		
Briscoes (NZ) Limited	10,224	9,027
The Sports Authority Limited (trading as Rebel Sport)	6,272	5,563
Total management fees charged	16,496	14,590
Dividends received by the Company from:		
Briscoes (NZ) Limited	17,812	17,248
The Sports Authority Limited (trading as Rebel Sport)	17,812	17,248
Total dividends received	35,624	34,496

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 of \$356,647 (2022: \$337,442) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport). During the half-year ended 30 July 2023 the final right of renewal was exercised under the lease agreement. The remaining non-cancellable term of this lease is 2.7 years (2022: 0.7 years) with a payment commitment of \$1,953,333 (2022: \$449,923).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments of \$300,317 (2022: \$283,637) as owner of the Briscoes Homeware premises at Wairau Park, Auckland, under an agreement to lease premises to Briscoes (NZ) Limited. The remaining non-cancellable term of this lease is 9.1 years (2022: 10.1 years) with a payment commitment of \$5,934,247 (2022: \$6,546,259).
- During the period, Kein Geld Westgate Limited, an entity associated with RA Duke formed an unincorporated joint venture known as Westgate Lifestyle Centre Joint Venture. This joint venture purchased the Westgate Lifestyle Shopping Centre at Westgate, Auckland, which included the Briscoes Homeware and Rebel Sport premises. As a result, from 1 May 2023 rental payments of \$141,286 (2022: Not applicable) were received under the pre-existing agreement to lease premises to Briscoes (NZ) Limited. The remaining non-cancellable term of this lease is 1.8 years (2022: Not applicable) with a payment commitment of \$989,003 (2022: Not applicable). The joint venture also received rental payments of \$75,313 (2022: Not applicable) under the pre-existing agreement to lease premises to The Sports Authority Limited. The remaining non-cancellable term of this lease is 1.8 years (2022: Not applicable) with a payment commitment of \$527,192 (2022: Not applicable).
- RA Duke Trust (including RA Duke Limited) received dividends of \$27,450,621 (2022: \$26,592,789).
- P Duke, spouse of RA Duke, received payments of \$32,500 (2022: \$32,500) in relation to her employment as an overseas buying specialist with Briscoe Group Limited and rental payments of \$484,256 (2022: \$472,726) as owner of the Briscoes Homeware premises at Panmure, Auckland under an agreement to lease premises to Briscoes (NZ) Limited. The remaining non-cancellable term of this lease is 7.8 years (2022: 8.8 years) with a payment commitment of \$7,796,519 (2022: \$8,765,030).

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For the 26 week period ended 30 July 2023 (unaudited)

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

	26 Week Period Ended 30 July 2023		26 Week Period Ended 31 July 2022	
	Directors' Fees \$000	Dividends \$000	Directors' Fees \$000	Dividends \$000
Executive Director				
RA Duke	-	-	-	-
Non-Executive Directors				
RPO'L Meo	77	-	77	-
AD Batterton	41	-	41	-
RAB Coupe	43	2	43	2
HJM Callaghan	39	-	39	-
	200	2	200	2

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

	26 Week Period Ended 30 July 2023	26 Week Period Ended 31 July 2022
	\$000	\$000
Executive Director		
RA Duke	27,451	26,593
Non-Executive Directors		
RPO'L Meo	16	16
AD Batterton	3	3
RAB Coupe	-	-
HJM Callaghan	-	-
	27,470	26,612

14. Contingent Liabilities

A proceeding for unspecified damages by a former supplier against Briscoes (New Zealand) Limited and Briscoe Group was served on 10 February 2023. It relates to representations allegedly made by the Group concerning their trading relationship, which the supplier claims contravened the Fair Trading Act and the Contracts and Commercial Law Act. The Group firmly denies the allegations and is actively defending the claim. It is not practical to estimate the potential effect or the timing of the claim as the proceeding is at an early stage and the damages sought are currently unquantified. (2022: Nil).

15. Climate Related Risks

As part of its risk management framework the Group continues to monitor its exposure to risk, including climate related risk and related regulatory reporting requirements. Briscoe Group will commence reporting on exposure to climate related risk in line with the Aotearoa New Zealand Climate Standards for the financial year ended 28 January 2024. Assessment of the financial impacts of climate related risks and opportunities has not yet been completed but as at the date of these financial statements the Group has not identified any *material impacts to disclose*. Emissions measurement systems are now in place and will be reported on for the financial year ended 28 January 2024.

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16. Events After Balance Date

On 3 August 2023 206,445 performance rights were issued to key senior executives under the Briscoe Group Senior Executive Incentive Plan. The plan was established in 2019 and this is the 6th tranche of performance rights to have been issued under the plan. The performance rights are subject to two growth hurdles in relation to absolute Total Shareholder Return and Earnings Per Share, both of which are measured over a three-year period.

On 12 September 2023 the Directors resolved to provide for an interim dividend to be paid in respect of the 52-week period ending 28 January 2024. The dividend will be paid at a rate of 12.50 cents per share on issue as at 20 September 2023, with full imputation credits attached.

17. Accounting Standards

The accounting policies applied are consistent with those of the annual financial statements for the period ended 29 January 2023, as described in those annual financial statements.

There were no new standards applied during the period ended 30 July 2023.



Independent auditor's review report

To the shareholders of Briscoe Group Limited

Report on the consolidated interim financial statements

Our conclusion

We have reviewed the consolidated interim financial statements ("interim financial statements") of Briscoe Group Limited (the Company) and its controlled entities (the Group), which comprise the consolidated balance sheet as at 30 July 2023, and the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 26 week period ended on that date, and notes to the financial statements, which include significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 July 2023, and its financial performance and cash flows for the 26 week period then ended, 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).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Responsibilities of Directors for the interim financial statements

The Directors of the Group are responsible on behalf of the Group for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform 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 and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.



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 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.

The engagement partner on the review resulting in this independent auditor's review report is Indumin Senaratne (Indy Sena).

For and on behalf of:

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive style and is positioned above the printed name of the firm.

Chartered Accountants
12 September 2023

Auckland