BRISCOE GROUP LIMITED

RETAIL IS OUR WORLD.

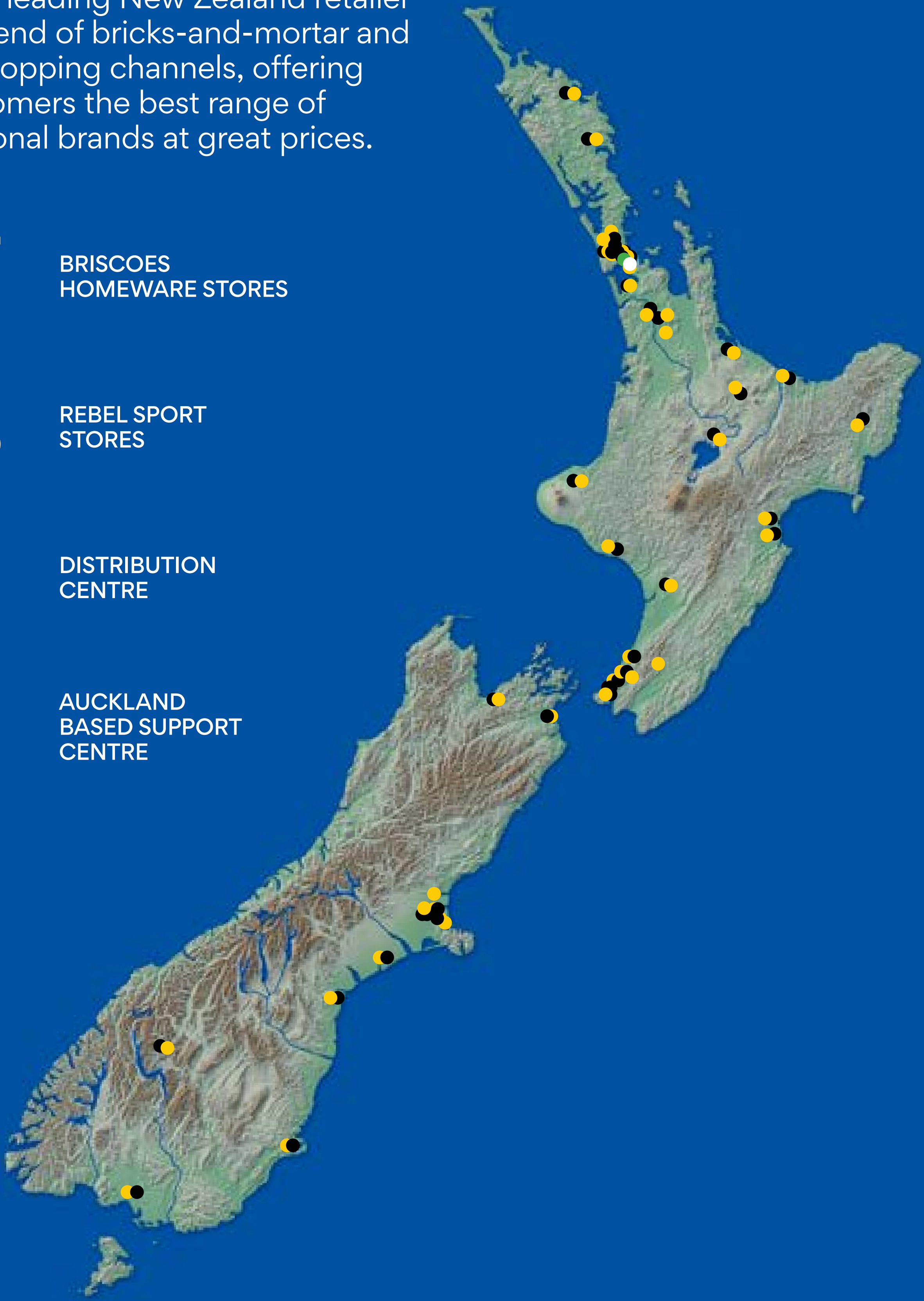
Briscoe Group Limited

Annual Report 2024

Contents

At a glance

We are a leading New Zealand retailer with a blend of bricks-and-mortar and online shopping channels, offering our customers the best range of international brands at great prices.



47 BRISCOES HOMEWARE STORES

43 REBEL SPORT STORES

01 DISTRIBUTION CENTRE

01 AUCKLAND BASED SUPPORT CENTRE

Record Group sales of $792 million

7 stores fully refurbished

More than 2,300 Team Members

Customer database now over 1.8 million

1.7 million online orders fulfilled

$1.15 million raised for Cure Kids

Board of Directors' Review

Briscoe Group's resilience to adverse trading conditions and competitive pressures was tested further in the latest year to January 2024. Over a period when few retailers would have expected to perform well, it is a pleasure to reflect that our business produced results that were comparable with the heightened levels achieved in recent years – record sales and net profit slightly short of the high mark set in the previous year.

In a year of 'slow or no' economic growth, poor consumer sentiment, election uncertainty and increasing cost and margin pressures, the challenges for retail were varied and complex. Briscoe Group demonstrated once again its ability to absorb and transcend the difficulties, retaining high performance while continuing to lay the foundations for future success.

As a Board, we believe the quality and agility of our senior leadership team remains the keystone of our performance and the dedicated support provided by teams in all parts of the business continues to be crucial.

Our strategy programme completed its initial three-year phase with key objectives for that period achieved, and with a range of new initiatives in place and contributing to results. Significant progress was made on our largest current project, to establish a new distribution centre in South Auckland.

It would be easy to view the strategy programme as a set of loosely-related initiatives contributing separately to growth. It is important to see it in a broader perspective – as an integrated programme based on a deepening understanding of our society, customers, retail trends, technology and other influences. That understanding is built on a considerable body of research into customers, an accumulation of internal knowledge and expertise, and long-term relationships with trusted external advisers where needed.

Dropping down from the broader perspective, the strategy programme has been focused in three key areas – enhancing customer experience, improving our supply chain and developing new revenue streams. Planning and preparation for the next phase of work is well under way.

The outstanding success of our online platform continued with improvements at the front-end providing a range of benefits and options for our customers. Back-end improvements enhanced the engagement and performance of our people, while providing performance gains and further development options at the Group level.

The store development programme continued and, with around 80% of Group sales still completed in-store, it remains a vital element in keeping the total offering we make to customers interesting and relevant. Seven full store fitouts were completed, along with smaller projects to upgrade and enhance a number of stores within the network.

We made significant progress in the *Steps to a Better Tomorrow* programme, which is about sustainability and our determination to support the commitment our customers and the broader community have to protecting the environment. A key milestone is the publication of our first mandatory climate related disclosures under standards established by the External Reporting Board. This information is part of a separate section on Environmental, Social and Governance matters, from page 16 of this report.

Our highest priority remains the wellbeing of our team members, addressed through programmes that provide opportunities for education and training, along with measures to ensure their safety and security as they go about their work. On behalf of the Board, I express our appreciation of their loyalty and commitment, and of the role they have played in achieving our recent results.

Dividend

The directors have resolved to pay a final dividend of 16.5 cents per share (cps). The dividend is fully imputed and, when added to the interim dividend of 12.5cps, brings the total dividend for the year to 29.0cps. The share register closed to determine entitlements to the final dividend at 5pm on 20 March 2024 and it was paid on 27 March 2024. We were delighted to once again be in a position to increase both the interim and final dividends for the year.

Corporate Governance

Briscoe Group is committed to the highest standards of governance and management, based on implementing best practice structures and policies. It has always been a strong feature of the Company that the Board and Executive team work effectively together and are aligned around the business objectives.

The Board recently made its annual determination in respect of independence of directors. It was determined that all directors other than the Managing Director continue to be independent. As part of that determination, the tenure of the Chair was considered carefully. While the Board acknowledged that the tenure was significant, it agreed unanimously that it did not compromise in any way the Chair's ability to bring an independent view, act in the best interests of the Company and represent the best interests of all shareholders.

In compliance with the NZX Listing Rules in relation to rotation of directors, the Chair will retire and seek re-election at the upcoming Annual Meeting but has indicated to the Board that, if re-elected, it will be her final term serving as a Briscoe Group Director.

Equity-Based Remuneration Scheme

The Board is of the view that all shareholders benefit from the participation of key senior executives in long-term, appropriately-priced, equity-based remuneration that crystallises only on delivery of increased shareholder value.

In March 2019, the Senior Executive Incentive Plan was introduced. Under this plan, selected senior employees can be granted Performance Rights which, upon vesting, will reward the employees with ordinary shares in the Company. Performance Rights vest after three years subject to the Company's achievement against Total Shareholder Return and Earnings Per Share growth targets.

We continue to be of the view that this is an appropriate long-term incentive scheme, and to date six tranches of Performance Rights have been issued under it. At the time of this report, there are two tranches still to vest, with a maximum of 332,422 performance rights able to be converted to ordinary shares subject to the Company's performance.

Further details in relation to equity-based remuneration can be found in Note 6.2 (page 66) of the financial statements within this Annual Report.

Conclusion

While the operating environment remains challenging, I am confident we are meeting it with the same spirit, intent and energy that has been on show throughout the past few years.

It is no accident that Briscoe Group has been able to maintain a strong trend in results through the recent era while many competitors and peers have struggled. I have mentioned the quality and performance of our people. They are complemented by our market profile in Homewares and Sporting Goods, our ability to offer customers a wide range of trusted international brands at great value and our continuing focus on providing interesting and rewarding shopping experiences.

Our strategy programme is an emerging, but strong, source of advantage. However subtle the benefits might be when taken one at a time, I believe the continuing investment in our total offering to customers is appreciated by them and is one of the factors that differentiate our operations from many peers.

While the circumstances in which we operate and the details of our response will evolve over time, I have little doubt that the Group is well positioned to rise to the challenges placed before it.

On behalf of the Board
Dame Rosanne Meo
Rod Duke
Andy Coupe
Tony Batterton
Mark Callaghan

From left: Andy Coupe, Rod Duke, Mark Callaghan, Dame Rosanne Meo (Chair) and Tony Batterton.

Managing Director's Review

The year ended 28 January 2024 was a very difficult year, in which our trading environment worsened significantly and called on all the inherent resilience and strength of our operations.

Economic growth declined and then turned negative in the second half. Consumers, faced with increasing prices for staple items, interest rates at recent highs, rising unemployment and pre-election nervousness, were understandably cautious about spending their hard-earned cash.

In those circumstances it was a genuine achievement to produce another year of record sales, with growth across both the first and second halves of the year and in both the Homeware and Sporting Goods segments. Homeware sales grew by 0.54% and Sporting Goods sales by 1.17% for the year.

Our bottom line earnings, Net Profit After Tax (NPAT) were 95% of last year's record NPAT.

Our team – in the leadership, in stores and fulfilment centres, in our online platform and in backroom and administrative roles – has once again produced outstanding results. I want to record my recognition and thanks for their collective efforts.

With the economic downturn and the impact of continuing cost escalation, we had known there would be growing pressure on margins. This was very much the case, but cost control measures and a reduction in inventory enabled us to protect just under half of the 633 gross margin basis points gained during the Covid years.

Inventory was substantially ($13 million) lower – mostly through deliberate rationalisation across most categories. We continue to invest considerable energy into refining how, when and what we purchase to improve our inventory measures.

More generally, cost pressures remain in almost every facet of our business and it remains vital to maintain our internal controls and disciplines.

Our financial results are set out in detail in the Financial Performance section of this report (see page 12).

Store Network

Despite the difficult trading conditions the Group progressed a number of store development projects. As reported at the half year, we were delighted to open a new Rebel Sport store in Ashburton in April in conjunction with the relocation of the existing Briscoes Homeware store. Three full store refurbishments were completed during the first half, at Briscoes Homeware Whangarei, Rebel Sport Taupo and Rebel Sport Manukau. The second half saw refurbishments completed at Briscoes Homeware Manukau and Wairau Park, as well as Rebel Sport Invercargill.

The purpose of our refurbishment programme is to ensure that our stores remain modern and energetic and complement our digital offering, are fit for multi-channel delivery and reflect the quality of the international brands we sell.

All store upgrades result in a dramatic difference to the look and feel, and include the latest ideas from the new store design concepts including LED lighting, redesigned fixtures, personalised counters, click & collect storage zones and dramatic new in-store signage.

In keeping with the times, we have continued our accelerated programme of security initiatives, focused both on store security and team member safety. It can no longer be news to anyone that recent years have seen an uptrend in crimes against retailers and unacceptable behaviour towards front-line team members. Our programme includes installing upgraded alarm and camera systems, stronger roller shutters and concrete bollards, along with team member training, increased patrols and other measures.

Briscoe Group Leadership Team (from left): Andrew Scott, Fraser Collins, Nick Turner, Isabel Campbell, James Baillie, Rod Duke, Geoff Scowcroft, Darren Porteous, Aston Moss, Shaun Lynch, Samantha Bruton.

Online

Our online platform continued to perform well and represented 18.72% of Group sales – close to the previous year's 18.97% share.

We continued to invest in both the front-end and back-end platforms, with a number of initiatives designed to connect the online and physical store experiences. These included the introduction of an omni members voucher programme, with the facility for the customer to manage all aspects of their experience through its "My Account" function.

Our focus on a frictionless customer experience continued with the introduction of features such as self-service returns and tools to help customers find the right product based on their individual needs. Additional payment and delivery options are also being developed which should enable these features to be expanded during the current year.

Strategy

Our current strategic planning round, initiated in 2020, has delivered a wide range of improvements with direct benefit to profitability. Among those that continued to move forward in the latest year were the introduction (and in some cases expanded ranging) of 'Direct to consumer' products through our online platform and the introduction of electronic shelf labelling after successful trials.

Electronic shelf labelling is currently being implemented across all stores. We expect it to bring an improvement in sales conversion resulting from increased price transparency, increased sustainability in the form of a reduction in the printing of sale tickets, and a reduction in the effort required of teams when setting up sale events in-store.

The year also saw the commencement of our largest strategic initiative to date – a warehousing and distribution project that will step-change our capability in these aspects of the business, enhance our inventory management across the network, help to optimise the existing store footprint and deliver significant performance and efficiency gains.

We are well into the implementation of a new Warehouse Management System at our existing distribution centre. This will enable our team to upskill before transitioning to a new North Island centre when it becomes operational in around two years.

The new centre will be a state-of-the-art facility on a scale to handle significantly increased volumes in comparison to current capability. It will also enhance the way in which we buy and distribute sporting goods.

A Letter of Intent was signed for the purchase of land and construction of the new distribution centre at Drury, South

Auckland. We have selected our automation partner to help drive the significant improvement in warehousing capability we are seeking from the project.

We expect the new centre to require expenditure of at least $100 million across the next three years and continued progress on the warehousing and distribution project is a key priority for the current year.

The Year Ahead

It appears very likely that the factors that depressed the retail sector and constrained our results over the 2024 financial year will remain in place for the duration of the current year. We do not underestimate just how challenging it could be to continue performing well in this environment, but we are very confident of the Group's ability to confront the circumstances and deliver superior results and gains in market share.

Our tried and true business model – as a 'big-box' retailer with quality product ranges at affordable price points – remains strongly relevant to customers, adaptable to trends and circumstances, and resilient to the challenges faced in these times.

"The strength of our profile in the Homewares and Sporting Goods markets remains a source of advantage."

Our investment in strategic initiatives – underpinned by a very strong balance sheet – should continue to drive sales and earnings improvement. Measures to limit the impact of cost increases will be, again, an important focus throughout the current year.

Beyond all these factors, the strong performance of our leadership team, with their demonstrated ability to manage the uncertainty in the current environment, is perhaps our greatest asset and provides great confidence that we can continue to perform well.

Rod Duke
Group Managing Director

Financial Performance

Revenue

Total Group sales increased by 0.78% to a record $792.0 million. This positive, albeit modest, growth reflects an outstanding performance in a market significantly challenged throughout the year by deteriorating consumer confidence in the face of continued economic pressures, election uncertainty, cost increases and continued margin pressure. To have positive sales growth across both trading segments was significant.

Online sales represent 18.72% of total Group sales, maintaining the significant mix of business achieved over recent years. The investment made in our front-end platform as well as the store fulfilment technology is producing significant benefit for the Group. The team fulfilled 1,700,000 online orders during the year, grew Click and Collect sales, reduced the speed to dispatch and grew VIP Club membership to over 1.8 million across the Group. We will continue to invest in this exciting and dynamic area of the business.

We continue to see brand-wide growth across our categories with luggage, electrical and giftware categories particularly strong in Homewares and with licenced supporters' products and technical footwear delivering solid growth within the Sporting Goods segment. A number of existing and new initiatives were instrumental in driving growth across categories including the introduction of new brands such as Dyson, Samsung, Ecoya, Huffer, Hine and Hoka.

The growth from the introduction of new online products which are shipped direct from suppliers to customers is also very exciting and will continue to be an important focus for our merchandise team.

Gross Margin

The Group differentiated itself by protecting a significant portion of the gross margin percentage achieved during the Covid pandemic. 47%, 297 of the 633 gross margin basis points gained during the period, was protected as at the end of January 2024. The year closed with gross margin of 42.40% compared to 39.43% achieved in the year ended immediately before the pandemic (January 2020).

Margin pressures continued from the impacts of the economic downturn, but we continue to work closely with our loyal supplier base as well as introduce initiatives, to protect and grow margin, including; targeting the clearance of seasonal inventory, improvement to allocation algorithms, enhancement to South Island inventory flow, improvement in inventory availability and a constant focus on our promotional programme.

Operating Costs

Our focus on cost control is as relentless as ever, whether it be cost of product, cost of energy supply or cost of product stolen from the store network, to name just a few areas, demonstrating the cost of doing business requires considerable attention. It is therefore a significant achievement to have decreased the cost of doing business for the Group in both actual dollars and also as a percentage of sales.

We are particularly mindful that the economic pressures faced by customers are felt just as keenly by our team and their households. Following an increase of 7.0% on wage rates in 2022 we were pleased to be able to provide a further increase of the same level to our frontline team during April 2023.

Net Profit After Tax (NPAT)

NPAT of $84.2 million was achieved for the year, representing 95% of the previous year's record NPAT of $88.4 million. We think, a remarkable performance given the difficult trading conditions experienced across the retail market.

Balance Sheet

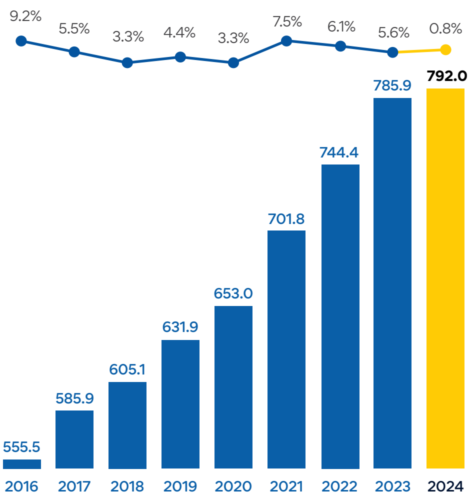
The Group's balance sheet remains strong, with cash and bank balances of $175.4 million as at 28 January 2024 and no term debt. Approximately $20 million of creditor payments included in the trade payables balance were subsequently paid on or before 31 January 2024.

Inventory, as always, remains a key area of focus closing at $104.9 million, $12.9 million lower than last year. The closing balance included the additional new Rebel Sport store opened during the year. Inventory improvements have been critical in enabling us to deliver sales growth and meet our gross profit goals. There has been a rationalisation across most categories as we continue to invest considerable energy into improving our inventory measures by enhancing how, when and what product we purchase.

During the year $15.1 million of capital investment was made by the Group of which $4.3 million represents expenditure on the fit-out of new and refurbished stores. $5.6 million was spent to acquire the existing Briscoes Homeware premises in Timaru and the balance of the capital investment was for online platform improvements, enhancements to system software and hardware and the continuation of security initiatives.

Key performance indicators (KPIs) are used by the Board and management to monitor business performance.

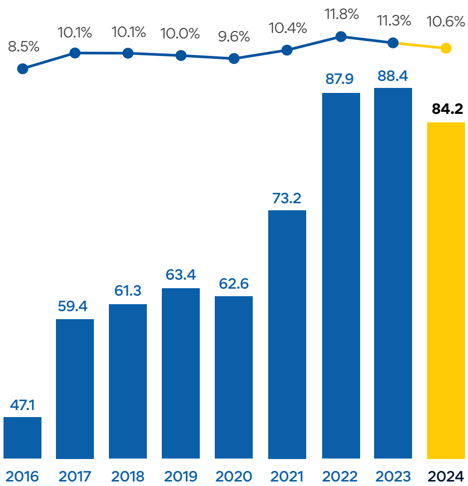
Total revenue*
$M and growth %



Continued positive growth in a very difficult trading environment.

*2021 includes 53 weeks of trading

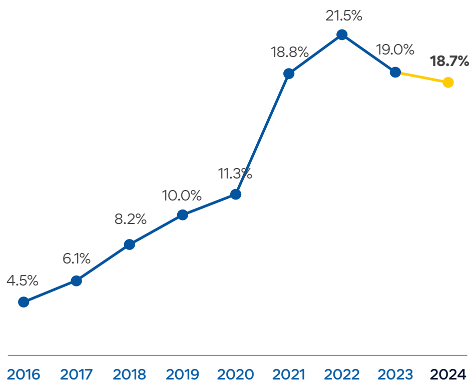
Net profit after tax*
$M and sales %



95% of last year's record NPAT achieved.

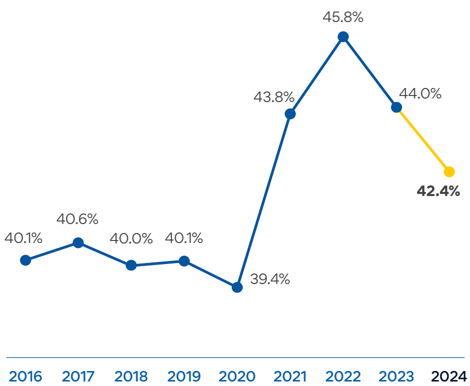
* NZ IFRS16 adopted from 2020

Online mix of sales
%



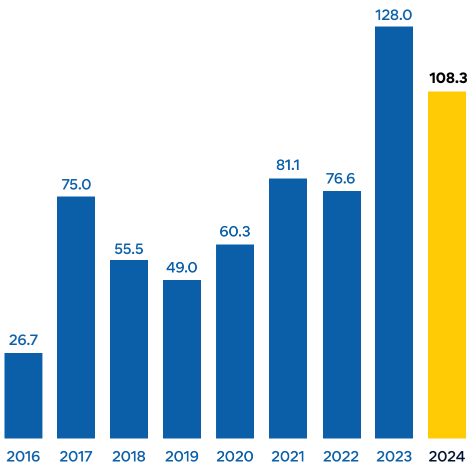
Online mix maintained close to last year's achievement.

Gross profit margin
%



47% of gross margin gains made across 2021 and 2022, protected.

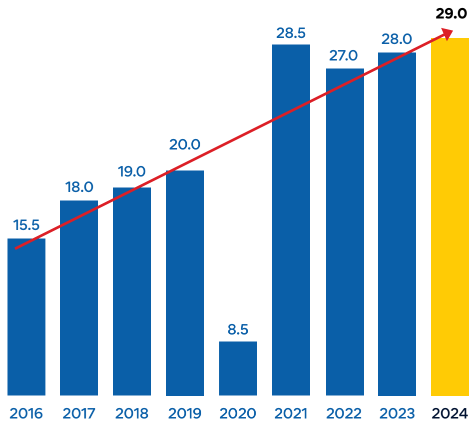
Free cash flow*
$M



Solid positive free cash flow (defined as net cash from operating activities less capital expenditure) helps to maintain the Group's strong balance sheet.

* Approximately $20 million of creditor payments made immediately after balance date in 2024 (2023: $26 million)

Dividends per share*
cents



Record dividend continues consistent history of improved (normalised) dividends.

* 2020 12.5cps dividend cancelled as a result of Covid pandemic
2021 Includes 6cps special dividend

Supply Chain

Briscoe Group's supply chain transformation is moving from planning to delivery.

Warehouse Management Technology

We have selected the Warehouse Management System (WMS) to drive our future supply chain. Implementation is underway in our current operation and will be completed by July 2024. This WMS will orchestrate how our new site will operate from inbound planning and execution to outbound picking of full cartons and split case picking using our goods to person automated storage and retrieval system (ASRS). By implementing the WMS first in our current distribution centre we reduce the amount of change our team will experience when we move to our new site.

North Island Distribution Centre

Our new North Island distribution centre (DC) will be located in Drury, South Auckland. It is designed to meet our requirements for the next ten years however is likely to remain a key feature of our supply chain infrastructure for closer to twenty years. We selected this location following an extensive search in the greater Auckland and Waikato region - we modelled inbound and outbound transport costs as well as property related costs and found the Drury location to be optimal.

The DC will provide close to 20,000 pallet positions of storage, plus almost 40,000 totes for storage of smaller items in the ASRS. This is a vast step-change from the roughly 4,500 pallet storage locations in our current facility and is an important enabler for improving inventory flow to our stores and thereby improving on-shelf availability for our customers.

The site provides significant yard and canopy areas to ensure easy handling of goods into and out of the warehouse. A container storage area is also a feature of the site allowing a practical buffer to support the efficient flow of import containers to and from ports and container depots.

We expect the new DC to be operational towards the end of Q1 2026, and for the ASRS and goods to person picking system to be operational by Q4 of the same year.

Warehouse Automation

An important feature of our new DC will be an Automated Storage and Retrieval System (ASRS). A comprehensive review of warehouse automation options conducted during 2023 concluded with us selecting a preferred partner and completing the design of the system. The outcome is a state-of-the-art solution comprising the following features:

- Decant stations - where product is unpacked from cartons & placed into the storage totes, supported by conveyors to remove cardboard waste, supply empty totes to decant and take full totes for storage in the ASRS.
- An ASRS holding around 40,000 storage locations over 3 aisles, serviced by 84 robot shuttles and 3 high-speed lifts.
- Carton erectors, label applicators and carton closers - one of these with volume reduction function to reduce the empty space in outbound cartons and save transport cost and emissions.
- Ergonomically designed goods to person pick stations - these stations present the picker with the storage tote containing the goods to be picked and up to 6 outbound order cartons to pack.
- A 200 chute shuttle sorter - for sorting cartons by destination store and by product category to enable pallet building in a store friendly manner.

Some of the benefits our Supply Chain transformation will deliver

Improved on shelf availability - Optimised allocation of stock to stores by implementing a model that uses additional data points to provide better results.

Reduced days of cover in-store - Reducing excess stock in-store allows us to bring new products and ranges into our stores improving choice for our customers.

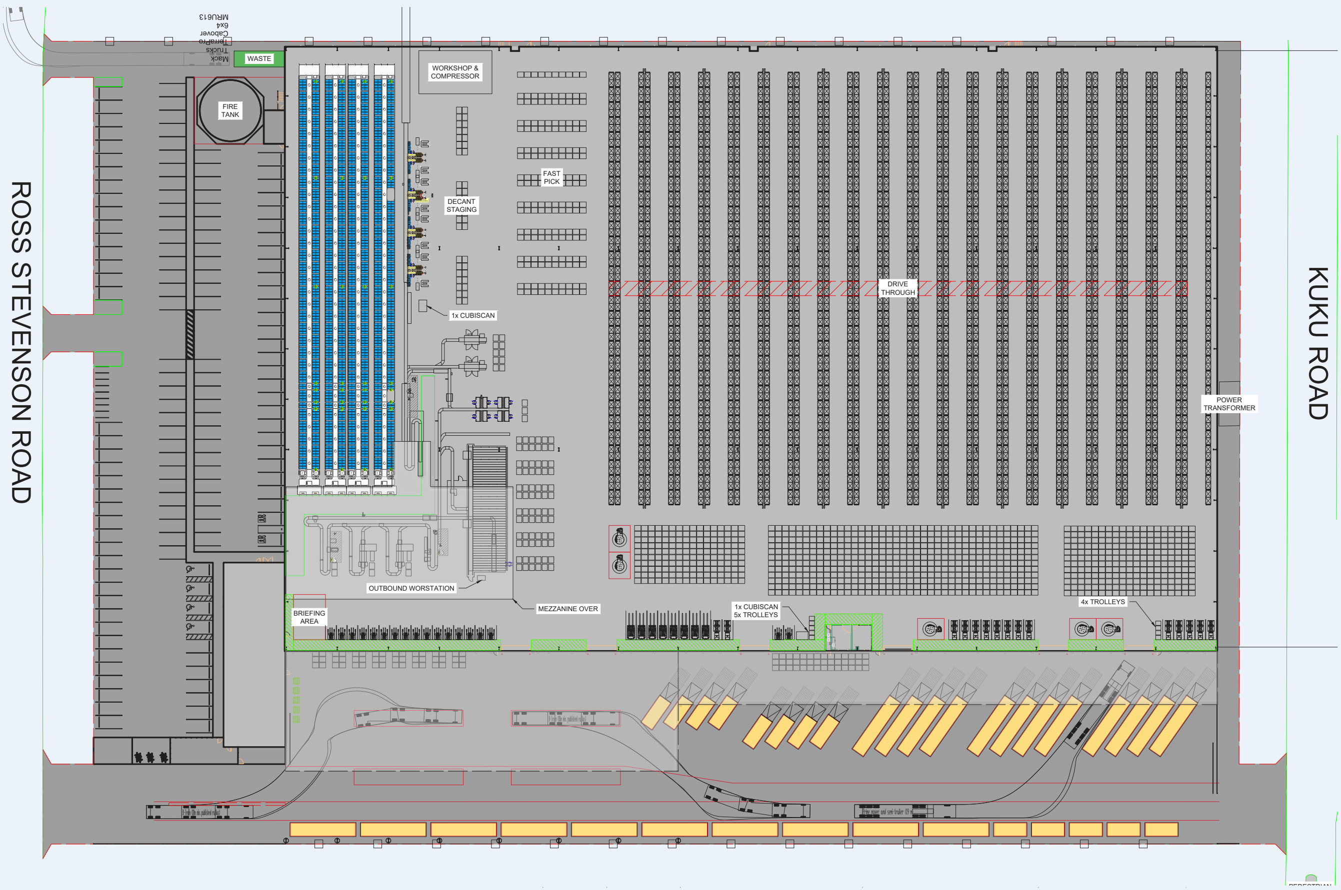
Key suppliers shipping via our DCs - Key local supplier volume can be consolidated with our imported goods and shipped to our stores in quantities matched to sales.

Sustainable supply chain - Reduced inter-island transport moves, transport legs from individual suppliers to our stores and local transport and handling upstream in our supply chain.

“Our largest capital investment in Briscoe Group history.“

With a spend in excess of $100 million over the next three years the new North Island distribution centre will be the single largest capital investment the Group has ever made.

Overall site operational view:



Sustainability

"As a forward-thinking organisation, we are committed to integrating sustainability into our business operations. Our comprehensive strategic sustainability plan encompasses various key areas, building upon our previous materiality assessment and demonstrates our ongoing commitment to environmental responsibility, social equity, and robust governance."

This past year has been a pivotal one for us, and it started with the country dealing with the aftermath of Cyclone Gabrielle, which underscored the imperative for climate resilience in our operations. Although Cyclone Gabrielle did not significantly impact us directly, it reinforced our responsibility as an active community member to play a crucial role in addressing future climate challenges.

We are proud to present in this annual report our inaugural climate-related disclosures, prepared in accordance with the Aotearoa New Zealand Climate Standards. This milestone achievement is the result of two years of dedicated efforts by our executive team and Board. It symbolises a significant step forward in our commitment to sustainability, as we lay out a comprehensive roadmap for mitigating our climate impact and enhancing our resilience (details of on pages 23-29).

It was a record-breaking fundraising year for our charity partner, Cure Kids, and the donation of a substantial number of balls to school children through our "Pass it Forward" program. What is also pleasing this year is that we have grown our partnership with the Tania Dalton Foundation including providing support to three young female athletes under the Tania Dalton Scholarship program.

On the environmental front, we have set targets for reducing our scope 1 and 2 emissions by 50% by 2030 and achieving Net Zero by 2050, or sooner. Detailed plans and roadmaps underpin these goals, and we developed them in line with external support and guidance from the Science Based Targets Initiative (SBTi). We've also initiated collaborations with our suppliers to address scope 3 emissions, setting the stage for a target to be established next year, with the aspiration of receiving SBTi accreditation.

Also closely linked to our work on scope 3 emissions is our ethical supplier program that we initiated last year with our suppliers. We have continued our partnership with specialist company Verisio to help us conduct audits across our supply chain. Although we know we have a lot of work to do we are pleased with the progress and response from our suppliers, with over 80% of direct import supplier factories having already gone through the initial audit process.

Our journey in waste management has also seen some progress, with a successful pilot program with Eco Central in Christchurch showing promising results. This gives us the confidence to expand our efforts to further reduce waste to landfill whilst also supporting local social initiatives in the communities where we operate.

Understanding that sustainability is integral to our business, we have embedded our sustainability strategy into our overall corporate strategy. This involves the full engagement of our executive team, clearly defining responsibilities, and setting precise targets and goals. We are also enhancing our capacity and capabilities in this area by collaborating with expert external consultants and continue our active participation in the Sustainable Business Council of New Zealand.

We are excited to share these developments with you and look forward to your continued support as we strive to build "Steps for a Better Tomorrow."

Governance

Our Goal

Ensuring Board and Management's awareness of the key sustainability issues and implementing effective measures and controls.

In the past year, we have significantly enhanced our approach to sustainable governance by integrating specific managerial responsibilities and establishing consistent oversight by our Board. Sustainability has become a mainstay in our monthly discussions, and we are eager to share our forward-thinking Sustainability Strategy.

Our comprehensive Sustainability Strategy is built upon four key pillars: Governance, Community, Our People, and the Environment. This living strategy is regularly refined through rigorous evaluations and extensive dialogue with our stakeholders.

For each pillar, we set forth an overarching aim, primary focus areas, and the metrics by which we will gauge our progress. We also pinpoint and summarise any emerging trends and ongoing initiatives. Leadership for each pillar rests with a designated senior executive who ensures governance and direct interaction with the Board or its relevant committee.

Future Focus Areas

- Communicating our new policies to our team, suppliers and wider stakeholders.
- Continued training and awareness programs with key teams members.

Our Group Sustainability Strategy

	GOVERNANCE	COMMUNITY	OUR PEOPLE	ENVIRONMENT (CLIMATE, WASTE & SUPPLY CHAIN)
THE GOAL	Ensuring Board and management's awareness of key ESG issues and implementing effective measures and controls.	Improving community impact via engagement through giving, charity, and shared value.	Ensure we are an employer of choice, safe place to work where our people can thrive.	Taking action on climate change and waste across our supply chain. Implementing a credible plan to achieve net zero emissions and to reduce waste.
KEY AREAS OF FOCUS	Legal and Compliance Public Disclosure & Reporting Key Metrics, Policy & Targets	Expanding our work with our key partners Cure Kids and Pass it Forward	Creating a more diverse and Inclusive culture Reducing both the frequency and severity of work place injuries.	Ethical Supply Chain Ensuring we meet our climate targets Piloting waste reduction programs
KEY METRICS	Progress towards targets	Funds raised Community impact of our efforts	Staff net promoter scores & satisfaction Number of workplace injuries and time off work	Total Emissions & Waste to Landfilll
EMERGING TRENDS	Increased customer & consumer expectations More regulation and mandatory reporting	Enhanced awareness of companies impact on local communities, whether positive or negative.	More disclosure on D&I, target expectations. Talent recruitment and retention Tight labor force	Externally verified Net Zero plan and targets. Heightened regulation and awareness. Increased public and investor scrutiny.
LIVE PROJECTS	Climate Related Disclosures Emission Targets	Current Cure Kids and Pass it Forward Partnerships	Existing Health and Safety programs. Include mental health and wellbeing. Already some good progress on gender pay gap.	Ethical Supplier Program Transition from LPG to Electric Forklifts ECO Central Waste Pilot in Canterbury Supplier engagement on scope 3 emissions
KEY OWNER	Chief Financial Officer	Chief Operating Officer	Chief People Officer	Chief Operating Officer

Our People

Our Goal

Our goal is to ensure we are an employer of choice, providing a safe place to work where our people can thrive.

Safe Home Every Day

The past year has seen terrific progress in our goals of reducing both the frequency and the severity with which our team experience workplace injuries. The contributions of many team members throughout the company, alongside a few critical pieces of work have seen us reduce our Total Recordable Injury Frequency Rate (TRIFR), as measured through our ACC performance, by 32% - a tremendous step forward. Keeping our people safe, whether they are team members, customers, or other visitors to our sites remains a focus and is part of our commitment to ensuring they all get home safely each day.

Some time ago we invested in piloting a fit-for-purpose manual handling programme with an external provider.

Our pilot identified the programme and its content as suitable for our operation, but we were challenged in our ability to deliver the training consistently in each of our sites. Changes in technology such as advances in XR (extended reality – a combination of augmented and virtual reality technologies and learning approaches) have enabled us to engage in developing new delivery methods to re-pilot and implement this training.

Although early days, we appreciate the potential these technologies have for consistent, personalised, and embedded learning in good manual handling practices. One of the benefits in enhancing our team's manual handling skills and behaviours through their training at Briscoe Group is that they are skills which are totally transferrable or applicable in their lives beyond the workplace.

We have continued to widen our definition of wellbeing through work with focus groups around the business and feedback sourced through our employee engagement survey. Work not just on mental health and financial wellbeing has been complemented with a review of products and services which contribute to holistic wellbeing of our team, and we have a range of initiatives to take flight in the year ahead.

Investment in our people is investment in everybody's future

The retail sector has long been a contributor to helping individuals become "work ready". As a significant employer of people who either haven't worked previously or who are new to the fast-paced customer facing world of retail, we recognise how important it is to set our people up for success.

The company continues to make significant investments in ensuring our team members are suitably skilled in a wide range of areas including customer service, safe and healthy work practices along with product knowledge. With 800-900 new team members each year, our online learning platform is critical in delivery of much of our content on a just in time basis with learning customised to the role and performance of the individual as they move through their learning pathway.

Complementing our core skills training, our Leadership Development Programme and our suite of Management

Knowledge and Skills modules support the growth of our management team – both in retail operations roles as well as our support functions including our Distribution Centre (DC) team. In 2023 three cohorts totalling 44 of our leaders commenced their learning journey with a further four cohorts totalling 65 people enrolled to participate in 2024.

We continue to invest in our partnership with First Foundation, an organisation creating enormous value to both our team and our wider communities through supporting disadvantaged youth to successfully engage in tertiary education. Alongside the scholarships we fund each year, our partnership includes mentor support by a number of Briscoe Group employees as well as offering the First Foundation team the ability to participate in our own development programmes. We recognise that an organisation of their size typically does not have the scale to run development programmes that we are able to offer and including members of their team alongside our own emerging leaders provides benefits to both parties.

Diversity, Equity and Inclusion

Our team provided valuable feedback in our twice yearly employee engagement survey. It was particularly heartening to see above average scores in both inclusiveness and equity to complement our recognition that seeing greater gender diversity among some of our senior tiers would be preferred. We pay particular attention to feedback from our team on these measures as we know their comments reflects their lived experiences and provides both quantitative and qualitative feedback on both progress and work to be done.

Future Focus Areas

We have work underway to pilot our exciting and revolutionary manual handling training with the support of key trusted partners. This is an exciting project – not because it is leading edge, but because it leverages existing technologies to help in addressing real world problems and has an impact on our team both at work and elsewhere in their lives.

Our focus on a more holistic approach to wellbeing remains a priority and the introduction this year of new products and services, while maintaining or enhancing traditional support such as Employee Assistance for our team is a top priority.

As a leadership team, we are committed to progressing a range of initiatives which would be accurately described as reflecting the “S for Social” in our broader ESG strategy. Although too early to state many details, it’s clear that support of new or intending parents in our workforce is an important consideration and that there is a range of options available to us to support members of our team who are expecting additions to their families.

“It’s a privilege to be part of a team that delivers exceptional results across such a wide range of measures. None of the contributions made by our teammates throughout the business are taken for granted. They reflect so many elements of our business: a relentless focus on our customers, a capable and committed team, and a culture that binds us together.”

Aston Moss
Chief People Officer

Environment
Climate, Waste & Ethical Supply Chain

Our Goal

Taking action on climate change and waste across our supply chain. Implementing a credible plan to achieve net zero emissions and to reduce waste.

Within the environmental pillar of our sustainability strategy, our primary emphasis is on mitigating climate-related impacts, minimising waste and promoting ethical compliance within our supply chain.

We've achieved considerable strides in these domains, having established our inaugural climate targets that encompass Scope 1 and 2 emissions. Additionally, we've successfully conducted a waste reduction pilot in Christchurch. Nonetheless, we acknowledge the extensive journey ahead. We recognise that our most significant environmental footprint stems from Scope 3 emissions within our supply chain. To address this, we are actively collaborating with our suppliers and industry peers and continue to seek external expertise to assist us.

Our Scope 1 & 2 Emission Targets:

"The Board has officially approved our greenhouse gas emission reduction targets for Scope 1 & 2. We are committed to achieving a 50% reduction by 2030 and aim to reach Net Zero emissions by 2050."

To set these targets we consulted with external experts and also followed the guidance from the Science Based Targets Initiative.

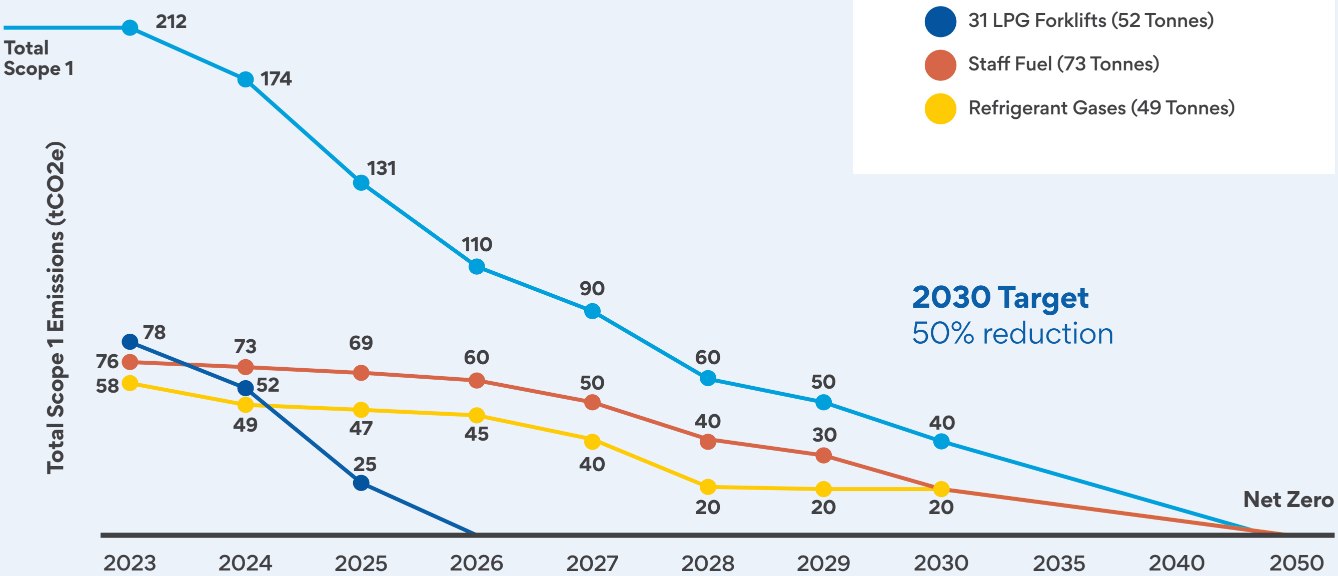
Our direct greenhouse gas emissions (Scope 1) originate from three primary sources:

1. LPG consumption in our forklifts, both in retail locations and our distribution centre.
2. Emissions from refrigerants used in our heating, ventilation and cooling systems (HVAC), prevalent in stores and our head office.
3. Petrol and diesel usage for team member business travel.

Our Scope 1 Emissions Reduction Roadmap

OUR SCOPE 1 EMISSIONS FOR THE YEAR ENDED JANUARY 2024 IS 174 TONNES AND IS FROM:

- 31 LPG Forklifts (52 Tonnes)
- Staff Fuel (73 Tonnes)
- Refrigerant Gases (49 Tonnes)



Our target was developed by a third party in 2023 based on the Science Based Target Initiative guidance at the time. We're confident in meeting our 2030 targets, but achieving Net Zero by 2050 for our Scope 1 emissions relies on advancements in refrigerant gas technology.

To achieve our Scope 1 emission reduction goals, we have outlined the following strategies:

- Transitioning our forklift fleet from LPG to electric power. This initiative is in progress and is targeted for completion by 2025, which is expected to cut our Scope 1 emissions by 35%.
- For refrigerant gases, we'll consistently collaborate with maintenance contractors and property owners to ensure new HVAC installations follow best practices and regulations, prioritising refrigerants with lower global warming potential. This approach aims to cut our Scope 1 emissions by 15% by 2030 alongside planned upgrades.

To achieve our goals of reducing Scope 2 emissions, which are from the electricity we procure, we will:

- Continue enhancing energy efficiency and migrating to modern, eco-friendly store designs.
- Investigate potential avenues for rooftop solar.
- Assess the possibility of selecting a fully certified renewable energy provider in our next energy procurement cycle.

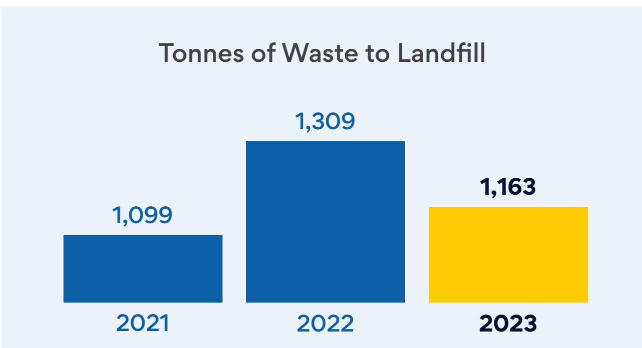
Waste

Waste management remains a significant challenge in the retail sector, and we recognise the importance of intensifying our efforts in this area. Over the past year, in collaboration with specialist providers Eco Central, we have initiated a pilot project across eight stores in the Canterbury region to address this issue. Key elements of this pilot include:

- Redirecting product returns that are in suitable condition, which would typically be destined for landfill, to Eco Central.
- At Eco Central, these products undergo testing and are then either sold or donated to those in need.

The outcome of this initiative has been highly promising. Building on this success, we plan to:

- Extend the pilot to additional regions in 2024.
- Develop a comprehensive circular economy roadmap for our waste management by 2025.



"We are thrilled about the success of our pilot program with Briscoe Group in Christchurch. This partnership represents a significant stride towards sustainable practices in retail.

The collaborative effort not only reduces waste but also reinforces the idea that, collectively, we can make a positive impact on the environment and community."

Rob Wilson
Operations Manager
Eco Central

Ethical Sourcing

We have an ongoing partnership with Verisio to help us conduct ethical audits across our supply chain. On track to having 100% of all our direct import supplier factories vetted by the end of 2024.

"The global trend suggests an increasing focus on compliance and scrutiny within the supply chain of the retail sector. Entities like The Briscoe Group, backed by strong audit processes and procedures enhanced by reliable technology, are strategically positioned to fulfill upcoming expectations and compliance criteria."

Leon Reed – CEO Verisio

Future Focus Areas

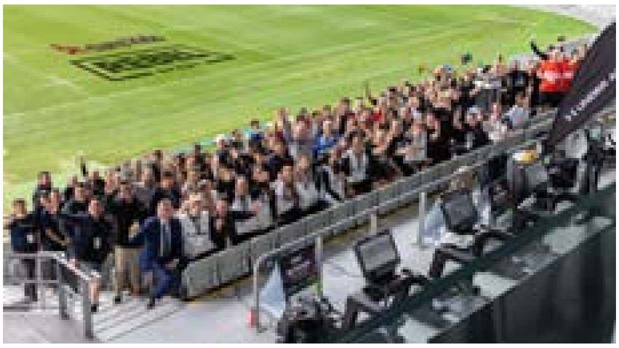
- Scope 3 emissions and targets.
- Expanding waste recovery pilots to other regions.
- Setting waste targets.
- Ongoing work with our suppliers in relation to both ethical audits and Scope 3 emissions.

Community

Our Goal

Improving impact via engagement through giving, charity and shared value.

Throughout New Zealand, Briscoe Group remains deeply engaged in community initiatives, extending support to various causes, particularly those centered around youth and sports. Whether it's backing young athletes, furnishing schools with essential sporting gear, or spearheading fundraising for our primary charity, Cure Kids, our collective efforts – comprising of our dedicated team, loyal customers, and vibrant communities – have culminated in a record impact year.



Pass It Forward Initiative

In 2017, in collaboration with the Tania Dalton Foundation and Silver Fern balls, we launched the "Pass It Forward initiative." With every purchase of a Pass it Forward ball from Rebel Sport, we pledge to donate an identical ball to deserving children in need – it's a simple concept: "Buy a ball, give a ball."

In New Zealand, statistics reveal that 1 in 8 children feel excluded from participating in sports due to a lack of necessary equipment. Pass it Forward is dedicated to breaking down this barrier by providing balls to children who need them the most.

Since its inception in 2017, thanks to the unwavering support of our customers, we've successfully donated **71,829** balls, valued at **$1,795,725**, making a tangible impact on the lives of countless children across the country.

Cure Kids

In 2023 we had a record 18 teams take part in the Rebel Sport 24hr Team Challenge at Eden Park to support our key charity partner Cure Kids. For 24 hours teams kept an exercise machine (bike or treadmill) moving continuously.

Thanks to the relentless fundraising efforts of our 18 dedicated teams and the overwhelming generosity of our customers, we are thrilled to announce yet another record-breaking year in fundraising for Cure Kids.

Future Focus Areas

- Providing more support at the local community level.
- Exploring more ways of involving our team members.

cure kids

"The Cure Kids Board, team and the child health research community are so extremely grateful for the passion and commitment that Briscoe Group demonstrates in their huge fundraising efforts for Cure Kids.

Year on year, the Briscoe Group team go over and above their fundraising targets, in 2023 reaching the highest figure ever raising $1.15 million, surpassing an overall sum of $11 million since 2004.

A huge thank you to the wonderful Briscoe Group family, because of your remarkable fundraising efforts over the past 20 years, our tamariki have a much greater chance of living healthier lives with brighter futures"

Frances Benge
Chief Executive Officer, Cure Kids

Climate-Related Disclosures

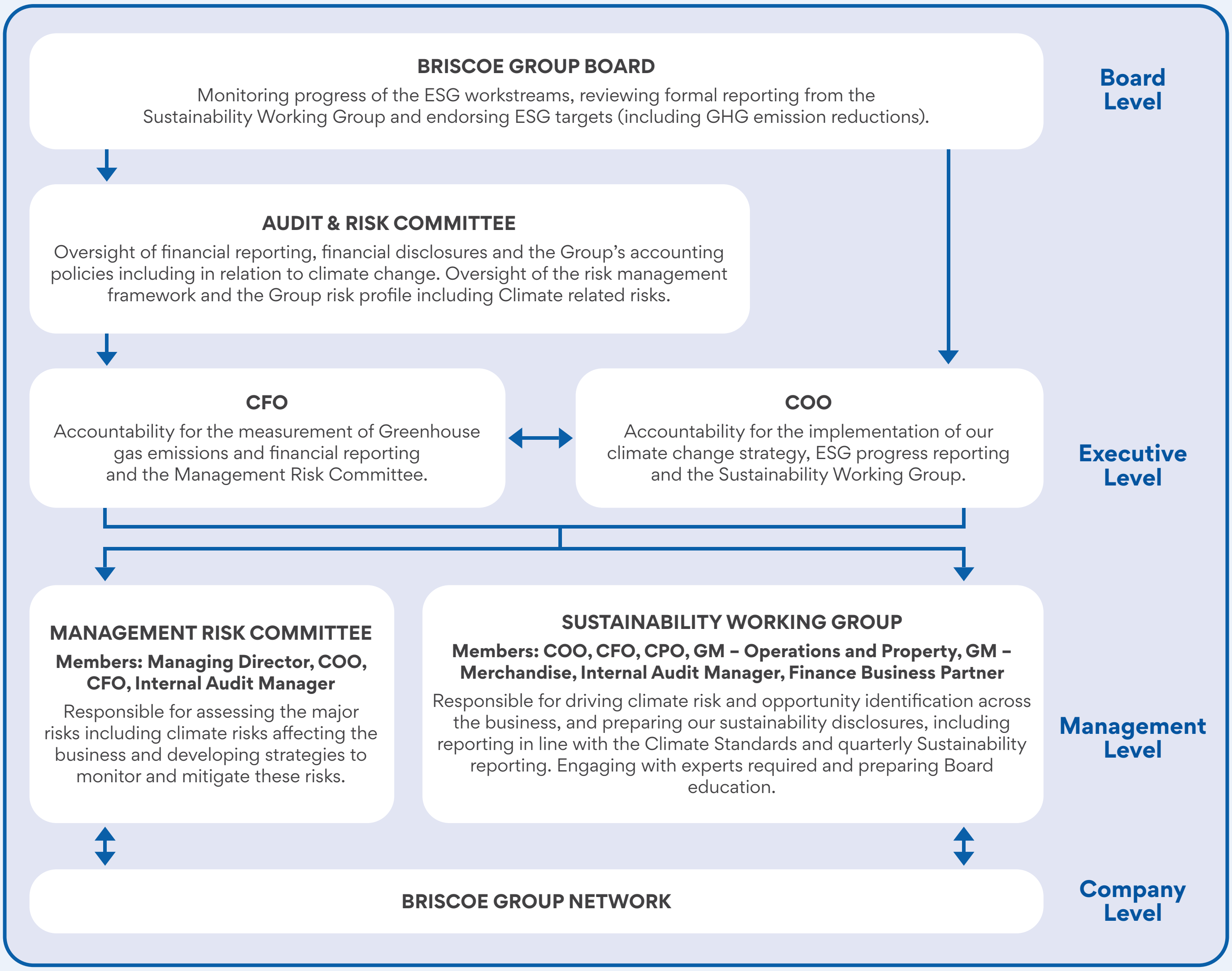
Our inaugural Climate-Related Disclosures on pages 23 to 29 cover our progress between 30 January 2023 and 28 January 2024 and comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. All figures and commentary relate to the full year ended 28 January 2024, unless otherwise indicated.

Briscoe Group is a climate-reporting entity under the Financial Markets Conduct Act 2013.

In preparing its climate-related discloures, Briscoe Group has elected to use the following first year adoption provisions:

Adoption Provision	Description
Adoption provision 1: Current financial impacts	This adoption provision provides an exemption from disclosing the current financial impacts of the physical and transition impacts identified and from disclosing an explanation of why we are unable to disclose this information.
Adoption provision 2: Anticipated financial impacts	This adoption provision provides an exemption from disclosing the anticipated financial impacts of climate-related risks and opportunities reasonably expected by the entity and from disclosing an explanation of why we are unable to disclose this information. It also provides an exemption from disclosing a description of the time horizons over which the anticipated financial impacts of climate related risks and opportunities could reasonably be expected to occur.
Adoption provision 3: Transition planning	This adoption provision provides an exemption from disclosing the transition plan aspects of our strategy, including how our business model and strategy might change to address its climate-related risks and opportunities; and the extent to which transition plan aspects of our strategy are aligned with our internal capital deployment and funding decision-making processes.
Adoption provision 4: Scope 3 GHG emissions	This adoption provision provides an exemption from disclosing greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent (CO2e) classified as scope 3.
Adoption provision 5: Comparatives for metrics	This adoption provision provides an exemption from disclosing comparative information for each metric disclosed for the immediately preceding two reporting periods.
Adoption provision 6: Comparatives for metrics	This adoption provision provides an exemption from disclosing an analysis of the main trends evident from a comparison of each metric from previous reporting periods to the current reporting period.

Governance



Board Oversight

The Board of Directors has ultimate responsibility for oversight of climate-related reporting and the identification of climate-related risks and opportunities. The Board meets regularly, at least monthly, and during the year ended January 2024 Sustainability became a standing Board agenda item. The Board is updated on a regular basis during these meetings on the management of, and progress against, goals and targets for addressing climate-related issues. In the last year these monthly Board meetings were complemented by three supplementary meetings that were focused on climate-related issues. The Board is supported in this function by the Audit and Risk Committee, to perform a review of Briscoe's primary business risks and its Risk Management Policy.

Directors hold responsibility for their own continuous education and to keep themselves up to date on relevant climate-related issues. The Board accesses climate-related expertise from within Briscoe Group, and externally where required. The Board requires the Sustainability Working Group (SWG) to provide all relevant information to them and to engage experts where required knowledge is not available within the organisation.

Management's Role

Briscoe Group Chief Operating Officer (COO) and Chief Financial Officer (CFO) take responsibility for assessing and managing climate related risks and opportunities at a corporate level, supported by the Management risk committee and the SWG.

The Management risk committee meets at least quarterly to identify and assess the major risks including climate risks affecting the business by maintaining a risk matrix which is used to develop strategies to monitor and mitigate these risks. The risk matrix is provided to the Board via the Audit & Risk Committee.

The SWG is responsible for developing, refining, reviewing, and driving the implementation of the Group's sustainability initiatives and policies, including climate specific risk assessment. The SWG meets monthly or more often if required. Also, as part of the climate-risk assessment process, it meets annually with other members of management to monitor the climate-related risk and opportunities identified. Management report directly to the Board monthly on behalf of the SWG.

Strategy

Although we have started to feel the transitional impacts of climate change on our business relating to increased legislation (specifically the newly introduced NZ Climate related disclosures) and have seen an increase in insurance premiums off the back of climate-related events occurring in NZ, we have been fortunate that the physical impacts experienced by our business have not significantly impacted operations.

We are cognisant some of our team members particularly in Hastings, Napier, Gisborne and parts of Auckland felt the impacts of the severe weather events earlier in the year and we are proud of how our Management team responded to provide support to those impacted, and the way in which our team members worked to ensure our impacted stores could remain open. This year our priority has been on ensuring our business continues to develop an understanding of the risks and opportunities climate change presents.

In the first half of the year, we collaborated with other retail industry participants to co-design a set of integrated climate change scenarios for New Zealand's retail sector. The sector group chose the following three Network for Greening the Financial System (NGFS) scenarios as the basis for the sector-level scenarios:

Scenario	Net Zero 2050 (Orderly Category)	Delayed Transition (Disorderly Category)	Current Policies (Hot House World Category)
Description	An ambitious and coordinated transition to a low-emissions, climate resilient future. Stringent climate policies, innovation, ambitious investment, and medium-to-high deployment of carbon removal solutions limit global warming to 1.6°C in 2050 and reducing to 1.4°C by 2100.	Ambitious action is delayed to 2030, followed by sudden and uncoordinated economic transformation. Extensive, stringent and punitive but late government intervention, in combination with some deployment of carbon removal solutions limit global warming to 1.7°C in 2050 and reducing to 1.6°C by 2100.	Current emissions reduction policies are implemented. Current socio-economic trends continue, resulting in 2°C global warming by 2050 and more than 3°C by 2100.
Severity of Physical Impacts	Lowest	Low to moderate	Highest
Severity of Transition-Related Impacts	Moderate (greatest in short term)	Highest (greatest in medium term)	Lowest (steadily increasing, but also giving businesses more time to adapt)
Financial Impact of Supply Chain Distributions	Lowest	Low to moderate	Highest
Policy Reaction to Climate Change	Immediate and smooth	Delayed	Current policies only

A retail sector narrative was formed for each scenario identifying the critical interactions and key outcomes and indicators. These scenarios considered three different time horizons: short (2023-2030), medium (2031-2040) and long (2041-2050) and explored the political, environmental, societal, technological, legal and economic impacts across each potential pathway.

We then engaged external experts to assist us in interrogating these scenarios and performing a Briscoe Group specific risk assessment. This process involved running a number of workshops with the SWG and other key management and had three stages: an initial risk screening of a master list of over 30 risks and opportunities, a baseline risk assessment representing 1.1°C of global warming helping us to identify the current physical and transition impacts we have incurred, and two further scenarios representing 1.5°C and 3.0°C of global warming.

The sector-based time horizons which look out to 2050 were used in the workshops to provide guidance however an important outcome of the workshops was to align risks and opportunities to entity level business planning and investment timeframes of:

- Short-term: one to three years
- Medium-term: three to 10 years
- Long term: > 10years

For the ranking of risks and opportunities at 1.5°C of global warming, the narrative considered was a mixture of the Retail Sector Scenarios for both an Orderly and a Disorderly Transition. Both these scenarios lead to warming being limited to between 1.6°C and 1.7°C by 2050, so physical impacts are similar and seen as being low to moderate.
With the Disorderly scenario, having a delayed transition (i.e., beyond 2030) this meant that transitional impacts are moderate to high, depending on the timing of regulatory and legal interventions. The financial impacts are seen to be low to moderate, and both consumer sentiment and macro-economic conditions are uncertain.

or the ranking of risks and opportunities at a 3.0°C of global warming, the narrative considered is the Hothouse World depicted by the Retail Sector Scenarios. In this scenario, physical impacts are the most severe, as is the financial impact of supply chain disruptions. Transitional impacts are limited as regulation is either not developed or severely delayed.

Using a combination of scenarios was intended to add resilience to the risk assessment process and the resultant strategy as we prepare for inevitable uncertainty in the short to medium-term.

We are a leading New Zealand retailer with a blend of bricks and mortar and online shopping channels, offering our customers the best range of brands at great prices. We pride ourselves on our ability to adapt quickly to the ever-changing retail environment and continue to differentiate ourselves from others in the sector. Our most recent strategy programme has been focused on three key areas – enhancing the customer experience, improving our supply chain and developing new revenue streams. We acknowledge there is still work to be done to ensure we position ourselves to succeed as the global and domestic economy transitions towards a low emission, climate resilient future.

As part of the scenario analysis and risk assessment process we have already begun discussing how we will manage our climate-related risks and realise the opportunities identified. We will engage our external experts again to assist us in formalising a transition plan and ensuring we follow a robust process. As we prepare to extend our strategic plan for another three years, we will ensure that transition planning plays a part in determining our next strategic initiatives.

The top climate-related risks and opportunities we identified below:

Category	Description	Potential Impact	Potential Financial Impact	Business Response
KEY PHYSICAL RISKS				
Sustainable Sourcing	With climate-related events increasing globally, this is a significant risk to those who want to source sustainable products. Impact of a changing climate on the availability of raw materials for our suppliers.	Availability of products offered to us from our suppliers. Decreased ability to purchase required levels of inventory. Diversification of product range.	Increased cost of inventory. Decrease in margin/profit.	Working with suppliers to ensure diversity in product ranges and that products are sourced sustainably.
Increased storminess/ extreme winds River and pluvial flooding	Increase in storminess (frequency, intensity) including tropical cyclones. Changes in extreme wind speed. Increase in convective weather events (tornadoes, lightning). Changes in extremes: high intensity and persistence of rainfall. Increase in hail severity or frequency.	There will be an increasing incidence of storm events with increasing severity impacting supply chains and operations. Potential store closures. Delays in supply chain. Team and customers unable to get to our stores.	Loss of sales and decrease in profit. Cost of repairs/maintenance to buildings. Increased lease costs. Increased supply chain costs.	Transition planning to ensure resilience to extreme weather events.
Global supply chain risk	A main international port is affected (e.g. by storms/or floods).	Unable to get goods to New Zealand. Need to source goods from alternative location. Delays in supply chain.	Loss of sales and decrease in profit. Increased supply chain costs.	Transition planning to build resilience into supply chain.

Category	Description	Potential Impact	Potential Financial Impact	Business Response
KEY PHYSICAL RISKS (CONTINUED)				
Sea-level rise leading to coastal and estuarine flooding	Relative sea-level rise (including land movement). Change in tidal range or increased water depth. Permanent increase in spring high-tide inundation. Rising groundwater from sea-level rise.	Sea level rise of 0.32m could impact specific locations and increase losses due to flooding. Potential store closures. Delays in supply chain. Team and customers unable to get to our stores.	Loss of sales and decrease in profit. Cost of repairs/maintenance to buildings. Increased lease costs. Increased supply chain costs.	Work under way to identify at risk catchments. Transition planning to mitigate risk.
KEY PHYSICAL OPPORTUNITY				
International influences from climate change and greenhouse gas mitigation preferences	Immigration from Pacific and other Island countries (disaster responses, development). Migration will increase and New Zealand will increasingly be seen as a safer destination, increasing staff availability and product demand.		Increase in sales and increase in profit. Greater access to labour due to growing population.	
KEY TRANSITION RISKS				
Regulatory & Legal	With a global focus on decarbonisation, the increase of additional regulation and/or ratcheting of current requirements could have a significant impact on global supply chains and domestic regulation. Increased legal activity and costs due to climate activism and/or sector positioning.	Increasing complexity requiring allocation of time and resources. Increased demand on resources to ensure compliance. Increased demand on resources to dispute any claims made again company.	Increased indirect (operating) costs and impact on margin. Increased cost of corporate compliance. Cost of potential fine, sanction or claim.	Allocated appropriately skilled internal resource. Engaging experts where necessary to ensure compliance.
Insurance	Maintaining existing or gaining new or additional insurance cover may become harder due to increased climate risk.	Potential inability to gain insurance. May be unable to achieve the level of cover desired.	Increased cost of insurance. Increase in cost of Directors & Officers Liability insurance.	Working closely with insurers to maintain cover.
Changing consumer preferences	Consumers are increasingly aware of their role in decarbonisation, and this is reflected in shopping habits and demand for low-carbon products.	Reduction in sales due to customer preference diverted to low carbon products not stocked. Need to diversify product offering to include low carbon products. Need to transition to supply of lower carbon products.	Decrease in sales. Increase cost of goods. Reduction in profit.	Working with suppliers to ensure carbon reduction targets set. Ensuring product offering reflects current market demands.
Business Reputation	Potential for reputational damage due to slow or perceived lack of response to climate change risks.	Reduction in investor confidence. Portrayed poorly in the media. Customers choosing to shop with competitors.	Increase cost of capital. Decrease in sales. Reduction in profit.	We have set carbon reduction targets. Transition planning underway.
Global supply chain	Decline in NZ Exports causes a decrease in shipping availability for imports.	Unable to get goods to New Zealand. Need to source goods locally. Delays in supply chain.	Loss of sales and decrease in profit. Increased cost of goods. Increased supply chain costs.	Transition planning to build resilience into supply chain.
Metrics & Targets	Completeness of emissions profile. Commitment to emissions reductions or NetZero targets. Emissions intensity of the organisation and achievement of reductions. Ability to decarbonise, cost of decarbonisation. Highly reliant on suppliers to meet scope 3 reduction targets.	There will be increasing scrutiny on organisational disclosures and performance in decarbonisation. Completeness of scope 3 data and inherent limitations. Difficult supplier relationships if they are not doing their bit to reduce emissions. Inability to meet emissions reduction targets.	Increased cost of compliance. Additional cost of carbon reduction/mitigation.	Carbon reduction road map developed. Program of work to improve quality of scope 3 data.

Category	Description	Potential Impact	Potential Financial Impact	Business Response
KEY TRANSITION OPPORTUNITY				
Markets and Products & Services	New market opportunities (diversification). Opportunity to develop/source and market low-carbon products and services.		Completeness of emissions profile. Commitment to emissions reductions or NetZero targets. Emissions intensity of the organisation and achievement of reductions. Ability to decarbonise, cost of decarbonisation. Highly reliant on suppliers to meet scope 3 reduction targets.	

Risk Management

This year the SWG performed their first climate-related risk assessment based on the process described in the strategy section above. This process will be repeated on at least an annual basis to ensure the identified risks, opportunities and management responses stay relevant and complete, and to help us build resilience in our response to climate change.

The scope of the climate-risk assessment was Briscoe Group Support Office, our Briscoes Homeware and Rebel Sport store networks across Aotearoa New Zealand and our distribution centres. Consideration was also given to the wider value chain (our suppliers and distribution networks) as they have been, and will continue to be, affected by physical changes to the climate.

The time horizons utilised in the climate-risk assessment process were:

- Short-term: one to three years
- Medium-term: three to 10 years
- Long term: > 10years

Our existing Briscoe Group risk assessment framework was used to determine risk ratings for the identified climate related risks. Using our existing framework facilitates the inclusion of climate-related risks into our existing risk management process and for comparability of climate-related risks with other types of risks within our business.

Risks are prioritised using a 5x5 Risk Matrix consisting of two main dimensions: likelihood and Impact. Likelihood refers to the probability or chance of a risk occurring, while Impact relates to the potential severity or consequences of that risk. Principal risks identified from our climate-risk assessment process have now been incorporated into our corporate risk register. We define principal risks as those with a substantive financial or strategic impact on the business, medium/high likelihood of occurrence and medium/high potential impact on our performance. Our risk register tracks:

i. Description of the risk

ii. Inherent risk and residual risk

iii. Risk profile (evaluation enabling prioritisation)

iv. Mitigations

v. Board Oversight (monitoring)

The Management Risk Committee, comprising the Managing Director, Chief Financial Officer, Chief Operating Officer, and Internal Audit Manager review the risk register at least quaterly and risk reporting is presented to the Audit & Risk Committee at least six-monthly.

Metrics and Targets

Greenhouse Gas (GHG) Emissions

Briscoe Group's GHG emissions inventory has been prepared in accordance with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and ISO 14064-1:2018 - Greenhouse gases Part 1. We have used the operational control consolidation approach. Ministry for the Environment (Mfe) 2023 emissions factors have been used in our calculations.

	FY23 (Base year) Emissions (tCO^2e)	FY24 Emissions (tCO^2e)
Scope 1	212	174
Scope 2	2,531	1,470
Total Reported Emissions	**2,743**	1,644
tCO^2e per $1m of Sales revenue	**3.49**	2.08

The Group's Scope 1 & 2 emissions decreased by 40.08% compared to our 2023 base year. Most of the reduction in scope 1 emissions is attributable to a reduction in use of LPG fuels with the gradual transition of our LPG forklift fleet to electric. Although work is underway to reduce our electricity consumption, we note the majority of the reduction in our scope 2 emissions is attributable to the fact the 2023 Mfe emission factors were significantly lower than historical years due to lower use of fossil fuels and an increase in renewable energy generation on the national grid.

This year we have set the following Greenhouse gas reduction target: Briscoe Group commits to reduce absolute scope 1 and 2 GHG emissions by 50% by 2030 from a 2023 base year and will work to net zero emissions by 2050.

Our target was developed by a third party and approved by the Board in November 2023, based on the Science Based Target initiative (SBTi) guidance at the time.

Scope 3 Emissions

Consistent with retailers globally we have identified that scope 3 emissions make up the majority of our overall emissions profile. These emissions are difficult to measure and influence as they are outside our direct control and span complex interconnected supplier networks and geographies.

We have already made significant progress working with appropriately qualified experts to determine what makes up these emissions and how we can engage with our suppliers to reduce them.

We have identified that the categories for which we have the most work to do are **Category 1: Purchased goods and services and Category 11: use of sold products.** Until we can uncouple the growth of our business and emissions, a challenge faced by many companies and economies globally, we can expect these emissions to continue to increase overall in the short term.

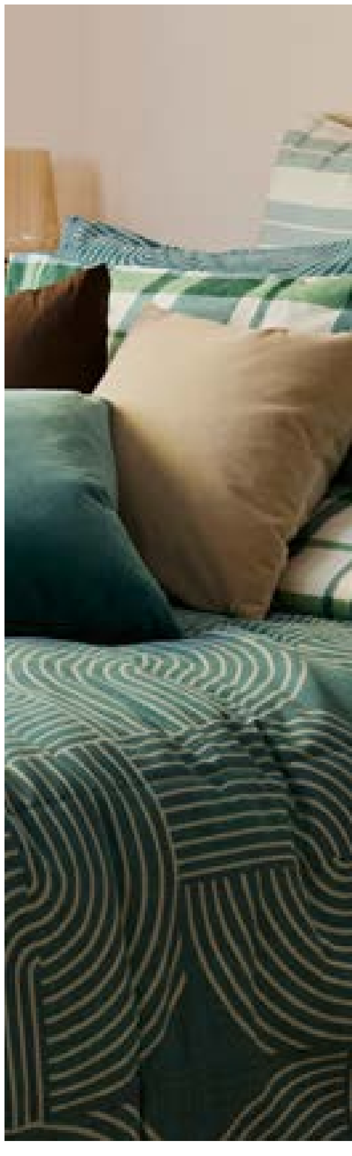
Given the complexity of the scope 3 calculations there is considerable work ahead of us. In the coming year, we aim to deepen our understanding of our Scope 3 emissions profile and improve the quality of the data and assumptions used in our calculations, as well as set an appropriate Science based reduction target for scope 3 emissions. We will disclose our Scope 3 footprint along with our reduction target in next year's climate-related disclosure.

Other Metrics and Targets

We do not currently use an internal emissions price.

As we gain a deeper understanding of our climate related risks and opportunities, this understanding will drive further consideration of the metrics we use to both measure and monitor climate-related risks across our business. These metrics will focus on evaluating the proportion of assets and operations vulnerable to transitional and physical climate risks and aligning business activities with climate-related opportunities.

Management remuneration has not yet been linked directly to climate-related risks and opportunities. As our understanding of our climate-related risks and opportunities evolves and we have developed a clear road map and transition plan, we will look to explore the appropriate weighting this should have on overall management remuneration.



For the 52 week period ended 28 January 2024

Consolidated Financial Statements

For the period ended 28 January 2024

Introduction

These financial statements have been presented in a style which attempts to make them less complex and more relevant to shareholders.

We have grouped the note disclosures into six sections:

1. Basis of Preparation
2. Performance
3. Operating Assets and Liabilities
4. Investments
5. Financing and Capital Structure
6. Other Notes

Each section sets out the accounting policies applied to the relevant notes.
The purpose of this format is to provide readers with a clearer understanding of the financial affairs of the Group.
Accounting policies have been shown in blue font for easier identification.

For the 52 week period ended 28 January 2024

Table of Contents

Consolidated Financial Statements

Notes to the Consolidated Financial Statements:

Table of Contents

For the 52 week period ended 28 January 2024

Directors' Approval of Consolidated Financial Statements

For the 52 week period ended 28 January 2024

Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Financial Statements on 12 March 2024.

Approval by Directors

The Directors are pleased to present the Consolidated Financial Statements for Briscoe Group Limited for the 52 week period ended 28 January 2024. (Comparative period is for the 52 week period ended 29 January 2023).

Dame Rosanne Meo
CHAIRMAN

Rod Duke
GROUP MANAGING DIRECTOR

12 March 2024

For and on behalf of the Board of Directors

Consolidated Income Statement

For the 52 week period ended 28 January 2024

	Notes	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Sales revenue		**791,953**	785,854
Cost of goods sold		**(456,191)**	(439,932)
Gross profit		**335,762**	345,922
Other operating income	2.2	**3,574**	3,292
Store expenses		**(123,899)**	(122,594)
Administration expenses		**(89,141)**	(91,126)
Earnings before interest and tax		**126,296**	135,494
Finance income		**6,209**	2,495
Finance cost		**(15,224)**	(14,908)
Net finance cost	5.1	**(9,015)**	(12,413)
Profit before income tax		**117,281**	123,081
Income tax expense	2.3.1	**(33,060)**	(34,644)
Net profit attributable to shareholders		**84,221**	88,437

	Notes	Period ended 28 January 2024	Period ended 29 January 2023
Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)	2.4	**37.8**	39.7
Diluted earnings per share (cents)	2.4	**37.8**	39.7

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

Consolidated Statement of Comprehensive Income

For the 52 week period ended 28 January 2024

	Notes	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Net Profit attributable to shareholders		**84,221**	88,437
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Change in value of investment in equity securities	4.1	**(15,842)**	(13,922)
Items that may be subsequently reclassified to profit or loss:			
Fair value gain recycled to income statement from cashflow hedge reserve		**(3,253)**	(8,983)
Fair value gain taken to the cashflow hedge reserve		**6,196**	3,077
Deferred tax on fair value gain taken to income statement from cashflow hedge reserve	2.3.2	**911**	2,515
Deferred tax on fair value gain taken to cashflow hedge reserve	2.3.2	**(1,735)**	(862)
Total other comprehensive income/(loss)		**(13,723)**	(18,175)
Total comprehensive income attributable to shareholders		**70,498**	70,262

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

Consolidated Balance Sheet

As at 28 January 2024

	Notes	28 January 2024 $000	29 January 2023 $000
ASSETS			
Current assets			
Cash and cash equivalents	3.1.1	**175,441**	149,874
Trade and other receivables	3.1.2	**7,738**	6,184
Inventories	3.1.3	**104,868**	117,792
Derivative financial instruments	5.2.5	**548**	40
Total current assets		**288,595**	273,890
Non-current assets			
Property, plant and equipment	3.2	**132,810**	130,292
Intangible assets	3.3	**2,078**	1,994
Right-of-use assets	3.4.1	**245,318**	243,701
Deferred tax	2.3.2	**17,309**	16,622
Investment in equity securities	4.1	**35,046**	50,888
Total non-current assets		**432,561**	443,497
TOTAL ASSETS		**721,156**	717,387
LIABILITIES			
Current liabilities			
Trade and other payables	3.1.4	**106,292**	109,181
Lease liabilities	3.4.3	**19,850**	19,791
Taxation payable	2.3.2	**8,316**	11,308
Derivative financial instruments	5.2.5	**259**	2,513
Total current liabilities		**134,717**	142,793
Non-current liabilities			
Trade and other payables	3.1.4	**1,241**	892
Lease liabilities	3.4.3	**269,330**	265,178
Total non-current liabilities		**270,571**	266,070
TOTAL LIABILITIES		**405,288**	408,863
NET ASSETS		**315,868**	308,524
EQUITY			
Share capital	5.3.2	**62,344**	62,136
Cashflow hedge reserve	5.2.5	**250**	(1,869)
Equity-based remuneration reserve	6.2.2	**701**	575
Other reserves	5.3.4	**(52,807)**	(36,965)
Retained earnings		**305,380**	284,647
TOTAL EQUITY		**315,868**	308,524

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

Consolidated Statement of Cash Flows

For the 52 week period ended 28 January 2024

	Notes	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**792,313**	784,747
Rent received		**105**	28
Dividends received		**2,885**	2,884
Interest received		**5,484**	1,833
Insurance recovery		**110**	154
		800,897	789,646
Cash was applied to			
Payments to suppliers		**(492,773)**	(457,553)
Payments to employees		**(95,016)**	(98,366)
Interest paid		**(15,224)**	(14,893)
Net GST paid		**(36,958)**	(31,932)
Income tax paid		**(37,620)**	(42,486)
		(677,591)	(645,230)
Net cash inflows from operating activities		**123,306**	144,416
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**16**	23
		16	23
Cash was applied to			
Purchase of property, plant and equipment	3.2	**(13,582)**	(15,357)
Purchase of intangible assets		**(1,477)**	(1,098)
Investment in equity securities	4.1	**-**	-
		(15,059)	(16,455)
Net cash outflows from investing activities		**(15,043)**	(16,432)
FINANCING ACTIVITIES			
Cash was provided from			
Issue of new shares	5.3.2	**-**	-
Net proceeds from borrowings		**-**	-
		-	-
Cash was applied to			
Dividends paid	5.3.3	**(63,488)**	(61,228)
Lease liability payments		**(19,389)**	(19,065)
		(82,877)	(80,293)
Net cash outflows from financing activities		**(82,877)**	(80,293)
Net increase in cash and cash equivalents		**25,386**	47,691
Cash and cash equivalents at beginning of period		**149,874**	102,481
Effect of exchange rate changes on cash and cash equivalents		**181**	(298)
Cash and cash equivalents at period end	3.1.1	**175,441**	149,874

Consolidated Statement of Cash Flows (continued)

For the 52 week period ended 28 January 2024

RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO REPORTED NET PROFIT

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Reported net profit attributable to shareholders	**84,221**	88,437
Items not involving cash flows		
Depreciation and amortisation expense	**34,835**	34,292
Bad debts and movement in doubtful debts	**(44)**	(91)
Inventory adjustments	**(1,342)**	16
Amortisation of equity-based remuneration	**391**	276
Loss on disposal/surrender of assets	**62**	669
	33,902	35,162
Impact of changes in working capital items		
Increase in trade and other receivables	**(1,510)**	(1,011)
Decrease in inventories	**14,266**	1,706
Decrease in taxation payable	**(2,992)**	(6,958)
(Decrease) increase in trade payables	**(4,767)**	27,124
Increase (decrease) in other payables and accruals	**186**	(44)
	5,183	20,817
Net cash inflow from operating activities	**123,306**	144,416

NET DEBT RECONCILIATION

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Cash and cash equivalents		
Cash and cash equivalents at beginning of period	**149,874**	102,481
Net increase in cash and cash equivalents	**25,386**	47,691
Effect of exchange rate changes	**181**	(298)
Cash and cash equivalents at period end	**175,441**	149,874
Lease liabilities		
Opening value	**(284,969)**	(289,218)
Cash flows	**19,389**	19,065
Lease acquisitions	**(27,273)**	(16,139)
Lease surrenders	**3,673**	1,323
Total lease liabilities at period end	**(289,180)**	(284,969)
Net debt reconciliation	**(113,739)**	(135,095)

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

Consolidated Statement of Changes in Equity

For the 52 week period ended 28 January 2024

	Notes	Share Capital $000	Cashflow Hedge Reserve $000	Equity-Based Remuneration Reserve $000	Other Reserves $000	Retained Earnings $000	Total Equity $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		-	-	-	-	88,437	88,437
Other comprehensive income:							
Change in value of investment in equity securities	4.1	-	-	-	(13,922)	-	(13,922)
Net fair value loss taken through cashflow hedge reserve		-	(4,253)	-	-	-	(4,253)
Total comprehensive (loss)/income for the period		-	(4,253)	-	(13,922)	88,437	70,262
Transactions with owners:							
Dividends paid	5.3.3	-	-	-	-	(61,228)	(61,228)
Performance rights charged to income statement	6.2.1	-	-	276	-	-	276
Performance rights vested	5.3.2/6.2	144	-	(144)	-	-	-
Performance rights forfeited	6.2.2	-	-	(24)	-	24	-
Deferred tax on equity-based remuneration	2.3.2/6.2.2	-	-	(99)	-	-	(99)
Balance at 29 January 2023		62,136	(1,869)	575	(36,965)	284,647	308,524
Net profit attributable to shareholders for the period		**-**	**-**	**-**	**-**	**84,221**	**84,221**
Other comprehensive income:							
Change in value of investment in equity securities	4.1	**-**	**-**	**-**	**(15,842)**	**-**	**(15,842)**
Net fair value loss taken through cashflow hedge reserve		**-**	**2,119**	**-**	**-**	**-**	**2,119**
Total comprehensive (loss)/income for the period		**-**	**2,119**	**-**	**(15,842)**	**84,221**	**70,498**
Transactions with owners:							
Dividends paid	5.3.3	**-**	**-**	**-**	**-**	**(63,488)**	**(63,488)**
Performance rights charged to income statement	6.2.1	**-**	**-**	**391**	**-**	**-**	**391**
Performance rights vested	5.3.2/6.2	**208**	**-**	**(208)**	**-**	**-**	**-**
Performance rights forfeited	6.2.2	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax on equity-based remuneration	2.3.2/6.2.2	**-**	**-**	**(57)**	**-**	**-**	**(57)**
Balance at 28 January 2024		**62,344**	**250**	**701**	**(52,807)**	**305,380**	**315,868**

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

Notes to the Consolidated Financial Statements

For the 52 week period ended 28 January 2024

1. Basis of Preparation

This section presents a summary of information considered relevant and material to assist the reader in understanding the foundations on which the financial statements as a whole have been compiled. Accounting policies specific to notes shown in other sections are included as part of that particular note.

1.1 General Information

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. 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).

The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

These audited consolidated financial statements have been approved for issue by the Board of Directors on 12 March 2024.

1.2 General Accounting Policies

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice (GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for for-profit entities. The consolidated financial statements also comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

The consolidated financial statements are presented in New Zealand dollars which is the Company's functional currency and the Group's presentation currency. All financial information has been presented in thousands, unless otherwise stated.

The material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Entities reporting
The consolidated financial statements reported are for the consolidated Group which is the economic entity comprising Briscoe Group Limited and its subsidiaries. The Group is designated as a for-profit entity for the purposes of complying with GAAP.

Reporting period
These consolidated financial statements are in respect of the 52-week period 30 January 2023 to 28 January 2024 and provide a balance sheet as at 28 January 2024. The comparative period is in respect of the 52-week period 31 January 2022 to 29 January 2023. The Group operates on a weekly trading and reporting cycle resulting in 52 weeks for most years with a 53-week period occurring once every 5-6 years.

Principles of consolidation
Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the policies adopted by the Company.

1. Basis of Preparation

For the 52 week period ended 28 January 2024

Subsidiaries	Activity	2024 Interest	2023 Interest
Briscoes (New Zealand) Limited	Homeware retail	**100%**	100%
The Sports Authority Limited (trading as Rebel Sport)	Sporting goods retail	**100%**	100%
Rebel Sport Limited	Name protection	**100%**	100%
Living and Giving Limited	Name protection	**100%**	100%

All companies above are incorporated in New Zealand and have a balance date consistent with that of the Company as outlined in the accounting policies.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies detailed throughout these financial statements.

Critical accounting judgements and estimates

In the process of applying the Group's accounting policies and the application of accounting standards, a number of estimates and judgements have been made. 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.

Further explanation as to estimates and assumptions made by the Group can be found in the notes to the financial statements:

Areas of judgement and estimation	Note
Inventories	3.1.3
Leases	3.4

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. During the year ended 28 January 2024 Briscoe Group completed its first climate-related risk assessment which will be disclosed in this year's Annual report. As part of this assessment, we have not identified any material impacts requiring specific disclosure in the financial statements. The identified climate-related risks and opportunities including both physical and transitional impacts have been considered as part of the above critical accounting judgements and estimates.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in which case they are recognised in other comprehensive income as qualifying cash flow hedges.

2. Performance

For the 52 week period ended 28 January 2024

This section reports on the results and performance of the Group, providing additional information about individual items, including performance by operating segment, revenue, expenses, taxation and earnings per share.

2.1 Segment Information

An operating segment is a component of an entity that engages in business activities which earns revenue and incurs expenses and for which the chief operating decision maker (CODM) reviews the operating results on a regular basis and makes decisions on resource allocation. The Group has determined its CODM to be the group of executives comprising the Managing Director, Chief Operating Officer, Chief Financial Officer and the Chief People Officer.

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 (2023: Nil).

Information regarding 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 by CODM 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 28 January 2024

	Homeware $000	Sporting goods $000	Eliminations/ Unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	490,116	301,837	-	791,953
Gross profit	211,082	124,680	-	335,762
Earnings before interest and tax	75,267	44,764	6,265	126,296
Finance income	1,418	4,024	767	6,209
Finance costs	(10,178)	(5,043)	(3)	(15,224)
Net finance cost	(8,760)	(1,019)	764	(9,015)
Income tax expense	(18,873)	(12,254)	(1,933)	(33,060)
Net profit after tax	47,634	31,491	5,096	84,221
BALANCE SHEET ITEMS:				
Assets	379,270	282,560	59,326[1.]	721,156
Liabilities	256,861	143,988	4,439	405,288
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	10,826	4,233	-	15,059
Depreciation and amortisation expense	22,386	12,449	-	34,835

	$000
1. Investment in equity securities	*37,829*
Intercompany eliminations	*(7,432)*
Other balances	*28,929*
	59,326

2. Performance

For the 52 week period ended 28 January 2024

For the period ended 29 January 2023

	Homeware $000	Sporting goods $000	Eliminations/ Unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	487,501	298,353	-	785,854
Gross profit	214,861	131,061	-	345,922
Earnings before interest and tax	75,652	54,032	5,810	135,494
Finance income	482	1,895	118	2,495
Finance cost	(9,913)	(4,945)	(50)	(14,908)
Net finance costs	(9,431)	(3,050)	68	(12,413)
Income tax expense	(18,772)	(14,280)	(1,592)	(34,644)
Net profit after tax	47,449	36,702	4,286	88,437
BALANCE SHEET ITEMS:				
Assets	372,788	276,147	68,452[1.]	717,387
Liabilities	254,474	151,254	3,135	408,863
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	9,474	6,981	-	16,455
Depreciation and amortisation expense	22,352	11,940	-	34,292

	$000
1. Investment in equity securities	*53,671*
Intercompany eliminations	*(7,523)*
Other balances	*22,304*
	68,452

2. Performance

For the 52 week period ended 28 January 2024

2.2 Income and Expenses

Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services, net of Goods and Services Tax (GST), and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

Sales of goods - retail

For all sales, control is considered to pass to the customer at the point when the customer can use or otherwise benefit from the goods and services. For in-store sales, control passes to the customer at point of sale. For online sales, the order along with delivery to the customer are considered to comprise a single performance obligation, therefore control is considered to pass to the customer on delivery of the goods. Retail sales are predominantly by credit card, debit card or in cash.

Rental income

Rental income (net of any incentives given to lessees) is recognised on a straightline basis over the period of the lease.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

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

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Income		
Rental income	**105**	28
Dividends received	**2,885**	2,884
Insurance recovery	**110**	154
Gain on lease surrender	**474**	226
Expenses		
Depreciation of property, plant and equipment	**10,985**	10,540
Amortisation of software costs	**1,393**	1,622
Depreciation of right-of-use assets	**22,457**	22,130
Interest on leases	**15,220**	14,859
Operating lease rental expense	**56**	190
Wages, salaries and other short-term benefits	**99,133**	94,828
Equity-based remuneration (refer also Note 6.2)	**391**	276
Amounts paid to auditors:		
Statutory Audit	**156**	143
Half year review	**47**	47
Other services	**-**	-

2. Performance

For the 52 week period ended 28 January 2024

2.3 Taxation

Current and deferred income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in New Zealand, being the country where the Group operates and generates taxable income. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the entity has a legal enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Goods and Services Tax (GST)

The income statement, statement of comprehensive income and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of trade receivables and trade payables, which include GST invoiced.

2.3.1 Taxation – Income statement

The total taxation charge in the income statement is analysed as follows:

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
(a) Income tax expense		
Current tax expense:		
Current tax	**33,383**	34,585
Adjustments for prior periods	**1,245**	943
	34,628	35,528
Deferred tax expense:		
(Increase) decrease in future tax benefit current period	**(309)**	67
Adjustments for prior periods	**(1,259)**	(951)
	(1,568)	(884)
Total income tax expense	**33,060**	34,644

2. Performance

For the 52 week period ended 28 January 2024

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
(b) Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	**117,281**	123,081
Tax at the corporate rate of 28% (2023: 28%)	**32,839**	34,463
Tax effect of amounts which are either non-deductible or non-assessable in calculating taxable income	**235**	189
Prior period adjustments	**(14)**	(8)
Total income tax expense	**33,060**	34,644

The Group has no tax losses (2023: Nil) and no unrecognised temporary differences (2023: Nil).

2.3.2 Taxation – Balance sheet

(a) Deferred Taxation

The following are the major deferred taxation liabilities and assets recognised by the Group and movements thereon during the current and prior period:

	Depreciation $000	Provisions $000	Derivative financial instruments $000	Right of use asset $000	Lease liability $000	Total $000
At 30 January 2022	184	4,166	(926)	(70,221)	80,981	14,184
Recognised in the income statement	7	82	-	1,985	(1,190)	884
Recognised in equity	-	(99)	-	-	-	(99)
Recognised in other comprehensive income	-	-	1,653[1.]	-	-	1,653
At 29 January 2023	191	4,149	727	(68,236)	79,791	16,622
Recognised in the income statement	**181**	**661**	**-**	**(453)**	**1,179**	**1,568**
Recognised in equity	**-**	**(57)**	**-**		**-**	**(57)**
Recognised in to other comprehensive income	**-**	**-**	**(824)[1.]**		**-**	**(824)**
At 28 January 2024	**372**	**4,753**	**(97)**	**(68,689)**	**80,970**	**17,309**

1. Net credited/(debited) to other comprehensive income comprises deferred tax on fair value gain taken to income statement of $910,740 (2023: deferred tax on fair value gain of $2,515,053) and deferred tax on fair value gain taken to cash flow hedge reserve of $1,734,795 (2023: deferred tax on fair value gain of $861,599).

(b) Taxation payable

The following is the analysis of the movements in the taxation payable balance during the current and prior period:

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Movements:		
Balance at beginning of period	**(11,308)**	(18,266)
Current tax	**(34,628)**	(35,528)
Tax paid	**37,195**	42,072
Foreign investor tax credit (FITC)	**425**	414
Balance at end of period	**(8,316)**	(11,308)

2. Performance

For the 52 week period ended 28 January 2024

2.3.3 Imputation credits

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Imputation credits available for use in subsequent accounting periods:	**142,436**	138,029

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

- Imputation credits that will arise from the payment of the provision for income tax,
- Imputation debits that will arise from the payment of dividends recognised as liabilities at the reporting date, and
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include imputation credits that would be available to the Company if subsidiaries paid dividends.

2.4 Earnings per share

Earnings per share (EPS) is the amount of post-tax profit attributable to each share.

Basic EPS is computed by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares on issue during the period.

Diluted EPS adjusts for any commitments the Group has to issue shares in the future that would decrease the Basic EPS. These are in the form of performance rights. Diluted EPS is therefore computed by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares on issue during the period, adjusted to include the potentially dilutive effect if performance rights to issue ordinary shares were exercised and converted into shares.

	Period ended 28 January 2024	Period ended 29 January 2023
Net profit attributable to shareholders $000	**84,221**	88,437
Basic		
Weighted average number of ordinary shares on issue (thousands)	**222,756**	222,638
Basic earnings per share	**37.8 cents**	39.7 cents
Diluted		
Weighted average number of ordinary shares on issue adjusted for performance rights issued but not exercised (thousands)	**223,070**	222,931
Diluted earnings per share	**37.8 cents**	39.7 cents

3. Operating Assets and Liabilities

For the 52 week period ended 28 January 2024

This section reports the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in note 5. Assets and liabilities in relation to deferred taxation and taxation payable are shown in note 2.3. The carrying amounts of financial assets and liabilities are equivalent to their fair value unless otherwise stated.

3.1 Working Capital

Working capital represents the assets and liabilities the Group generates through its trading activity. The Group therefore defines working capital as cash, trade and other receivables, inventories and trade and other payables.

3.1.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Cash at bank or on hand	**175,441**	149,874

As at 28 January 2024 the Group held foreign currency equivalent to NZ$1.820 million (2023: NZ$1.692 million) which is included in the table above. The foreign currency in which the Group deals primarily is the US Dollar.

3.1.2 Trade and other receivables

Trade receivables arise from sales made to customers on credit or through the collection of purchasing rebates from suppliers not otherwise deducted from suppliers' payable accounts. Trade receivables are recognised initially at the value of the invoice sent to the customer (fair value) and subsequently at the amounts considered recoverable (amortised cost). Trade receivable balances are reviewed on an on-going basis.

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Trade receivables	**1,502**	1,573
Prepayments	**3,268**	2,177
Other receivables	**2,968**	2,434
Total trade and other receivables	**7,738**	6,184

No interest is charged on trade receivables.

3.1.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3. Operating Assets and Liabilities

For the 52 week period ended 28 January 2024

The Group assesses the likely residual value of inventory. Stock provisions are recognised for inventory which is expected to sell for less than cost and also for the value of inventory likely to have been lost to the business through shrinkage between the date of the last applicable stocktake and balance date. In recognising the provision for inventory, judgement has been applied by considering a range of factors including historical results, current trends and specific product information from buyers.

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Finished goods	**110,293**	123,045
Inventory provisions and adjustments	**(5,425)**	(5,253)
Net inventories	**104,868**	117,792

During the period the Group recognised $445.9 million (2023: $431.0 million) of inventory as an expense within cost of goods sold.

3.1.4 Trade and other payables

Trade and other payable amounts represent liabilities for goods and services provided to the Group prior to the end of a financial period, which are unpaid.

Trade payables

Trade payables are recognised at the value of the invoice received from a supplier (fair value). The carrying value of trade payables is considered to approximate fair value as the amounts are unsecured and are usually paid within 60 days of recognition.

Employee entitlements

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including nonmonetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for nonaccumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. The liability for employee entitlements is carried at the present value of the estimated future cash flows.

Bonus plans

A liability is recognised for bonuses payable to employees where a contractual obligation arises for an agreed level of payment dependent on both company and individual performance criteria.

Long service leave

The liability for long service leave is recognised as a non-current liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, history of employee departure rates and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions relate to returns in relation to sales of goods directly imported by the Group and are expected to be fully utilised within the next twelve months. Provisions relating to inventory, receivables and employee benefits have been treated as part of those specific balances. There are no other provisions relating to these financial statements.

3. Operating Assets and Liabilities

For the 52 week period ended 28 January 2024

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Trade payables	**65,942**	70,709
Employee entitlements	**19,045**	14,928
Other payables and accruals	**22,404**	24,326
Provisions	**142**	110
Total trade and other payables	**107,533**	110,073
Shown in balance sheet as:		
Current liabilities	**106,292**	109,181
Non-current liabilities	**1,241**	892
Total trade and other payables	**107,533**	110,073

3.2 Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation and any impairment adjustments. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.
Costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with an item will flow to the Group and the cost of an item can be measured reliably.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of assets are determined by comparing proceeds with carrying amounts. These gains and losses are included in the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives, as follows:

- Freehold buildings 33 years
- Plant and equipment 3 - 15 years

Property, plant and equipment is reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, or value in use.

The Group assesses whether there are indications, for example loss-making stores, for certain trigger events which may indicate that an impairment in property, plant and equipment values exist at balance date.

3. Operating Assets and Liabilities

For the 52 week period ended 28 January 2024

	Land and buildings $000	Plant and equipment $000	Total $000
At 30 January 2022			
Cost	105,668	91,268	196,936
Accumulated depreciation	(9,275)	(61,764)	(71,039)
Net book value	96,393	29,504	125,897
Period ended 29 January 2023			
Opening net book value	96,393	29,504	125,897
Additions	215	15,142	15,357
Disposals	-	(422)	(422)
Depreciation charge	(2,886)	(7,654)	(10,540)
Closing net book value	93,722	36,570	130,292
At 29 January 2023			
Cost	105,883	97,515	203,398
Accumulated depreciation	(12,161)	(60,945)	(73,106)
Net book value	93,722	36,570	130,292
Period ended 28 January 2024			
Opening net book value	**93,722**	**36,570**	**130,292**
Additions	**5,613**	**7,969**	**13,582**
Disposals	**-**	**(79)**	**(79)**
Depreciation charge	**(2,961)**	**(8,024)**	**(10,985)**
Closing net book value	**96,374**	**36,436**	**132,810**
At 28 January 2024			
Cost	**111,497**	**101,076**	**212,573**
Accumulated depreciation	**(15,123)**	**(64,640)**	**(79,763)**
Net book value	**96,374**	**36,436**	**132,810**

Capital commitments	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Capital commitments in relation to property, plant and equipment at balance date not provided for in the financial statements	**11,419**	2,370

3.3 Intangible Assets

Intangible assets are non-physical assets used by the Group to operate the business. Software costs have a finite useful life. Software costs which can be capitalised are amortised on a straight-line basis over the estimated useful economic life of 2 to 5 years. Software-as-a-service costs are expensed when they are incurred.

Software is the only intangible asset recorded in the financial statements. All software has been acquired externally.

3. Operating Assets and Liabilities

For the 52 week period ended 28 January 2024

3.4 Leases

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the remaining lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

Right-of-use assets are initially recognised on commencement of lease at cost, comprising the initial amount of the lease liabilities less any lease incentives received. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In considering the lease term, the Group applies judgement in determining whether it is reasonably certain that an extension or termination option will be exercised.

Both right-of-use assets and lease liabilities are discounted applying interest rate implicit in the lease, or if this cannot be determined, the incremental borrowing rate at the commencement of the lease. To determine the incremental borrowing rate the Group have applied a blended secured and unsecured borrowing rate. For the secured rate the Group have utilised third party financing options and adjusted for an appropriate credit spread.

Extension options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operation. Extension options held are exercisable only by the Group and not by the respective lessor. During the period the Group recognised all extension options (2023: all recognised).

The following tables show the movements and analysis in relation to the right-of-use assets and lease liabilities, created on the adoption of NZ IFRS 16:

3.4.1 Right-of-use assets:

	Land and Buildings $000
Period ended 29 January 2023	
Opening carrying amount	250,789
Additions	16,139
Surrender	(1,097)
Depreciation for the period	(22,130)
Closing carrying amount	243,701
At 29 January 2023	
Cost	328,643
Accumulated depreciation	(84,942)
Carrying amount	243,701
Period ended 28 January 2024	
Opening carrying amount	**243,701**
Additions	**27,273**
Surrender	**(3,199)**
Depreciation for the period	**(22,457)**
Closing carrying amount	**245,318**
At 28 January 2024	
Cost	**351,412**
Accumulated depreciation	**(106,094)**
Carrying amount	**245,318**

3. Operating Assets and Liabilities

For the 52 week period ended 28 January 2024

3.4.2 Lease liabilities:

	As at 28 January 2024 $000	As at 29 January 2023 $000
Opening value	**284,969**	289,218
Additions	**27,273**	16,139
Surrender	**(3,673)**	(1,323)
Interest for the period	**15,220**	14,859
Lease payments made	**(34,609)**	(33,924)
Total lease liabilities	**289,180**	284,969

3.4.3 Lease liabilities maturity analysis:

	Minimum lease payments $000	Interest $000	Present Value $000
Within one year	**35,142**	**(15,292)**	**19,850**
One to five years	**135,170**	**(50,602)**	**84,568**
Beyond five years	**245,337**	**(60,575)**	**184,762**
Total	**415,649**	**(126,469)**	**289,180**
Current			**19,850**
Non-current			**269,330**
Total			**289,180**

3.4.4 Lease related expenses included in the income statement:

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Depreciation	**22,457**	22,130
Short-term leases	**56**	190
Interest on leases	**15,220**	14,859
Total	**37,733**	37,179

3.4.5 Lease payments included in the cashflow statement:

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Total cash outflow in relation to leases	**34,609**	33,924

4. Investments

For the 52 week period ended 28 January 2024

This section explains how the Group records investments made in listed securities.

4.1 Investment in Equity Securities

During 2015, 2018 and 2019 Briscoe Group Limited acquired a total of 48,007,465 shares in KMD Brands Limited for a cost of $87,853,048. This holding represented a 6.75% ownership in KMD Brands Limited as at 28 January 2024.

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 28 January 2024[1].

	$000
At 30 January 2022	64,810
Additions	-
Change in fair value credited to other reserves	(13,922)
At 29 January 2023	50,888
Additions	**-**
Change in fair value credited to other reserves	**(15,842)**
At 28 January 2024	**35,046**

1. Fair value determined to be $0.73 per share as per NZX closing price of KMD Brands Limited as at 26 January 2024 (2023: $1.06) (Level 1 in the fair value hierarchy).

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

This section reports on the Group's funding sources and capital structure, including its balance sheet liquidity and access to capital markets.

5.1 Interest Bearing Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

There were no interest bearing liabilities as at 28 January 2024 (2023: Nil).

Net finance costs	**Period ended 28 January 2024 $000**	**Period ended 29 January 2023 $000**
Interest income	**6,209**	2,495
Interest expense - leases	**(15,220)**	(14,859)
Interest expense – other	**-**	-
Other finance costs	**(4)**	(49)
Net finance cost	**(9,015)**	(12,413)

5.2 Financial Risk Management

The Group's activities expose it to various financial risks including credit risk, liquidity risk and market risk (such as currency risk and equity price 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.

5.2.1 Derivative financial instruments

Derivatives are recognised initially at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

At the inception of a transaction the economic relationship between hedging instruments and hedged items, and the risk management objective and strategy for undertaking various hedge transactions, are documented. An assessment is also documented, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions have been and will continue to be effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within cost of goods sold.

Amounts accumulated in other comprehensive income are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast purchase that is hedged takes place). However, when a forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in other comprehensive income are transferred from other comprehensive income and included in the measurement of the initial cost or carrying amount of the asset or liability.

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement within cost of goods sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the income statement within administration expenses.

5.2.2 Credit risk

Credit risk refers to the risk of a counterparty failing to discharge an obligation. In the normal course of its business, Briscoe Group incurs credit risk from trade receivables and transactions with financial institutions. The Group places its cash, short-term investments and derivative financial instruments with only high-credit-rated, Board-approved financial institutions. Sales to retail customers are settled predominantly in cash or by using major credit cards. Less than 1% of reported sales give rise to trade receivables. The Group holds no collateral over its trade receivables.

5.2.3 Interest rate risk

The Group has no long-term interest-bearing liabilities but does have interest rate risk exposure from periodic short-term drawdowns of established funding facilities and placements of short-term deposits, as operating cash flows necessitate. The Group's short to medium term liquidity position is monitored daily and reported to the Board monthly.

5.2.4 Liquidity risk

Liquidity risk is the risk that an unforeseen event or miscalculation in the required liquidity level will result in the Group foregoing investment opportunities or not being able to meet its obligations in a timely manner, and therefore gives rise to lower investment income or to higher borrowing costs than otherwise. Prudent liquidity risk management includes maintaining sufficient cash, and ensuring the availability of adequate amounts of funding from credit facilities.

The Group's liquidity exposure is managed by ensuring sufficient levels of liquid assets and committed facilities are maintained based on regular monitoring of a rolling 3-month daily cash requirement forecast. The Group's liquidity position fluctuates throughout the period, being strongest immediately after the end of the period. The months leading up to Christmas trading put the greatest strain on Group cash flows due to the build-up of inventory as well as the interim dividend payment. The Group operates well within its available funding facilities.

The following table analyses the Group's financial liabilities and gross-settled forward foreign exchange contracts into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The cash flow hedge 'outflow' amounts disclosed in the table are the contractual undiscounted cash flows liable for payment by the Group in relation to all forward foreign exchange contracts in place at balance date. The cash flow hedge 'inflow' amounts represent the corresponding injection of foreign currency back to the Group as a result of the gross settlement on those contracts, converted using the forward rate at balance date. The carrying value shown is the net amount of derivative financial liabilities and assets as shown in the balance sheet. Changes in the carrying value affect profit when the underlying inventory to which the derivatives relate, is sold.

Trade and other payables are shown at carrying value in the table. No discounting has been applied as the impact of discounting is not significant.

An analysis detailing remaining contractual maturities for lease liabilities is shown in Note 3.4.3

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

As at 28 January 2024

	3 months or less $000	3 – 6 months $000	6 – 9 months $000	9 – 12 months $000	Total $000	Carrying Value $000
Trade and other payables	**(84,516)**	**-**	**-**	**-**	**(84,516)**	**(84,516)**
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	**(14,724)**	**(17,474)**	**(12,540)**	**(401)**	**(45,139)**	
- inflow	**14,732**	**17,597**	**12,690**	**409**	**45,428**	
- Net	**8**	**123**	**150**	**8**	**289**	**289**

As at 29 January 2023

	3 months or less $000	3 – 6 months $000	6 – 9 months $000	9 - 12 months $000	Total $000	Carrying Value $000
Trade and other payables	(90,869)	-	-	-	(90,869)	(90,869)
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	(23,273)	(20,786)	(16,926)	(1,166)	(62,151)	
- inflow	21,940	20,020	16,562	1,156	59,678	
- Net	(1,333)	(766)	(364)	(10)	(2,473)	(2,473)

The cash flow hedges inflow amounts use the forward rate at balance date.

5.2.5 Market risk

Equity price risk

The Group is exposed to equity price risk arising from the investment held in KMD Brands Limited, classified in the balance sheet as investment in equity securities. (Refer note 4.1).

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposures primarily to the US dollar, in respect of purchases of inventory directly from overseas suppliers.

The Group's foreign exchange risk is managed in accordance with Board-approved Group Treasury Risk Management Policies. The current policy requires hedging of both committed and forecasted foreign currency payment levels across the current and subsequent three calendar quarters. The policy is to cover 100% of committed purchases and lower levels of forecasted purchases depending on which quarter the forecasted exposure relates to. Hedging is reviewed regularly and reported to the Board monthly.

The Group uses forward foreign exchange contracts and maintains short-term holdings of foreign currencies in foreign denominated currency bank accounts, with major financial institutions only, to hedge its foreign exchange risk in anticipation of future purchases.

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

The following table shows the fair value of forward foreign exchange contracts held by the Group as derivative financial instruments at balance date:

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Current assets		
Forward foreign exchange contracts	**548**	40
Total current derivative financial instrument assets	**548**	40
Current liabilities		
Forward foreign exchange contracts	**259**	2,513
Total current derivative financial instrument liabilities	**259**	2,513

The contracts are subject to an enforceable master netting arrangement, which allows for net settlement of the relevant assets and liabilities. For financial reporting purposes these are not offset.

Forward foreign exchange contracts – cash flow hedges

Where forward foreign exchange contracts have been designated and tested as an effective hedge the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income. These gains or losses are released to the income statement at various dates over the subsequent financial period as the inventory for which the hedge exists, is sold.

The fair value of these contracts is determined by using valuation techniques as they are not traded in an active market. The valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair value is determined by mark-to-market valuations using forward exchange. These derivatives have been determined to be within level 2 of the fair value hierarchy as all significant inputs required to ascertain their fair value are observable.

Forward foreign exchange contracts are used for hedging committed or highly probable forecast purchases of inventory for the ensuing financial period. The contracts are timed to mature when major shipments of inventory are scheduled to be dispatched and the liability settled. The cash flows are expected to occur at various dates within one year from balance date.

At balance date these contracts are represented by assets of $548,213 (2023: $40,140) and liabilities of $259,377 (2023: $2,513,078) and together are included in equity as part of the cash flow hedge reserve, net of deferred tax, as a net gain of $207,962 (2023: net loss $1,780,515). The cash flow hedge reserve also consists of gains and losses, net of deferred tax, from foreign currencies used as hedges, as a net gain of $41,557 (2023: net loss of $88,964). The total of these net gains and losses amount to a net gain of $249,519 (2023: net loss of $1,869,479).

When forward foreign exchange contracts are not designated and tested as an effective hedge, the gain or loss on the forward foreign exchange contract is recognised in the income statement.

At balance date there are no such contracts in place (2023: Nil).

5.2.6 Sensitivity analysis

Based on historical movements and volatilities and review of current economic commentary the following movements are considered reasonably possible over the next 12 month period:

- A shift of -5% / +10% (2023: -10% / +10%) in the NZD against the USD, from the period-end rate of 0.6106 (2023: 0.6506),
- A shift of -0.25% / +0.25% (2023: -0.25% / +0.75%) in market interest rates from the period-end weighted average deposit rate of 5.73% (2023: 4.54%),
- A shift of -30% / +10% (2023: -10% / +20%) in the NZX share price of KMD Brands Limited (formerly Kathmandu Holdings Ltd) from the period-end closing share price of $0.73 (2023: $1.06).

If these movements were to occur, the positive / (negative) impact on consolidated profit after tax and consolidated equity for each category of financial instrument held at balance date is presented below:

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

As at 28 January 2024

		Interest rate				Foreign exchange rate		Equity price	
	Carrying	-0.25%		+0.25%		-5%	+10%	-30%	+10%
	amount	Profit	Equity	Profit	Equity	Equity	Equity	Equity	Equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets:									
Cash and cash equivalents[1.]	**175,441**	**(313)**	**(313)**	**313**	**313**	**69**	**(119)**	**-**	**-**
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**548**	**-**	**-**	**-**	**-**	**1,846**	**(991)**	**-**	**-**
Investment in equity securities[3.]	**35,046**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,514)**	**3,505**
Financial Liabilities:									
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**259**	**-**	**-**	**-**	**-**	**313**	**(1,549)**	**-**	**-**
Total increase / (decrease)		**(313)**	**(313)**	**313**	**313**	**2,228**	**(2,659)**	**(10,514)**	**3,505**

Receivables and payables have not been included above as they are denominated in NZD and are non-interest bearing and therefore not subject to market risk.

As at 29 January 2023

		Interest rate				Foreign exchange rate		Equity price	
	Carrying	-0.25%		+0.75%		-10%	+10%	-10%	+20%
	amount	Profit	Equity	Profit	Equity	Equity	Equity	Equity	Equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets:									
Cash and cash equivalents[1.]	149,874	(267)	(267)	800	800	135	(111)	-	-
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	40	-	-	-	-	162	(121)	-	-
Investment in equity securities[3.]	50,888	-	-	-	-	-	-	(5,089)	10,178
Financial Liabilities:									
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	2,513	-	-	-	-	4,619	(3,786)	-	-
Total increase / (decrease)		(267)	(267)	800	800	4,916	(4,018)	(5,089)	10,178

Receivables and payables have not been included above as they are denominated in NZD and are non-interest bearing and therefore not subject to market risk.

1. *Cash and cash equivalents include deposits at call which are at floating interest rates.*
2. *Derivatives designated as cashflow hedges are foreign exchange contracts used to hedge against the NZD:USD foreign exchange risk arising from foreign denominated future purchases. There is no profit or loss sensitivity as the hedges are 100% effective.*
3. *Investment in equity securities represents shares held in KMD Brands Limited. There is no profit or loss sensitivity as impacts from changes in KMD Brands Limited's share price are accounted for through equity.*

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

5.3 Equity

5.3.1 Capital risk management

The Group's capital comprises contributed equity, reserves and retained earnings.

The Group's objective when managing capital is to achieve a balance between maximising shareholder wealth and ensuring the Group is able to operate competitively with the flexibility to take advantage of growth opportunities as they arise. In order to meet these objectives the Group may adjust the amount of dividend payments made to shareholders and/or seek to raise capital through debt and/or equity. There are no specific banking or other arrangements which require the Group to maintain specified equity levels.

5.3.2 Share capital

Share capital comprises ordinary shares only. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

All shares on issue are fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share and have equal dividend rights and no par value.

Contributed equity – ordinary shares

	No. of authorised shares		Share capital	
	Period ended 28 January 2024	Period ended 29 January 2023	Period ended 28 January 2024	Period ended 29 January 2023
	Shares	Shares	$000	$000
Opening ordinary shares	**222,645,586**	222,556,300	**62,136**	61,992
Issue of ordinary shares arising from the vesting of performance rights	**120,192**	89,286	**208**[1.]	144[1.]
Balance at end of period	**222,765,778**	222,645,586	**62,344**	62,136

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 period ended 28 January 2024 was $207,634 (2023: $143,969 for the 89,286 shares issued).*

5.3.3 Dividends

Provision is made for the amount of any dividend declared on or before the balance date but not distributed at balance date.

	Period ended 28 January 2024 Cents per share	Period ended 29 January 2023 Cents per share	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Interim dividend for the period ended 28 January 2024	**12.50**	-	**27,846**	-
Final dividend for the period ended 29 January 2023	**16.00**	-	**35,642**	-
Interim dividend for the period ended 29 January 2023	**-**	12.00	**-**	26,718
Final dividend for the period ended 30 January 2022	**-**	15.50	**-**	34,510
	28.50	27.50	**63,488**	61,228

5. Financing and Capital Structure

For the 52 week period ended 28 January 2024

All dividends paid were fully imputed (refer also to Note 2.3.3 for imputation credits available for use in subsequent periods). Supplementary dividends of $424,981 (2023: $413,716) were provided to shareholders not tax resident in New Zealand, for which the Group received a Foreign Investor Tax Credit entitlement.

On 12 March 2024 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 28 January 2024. The dividend will be paid at a rate of 16.50 cents per share for all shares on issue as at 20 March 2024, with full imputation credits attached.

5.3.4 Reserves and retained earnings

Cashflow hedge reserve

The hedging reserve is used to record gains and losses on a hedging instrument in a cash flow hedge that are recognised directly in other comprehensive income, as described in the accounting policy in section 5.2. The amounts are recognised as profit or loss when the associated hedged transaction affects profit or loss. (Refer also to the consolidated statement of changes in equity).

Equity-based remuneration reserve

The equity-based remuneration reserve is used to recognise the fair value of performance rights granted but not exercised, lapsed or forfeited. Amounts are transferred to share capital when vested performance rights are exercised. (Refer also to the consolidated statement of changes in equity and note 6.2).

Other reserves

Other reserves represents the adjustment made at balance date to reflect the fair value of the investment in KMD Brands Limited. (Refer also to the consolidated statement of changes in equity and note 4.1).

6. Other Notes

For the 52 week period ended 28 January 2024

6.1 Related Party Transactions

6.1.1 Parent and ultimate controlling party

Briscoe Group Limited is the immediate parent, ultimate parent and controlling party for all companies in the Group.

During the period the Company advanced and repaid loans to its subsidiaries by way of internal current accounts. In presenting the financial statements of the Group, the effect of transactions and balances between fellow subsidiaries and those with the Company have been eliminated. No interest is charged on internal current accounts.

The Group undertook transactions with the following related parties as detailed below:

- The RA Duke Trust, of which RA Duke is a trustee, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments of $722,897 (2023: $674,884) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport). During the period the final right of renewal was exercised under the lease agreement. The remaining non-cancellable term of this lease is 2.2 years (2023: 0.2 years) with a payment commitment of $1,587,083 (2023: $112,481).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments of $600,634 (2023: $596,803) 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 8.6 years (2023: 9.6 years) with a payment commitment of $5,633,930 (2023: $6,234,564).
- 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. The 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 $423,858 (2023: 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 1.3 years (2023: Not applicable) with a payment commitment of $706,431 (2023: Not applicable). The joint venture also received rental payments of $225,939 (2023: Not applicable) under the pre-existing agreement to lease premises to The Sports Authority Limited. The remaining non-cancellable term of this lease is 1.3 years (2023: Not applicable) with a payment commitment of $376,566 (2023: Not applicable).
- The RA Duke Trust (including RA Duke Limited) received dividends of $48,896,419 (2023: $47,180,755).
- P Duke, spouse of RA Duke, received payments of $65,000 (2023: $65,000) in relation to her employment as an overseas buying specialist with Briscoe Group Limited, and rental payments of $968,512 (2023: $956,982) 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 7.3 years (2023: 8.3 years) with a payment commitment of $7,312,263 (2023: $8,280,775).

6.1.2 Key management personnel

Key management includes the Directors of the Company and those employees who the Company has deemed to have disclosure obligations under subpart 6 of the Financial Markets Conduct Act 2013, namely the Chief Financial Officer, the Chief Operating Officer and the Chief People Officer.

Key management compensation was as follows:	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Salaries and other short-term employee benefits	**4,852**	3,810
Equity-based remuneration	**240**	183
Directors' fees	**400**	400
Total benefits	**5,492**	4,393

Key management did not receive any termination benefits during the period (2023: Nil).

Key management did not receive and are not entitled to receive any post-employment or long-term benefits (2023: Nil).

Executives (excluding directors) included in key management received dividends of $304,524 (2023: $282,486) in relation to Briscoe Group shares held.

6. Other Notes

For the 52 week period ended 28 January 2024

6.1.3 Directors' fees and dividends

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

	Period ended 28 January 2024		Period ended 29 January 2023	
	Directors' fees	Dividends	Directors' fees	Dividends
	$000	$000	$000	$000
Executive Director				
RA Duke	-	-	-	-
Non-Executive Directors				
RPO'L Meo	154	-	154	-
AD Batterton	82	-	82	-
RAB Coupe	87	3	87	3
HJM Callaghan	77	-	77	-
	400	3	400	3

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

	Period ended 28 January 2024	Period ended 29 January 2023
	$000	$000
Executive Director		
RA Duke	48,896	47,181
Non-Executive Directors		
RPO'L Meo	29	28
AD Batterton	6	6
RAB Coupe	-	-
HJM Callaghan	-	-

6. Other Notes

For the 52 week period ended 28 January 2024

6.2 Employee Equity-Based Remuneration

6.2.1 Equity settled performance rights

The Senior Executive Incentive Plan grants Group employees performance rights subject to performance hurdles being met. The fair value of rights granted is recognised as an employee expense in the income statement with a corresponding increase in the employee share-based payment reserve. The fair value is measured at grant date and amortised over the vesting periods. When performance rights vest, the amount in the share-based payments reserve relating to those rights are transferred to share capital. There is no exercise price for these performance rights and there is no right to dividends during the vesting periods.

On 26 March 2019 the Board approved the Briscoe Group Senior Executive Incentive Plan to grant performance rights to key senior management personnel as a long-term incentive programme. The fifth tranche of performance rights were issued under this programme during the period.

Performance rights granted are summarised below:

Tranche	Grant Date	Balance at start of period (number)	Granted during the period (number)	Vested during the period (number)	Lapsed/forfeited during the period (number)	Balance at the end of period (number)
3	30 Jul 2020	120,192	-	(120,192)	-	-
4	15 Jun 2021	74,562	-	-	-	74,562
5	5 Aug 2022	125,977	-	-	-	125,977
6	3 Aug 2023	-	206,445	-	-	206,445
		320,731	206,445	(120,192)	-	406,984

In each tranche the performance rights are subject to a combination of an absolute Total Shareholder Return (TSR) growth hurdle and/or an EPS growth hurdle. EPS growth hurdle is considered a non-market condition. The relative hurdle weighting for unvested tranches is shown in the table below:

Tranche	Grant Date	TSR Weighting	EPS Weighting
4	15 Jun 2021	50%	50%
5	5 Aug 2022	50%	50%
6	3 Aug 2023	50%	50%

The proportion of performance rights subject to the absolute TSR growth hurdle which may vest is dependent on Briscoe Group Limited's TSR compound annual growth rate (CAGR) across a 3-year measurement period. For each tranche that vests the rights are awarded on a straight-line basis dependent on the TSR CAGR achieved. The percentage of TSR related performance rights vest according to the following performance criteria for each unvested tranche:

% Vesting	Tranche 4	Tranche 5	Tranche 6
0%	< 5.0% CAGR	< 5.7% CAGR	< 10.8% CAGR
50%	= 5.0% CAGR	= 5.7% CAGR	= 10.8% CAGR
51% - 99% (Straight-line prorata)	> 5.0%, < 5.5% CAGR	> 5.7%, < 6.7% CAGR	> 10.8%, < 11.8% CAGR
100%	=> 5.5% CAGR	=> 6.7% CAGR	=> 11.8% CAGR

6. Other Notes

For the 52 week period ended 28 January 2024

The TSR performance is calculated across the following periods:

Tranche	Performance Period
4	Announcement date of FY 2020/21 Result to announcement date of FY 2023/24 Result
5	Announcement date of FY 2021/22 Result to announcement date of FY 2024/25 Result
6	Announcement date of FY 2022/23 Result to announcement date of FY 2025/26 Result

The fair value of the TSR performance rights have been valued under a variant of the dividend adjusted Binomial Options Pricing Model (BOPM). The fair value of TSR performance rights, along with the assumptions used to simulate the future share prices are shown below:

	Tranche 4	Tranche 5	Tranche 6
Fair value of TSR performance rights	$97,501	$143,287	$144,305
Current price at grant date	$5.75	$5.56	$4.68
Risk free interest rate	0.60%	3.54%	5.22%
Expected life (years)	2.75	2.75	2.62
Expected share volatility[1.]	24%[1.]	24%[2.]	22%[3.]

1. *Volatility represents the volatility of the Briscoe Group (BGP) NZD share price based on the average 90 day volatility for the past 3 years (measured on a daily basis).*
2. *Volatility represents the volatility of the Briscoe Group (BGP) NZD share price based on the average weekly volatility over the last year (weekly data).*
3. *Volatility represents the volatility of the Briscoe Group (BGP) NZD share price based on the average weekly volatility over the last year (weekly data).*

The estimated fair value for each tranche of performance rights issued is amortised over the vesting period from the grant date.

The proportion of performance rights subject to the EPS growth hurdle which may vest is dependent on Briscoe Group Limited's EPS compound annual growth rate (CAGR) across a 3-year measurement period. For each tranche that vests the rights are awarded on a straight-line basis dependent on the EPS CAGR achieved. The percentage of EPS related performance rights vest according to the following performance criteria:

% Vesting	Tranche 4	Tranche 5	Tranche 6
0%	< 2.5% CAGR	< 1.1% CAGR	< -1.9% CAGR
50%	= 2.5% CAGR	= 1.1% CAGR	= -1.9% CAGR
51% - 99% (Straight-line prorata)	> 2.5%, < 4.6% CAGR	> 1.1%, < 2.6% CAGR	> -1.9%, < 0.4% CAGR
100%	=> 4.6% CAGR	=> 2.6% CAGR	=> 0.4% CAGR

The EPS performance is calculated across the following periods:

Tranche	Performance Period
4	FY 2023/24 EPS relative to FY 2020/21 EPS
5	FY 2024/25 EPS relative to FY 2021/22 EPS
6	FY 2025/26 EPS relative to FY 2022/23 EPS

The fair value of the EPS performance rights have been assessed as the Briscoe Group Limited's share price as at grant date less the present value of the dividends forecast to be paid prior to each vesting date. The fair value of each EPS unvested performance right has been calculated to be $5.17, $4.89 and $4.00 for tranche 4, tranche 5 and tranche 6, respectively.

The estimated fair value for each tranche of performance rights issued is amortised over the vesting period from grant date.

6. Other Notes

For the 52 week period ended 28 January 2024

Vesting of performance rights also requires the employee to remain in employment with the Company during the performance period. The Company has expensed in the income statement $390,873 (2023: $275,642) in relation to performance rights.

6.2.2 Equity-based remuneration reserve

	Period ended 28 January 2024 $000	Period ended 29 January 2023 $000
Balance at beginning of period	**575**	566
Current period amortisation	**391**	276
Performance rights vested transferred to share capital	**(208)**	(144)
Performance rights forfeited and amortised in previous years	**-**	(24)
Deferred tax on performance rights	**(57)**	(99)
Balance at end of period	**701**	575

6.3 Contingent Liabilities

A proceeding for unspecified damages by a former supplier against Briscoes (New Zealand) Limited and Briscoe Group Limited 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 1986 and the Contracts and Commercial Law Act 2017. 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 ongoing and the damages sought are currently unquantified.

6.4 Events After Balance Date

On 12 March 2024 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 28 January 2024. The dividend will be paid at a rate of 16.50 cents per share for all shares on issue as at 20 March 2024, with full imputation credits attached (Note 5.3.3).

6.5 New Accounting Standards

There were no new standards applied during the period.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 28 January 2024 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Independent auditor's report

To the shareholders of Briscoe Group Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Briscoe Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 28 January 2024, its financial performance and its cash flows for the 52-week period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 28 January 2024;
- the consolidated income statement for the 52-week period then ended;
- the consolidated statement of comprehensive income for the 52-week period then ended;
- the consolidated statement of changes in equity for the 52-week period then ended;
- the consolidated statement of cash flows for the 52-week period then ended; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current 52-week period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Inventory existence and valuation As at 28 January 2024, the Group held inventories of $104.9 million. Given the value of inventories relative to the total assets of the Group, and the judgements applied in provisioning against inventory shrinkage, slow moving, and obsolete inventory, this has been considered as a key audit matter. As described in note 3.1.3 to the consolidated financial statements, inventories are stated at the lower of cost and net realisable value. The Group has inventory systems in place to accurately record and report inventory movements and the value of inventory on hand. Cyclical counts of inventories are performed at various times throughout the period which includes an assessment of slow moving and obsolete stock. The cyclical counts provide management with evidence over quantity and quality of inventory on hand. Management applies judgement in determining inventory valuation, in particular the level of provisions for inventory which is expected to sell for less than cost due to obsolescence, adjustments for unearned rebate income, and inventory shrinkage since the last stock count.	**Our audit procedures included:** • gaining an understanding of inventory processes and assessing the design of certain inventory controls, particularly controls over the cyclical counting process; • observing management's cyclical stocktake process at selected locations and undertaking our own test counts. For those locations not visited, on a sample basis, inspecting the results of stock counts and confirming stock count variances were appropriately adjusted; • on a sample basis, testing the cost of inventory to supplier invoices or contracts providing evidence to support the accuracy of inventory costing; • testing that period-end inventory is carried at lower of cost and net realisable value by comparing a sample of inventory items to the expected selling price; • held discussions with management, including merchandising personnel, to understand and corroborate the assumptions applied in estimating inventory provisions; • on a sample basis, testing unearned rebate income to supplier contracts; • assessing the adequacy of the provision for slow-moving inventory by comparing historical write-offs against the level of provision, and assessing provision rates for various stock categories; and • assessing the shrinkage provision by performing analytical procedures over the shrinkage rate used to calculate the provision since the last store stock counts. This includes comparing the rate used to the actual shrinkage rates previously observed and reviewing the level of actual inventory shrinkage recorded during the current period.

Our audit approach

Overview

Overall group materiality: $5,800,000, which represents approximately 5% of profit before tax.

We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

We selected transactions and balances to audit based on the overall group materiality to Briscoe Group Limited at a consolidated level rather than determining the scope of procedures to perform by auditing only specific subsidiaries or entities.

As reported above, we have one key audit matter, being inventory existence and valuation.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
12 March 2024

Auckland

Corporate Governance Statement

Corporate Governance

Briscoe Group is committed to maintaining the highest standards of governance by implementing best practice structures and policies. This Corporate Governance Statement sets out the corporate governance policies, practices, and processes adopted or followed by Briscoe Group (including the guiding principles, authority, responsibilities, membership and operation of the Board of Directors) and has been approved by the Board.

The best practice principles (and underlying recommendations) which Briscoe Group has had regard to in determining its governance approach, are the principles set out in the NZX Corporate Governance Code ('NZX Code'). The Board's view is that Briscoe Group's corporate governance policies, practices and processes generally follow the recommendations set by the NZX Code. This Corporate Governance Statement includes disclosure of the extent to which Briscoe Group has followed each of the recommendations in the NZX Code (or, if applicable, an explanation of why a recommendation was not followed and any alternative practices followed in lieu of the recommendation).

Briscoe Group Limited is a company incorporated in New Zealand and is also registered in Australia as a foreign company under the name Briscoe Group Australasia Limited. It is listed on the NZX and also, as a foreign exempt entity, on the Australian Securities Exchange (ASX). As such Briscoe Group is exempt from complying with most of the ASX's Listing Rules and must undertake to comply with the listing rules of its home exchange (NZX).

Further information about Briscoe Group's corporate governance framework (including the Board and Board committee charters, codes and selected policies referred to in this section) is available to view at www.briscoegroup.co.nz

Principle 1 – Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Code of Values and Conduct and Related Policies

Recommendation 1.1: "The Board should document minimum standards of ethical behaviour to which the issuer's Directors and employees are expected to adhere (a code of ethics) and comply with the other requirements of Recommendation 1.1 of the NZX Code"

Briscoe Group requires its Directors, senior management and employees to maintain the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision making. The Board has adopted a Code of Conduct which incorporates the requirements set out in Recommendation 1.1, forms part of the induction process for all new employees and is available through the link here: Code of Conduct, and on Briscoe Group's website. The Code of Conduct is reviewed annually and was last reviewed in May 2023. All Directors and employees must provide acknowledgement that they have read and understood the content. To ensure that our expectations are known and understood, both training and reinforcement are delivered via our online learning platform as part of initial and ongoing training.

Trading in Company Securities Policy

Recommendation 1.2: "An issuer should have a financial product dealing policy which applies to employees and Directors"

The Trading in Company Securities Policy sets out Briscoe Group's requirements and expectations for all Directors and employees in relation to trading Briscoe Group shares. The policy is available through the link here: Trading in Company Securities Policy, and on Briscoe Group's website. In general, Directors and employees are allowed to trade in Briscoe Group shares during two 'trading windows'. Trading windows commence on the day after the half-year and full-year results are announced to the market and run for a period of 60 days. Trading outside these windows is generally prohibited. Proposed transactions by Directors and employees during the trading windows require approval. The policy also provides that no Directors, employees or independent contractors can trade shares if they are in possession of price sensitive information that is not publicly available.

Principle 2 – Board Composition and Performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board Charter

Recommendation 2.1: "The Board of an issuer should operate under a written charter which sets out the roles and responsibilities of the Board. The Board charter should clearly distinguish and disclose the respective roles and responsibilities of the Board and management."

The Board has adopted a formal Board Charter which sets out the respective roles, responsibilities, composition and structure of the Board and senior management, and this is available through the link here: Board Charter, and on Briscoe Group's website. The Board is responsible for overseeing the management of the Company and its subsidiaries and for directing performance by optimising the short-term and long-term best interests of the Company and its Shareholders. This includes approving the Company's objectives, reviewing the major strategies for achieving them and monitoring the Company's performance. The focus of the Board is the creation of company and shareholder value and ensuring the Company is committed to best practice. Responsibility for the day-to-day management of Briscoe Group has been delegated to the Managing Director and other senior management. Management are responsible for implementing the objectives and strategies approved by the Board, within the ambit of risk set by the Board. Management provides regular updates to the Board to enable the Board to perform its responsibilities. The Company Secretary provides company secretarial services to the Board and is accountable to the Board through the Chair.

Nomination and Appointment of Directors

Recommendations 2.2 and 2.3: "Every issuer should have a procedure for the nomination and appointment of Directors to the Board. An issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment."

The Board collectively considers the nomination of Directors. In doing this, the Board's procedure involves careful consideration of the composition of the Board in relation to the Company's needs and operating environment to ensure relevant skills and experience. This also applies to the consideration of additional or replacement Directors, subject to the constitutional limitation of the number of Directors. In so doing, as noted above, the priority must be on ensuring the skills, experience and diversity of the Board, and the skills that are necessary or desirable for the Board to fulfil its governance role and to contribute to the long-term strategic direction of the company. The Board may engage consultants to assist in the identification, recruitment and appointment of suitable candidates.

When appointing new Directors, the Board ensures that the requirements under the Company's constitution and NZX Listing Rules in respect of Directors will continue to be satisfied. There must be at least three and no more than five Directors, at least two of whom are resident in New Zealand and also at least two Directors must be determined by the Board to be independent (as defined in the NZX Listing Rules). The Board also takes into consideration recommendation 2.8 - a majority of the Board should be independent Directors. The current composition of the Board of Directors meets these requirements.

The constitution provides that Directors may be appointed by the Board (to fill vacancies) or by Shareholders. Directors who are appointed by the Board are subject to re-election at the next annual Shareholder meeting. Directors are required (under the constitution and NZX Listing Rules) to retire by rotation, but they may be eligible for re-election, with nominations to be made by Shareholders. All new Directors enter into a written agreement with Briscoe Group setting out the terms of their appointment.

Directors

Recommendation 2.4: "Every issuer should disclose information about each Director in its Annual Report or on its website, including a profile of experience, length of service, independence and ownership interests and director attendance at board meetings."

The Board currently comprises five Directors; four independent and one Executive Director. The Board has considered which of its Directors are deemed to be independent for the purposes of the NZX Listing Rules and has determined that as at 19 February 2024, four Directors are independent Directors, including the Chair (Dame Rosanne Meo) and the Chair of the Audit and Risk Committee (Tony Batterton). As at the date of this annual Report, the Directors are:

Dame Rosanne Meo	Chair, Independent	Appointed May 2001
Rod Duke	Executive Director	Appointed March 1992
Tony Batterton	Independent	Appointed June 2016
Andy Coupe	Independent	Appointed October 2016
Mark Callaghan	Independent	Appointed January 2021

The Directors (other than Dame Rosanne Meo) have carefully considered Dame Rosanne Meo's long tenure as a Director and as Chair, and whether it leads to any influence or perceived influence, in a material way, affecting her capacity to bring an independent view, to act in the best interests of Briscoe Group, or to represent shareholders. They have observed the robust and critical approach that she brings in challenging management and strategic priorities, while clearly facilitating open and constructive dialogue both between members of the Board, and also between management and other members of the Board. As such, they have determined that Dame Rosanne Meo continues to qualify as an independent Director.

A profile of the qualifications and experience for each Director is available through the link here: Director Profiles, and on Briscoe Group's website.

Director attendance at Board meetings is set out in the disclosures relating to recommendation 3.5 below.

Directors disclosed the following relevant interests in shares as at 28 January 2024:

Director	Number of shares in which a relevant interest is held
Dame Rosanne Meo	**100,000 shares**
Rod Duke	**171,566,383 shares**
Tony Batterton	**20,000 shares**
Andy Coupe	**10,000 shares**

Diversity

Recommendation 2.5: "An issuer should have a written Diversity Policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it."

We appreciate that our workforce, including potential employees, comes from all walks of life. Every individual is unique, having different skills and experiences including but not limited to educational opportunity and achievement. People come from many cultures and backgrounds, along with a wide range of other personal attributes including gender, age, disability (mental, learning or physical), economic background, language(s) spoken, marital/partnered status, physical appearance, race, religious beliefs and gender identity or orientation. Briscoe Group has a commitment to attracting, selecting, developing and retaining the most suitable employees from this diverse range of attributes. The Group's Diversity and Inclusiveness Policy is available through the link here: Diversity and Inclusiveness Policy, and on Briscoe Group's website.

We have previously identified that information gathered through our recruitment processes was limited, particularly in relation to data collected for purposes of assessing diversity and progress in this area. We recognised that although it is critical to prevent bias in selection and hiring practices through presentation of candidate information this must be balanced with having access to this data to ensure we monitor and champion practices and decisions which enhance diversity. In 2022 we worked with an external project team to identify good practice around gathering and using ethnicity information both for potential candidates and existing employees. We now have ethnicity information for over 56% of our team based on the information shared at recruitment stage or volunteered when we have engaged with our team on this particular issue. Expansion of gender identification options has enabled a number of our team to communicate that they identify as a different gender than they previously nominated.

We have previously acknowledged the retail sector has had high representation of women in its operations and yet has seen underrepresentation in senior management roles. For context, we recognise that approximately two thirds of our workforce identify as female. We continue to see a pleasing increase in the number of women in our high potential talent pool. We have seen a continued trend for changes in the gender mix of this critical pool of people with an increasing proportion of leaders within our business being female.

Previously we had identified an inadequate focus on retail specific tertiary education along with a tendency for fewer career retailers to engage in tertiary education. We continue to provide support for team members studying towards Master of Business Administration degrees. Briscoe Group recognises that support for tertiary study is vital. We assist our managers with a combination of contribution to fees as well as paid time out of the workplace for study and exam purposes.

The Board and management recognise that diversity without inclusiveness does not result in the balanced workforce desired in the business. Briscoe Group has in place policies and procedures to encourage and support equitable treatment for all employees and includes consideration of internal applicants for jobs with the Group. Aligning with the Institute of Directors' perspective, we approach diversity with a focus on demonstrated competence (see link here: Institute of Directors-Getting on board with diversity).

Briscoe Group has partnered with a number of external organisations to develop and deliver educational materials in this area, all of which are available through our online training platform. Our LEAP programme, developed in conjunction with expert external

partners, is available to all employees and continues to be a foundation to diversity and inclusiveness awareness.
We acknowledge that any narrowness in diversity is not sustainable and believe that an increased emphasis on a collaborative and inclusive culture and focus on developing talent will secure this realignment. Ensuring that all employees at all levels and in all workplace environments feel secure and safe, confident and appreciated through understanding the importance of diversity is most important to us.

A breakdown of the gender composition of Directors and officers as at the Company's balance date, including comparative figures, is shown below: :

	28 January 2024		29 January 2023	
	Female	Male	Female	Male
Directors	1	4	1	4
Officers[1.,2.]	-	3	-	3
Other Senior Management[3.]	1	3	1	3

1. *Excludes Managing Director (included in breakdown of Directors).*
2. *Officers is defined as the members of the senior management team, who report either directly to the Board or to the Group Managing Director.*
3. *General Manager positions not reporting directly to the Group Managing Director.*

Director Training

Recommendation 2.6: "Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer."

The Board expects all Directors to undertake continuous education to remain current on how to best perform their responsibilities and keep abreast of changes and trends in economic, political, social, financial and legal climates and governance practices. The Board also ensures that new Directors are appropriately introduced to management and the business, that all Directors are updated on relevant industry and company issues and receive copies of appropriate company documents to enable them to perform their roles. The expectation that Directors undergo ongoing training (informal or formal) and education is reinforced in the Board Charter.

Board Evaluation

Recommendation 2.7: "The Board should have a procedure to regularly assess director, Board and committee performance."

The Chair of the Board leads regular internal performance reviews in addition to undertaking a periodic external evaluation of the performance of Directors, the Board as a whole, and of the Board committees against the Board and committee charters, including seeking Directors' views relating to Board and committee process, efficiency and effectiveness. The Chair of the Board also engages with individual Directors to evaluate and discuss performance and professional development.

Independent Directors

Recommendation 2.8: "A majority of the Board should be independent Directors."

The Board currently comprises five Directors; four independent and one executive Director. Further details of the Board composition are above at Recommendation 2.4.

Separation of Board Chair and CEO

Recommendations 2.9 and 2.10: "An issuer should have an independent chair of the board. If the chair is not independent, the chair and the CEO should be different people."

The Chair of the Board is responsible for leading the Board, facilitating the effective contribution of all Directors, representing the Board to Shareholders, and promoting constructive and respectful relations between Directors and between the Board and management. The role of the Chair of the Board is further documented in the Board Charter, which is available on Briscoe Group's website.

The current Chair of the Board is an independent Director. Additionally, the Board Charter makes explicit that the Chair of the Board and the Managing Director roles are separate. (i.e. a Director must not simultaneously hold both positions). This requirement recognises the importance of the separation between management of the company and the Chair's governance role, in enabling the Board to effectively challenge management.

Principle 3 – Board Committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

Audit and Risk Committee

Recommendation 3.1: "An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the Chair of the Board."

The Audit and Risk Committee advises and assists the Board in discharging its responsibilities with respect to financial reporting, compliance and risk management practices of Briscoe Group. The Audit and Risk Committee operates under a written Charter, and this is available through the link here: Audit and Risk Committee Charter, and on Briscoe Group's website. The Audit and Risk Committee currently comprises Tony Batterton (Chair), Dame Rosanne Meo, Mark Callaghan and Andy Coupe, all of whom are, independent, non-executive Directors and whose qualifications and experience are available on the Briscoe Group website. The Audit and Risk Committee meet at least two times during the year. In addition to these meetings the Management Risk Committee met four times during the year to review, assess and update the Company's risk matrix. The changes made to the risk matrix were shared with the Board at the half year and full year Board meetings.

Recommendation 3.2: "Employees should only attend Audit Committee meetings at the invitation of the Audit Committee."

The Managing Director, Chief Financial Officer, Chief Operating Officer, Finance Manager, Finance Business Partner and Internal Audit Manager attend Audit and Risk Committee meetings at the invitation of the Audit and Risk Committee. Briscoe Group's external auditor also attends meetings at the committee's invitation. The Audit and Risk Committee receives reports from the external auditor without management present, concerning any matters that arise in connection with the performance of management's role and otherwise as necessary to protect the independence of the Audit and Risk Committee from undue influence.

Remuneration Committee

Recommendation 3.3: "An issuer should have a Remuneration Committee which operates under a written charter (unless this is carried out by the whole Board). At least a majority of the Remuneration Committee should be independent directors. Management should only attend Remuneration Committee meetings at the invitation of the Remuneration Committee."

The Board operates a Human Resources Committee which incorporates remuneration. The Human Resources Committee currently comprises Andy Coupe (Chair), Dame Rosanne Meo, Tony Batterton and Mark Callaghan, all of whom are independent, non-executive Directors and whose qualifications and experience are available on Briscoe Group's website. The Human Resources Committee meet at least three times during the year. It assists the Board in discharging its responsibilities with respect to the remuneration and performance of the Group Managing Director and other senior executives, remuneration of Directors and human resources policy and strategy. The Human Resources Committee operates under the Human Resources Committee Charter, and this is available through the link here: Human Resources Committee Charter, and on Briscoe Group's website. Selected management only attend Human Resource Committee meetings at the invitation of the Human Resources Committee.

Nomination Committee

Recommendation 3.4: "An issuer should establish a nomination Committee to recommend Director appointments to the Board (unless this is carried out by the whole Board), which should operate under a written charter. At least a majority of the Nomination Committee should be independent Directors."

The Board does not operate a separate Nomination Committee, as Director appointments are considered by the Board as a whole. The Board's procedure for the nomination and appointment of Directors is summarised under Principle 2 above (under the heading "Nomination and Appointment of Directors").

Overview of Board Committees

Recommendation 3.5: "An issuer should consider whether it is appropriate to have any other Board committees as standing Board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance."

The Board does not operate any other committees apart from the Audit and Risk Committee and the Human Resources Committee. Briscoe Group has thoroughly assessed whether any other standing Board committees are appropriate and has determined they are not. This determination is grounded in the confidence that the current Board and its existing committees have the requisite experience and expertise to effectively undertake all essential Board functions.

Each committee operates under a charter which is available on Briscoe Group's website. Committee members are appointed from members of the Board and membership is reviewed on an annual basis. Any recommendations made by the committees are submitted to the full Board for formal approval.

Attendance at Board and Committee Meetings for the Year Ended 28 January 2024

	Board	Audit and Risk	Human Resources
Number of meetings held	14[1.]	2	3
	Attended	Attended	Attended
Dame Rosanne Meo	14	2	3
Rod Duke	13	2	3
Tony Batterton	14	2	0[2.]
Andy Coupe	13	1	3
Mark Callaghan	13	2[3.]	3

1. *Includes two meetings of the Board held immediately after the half and full-year Audit and Risk Committee meetings to approve Group resolutions associated with releases to the NZX and ASX, financial statements and dividends.*
2. *Appointed to Human Resources Committee in September 2023.*
3. *Appointed to Audit & Risk Committee in September 2023.*

Takeover Protocols

Recommendation 3.6: "The Board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer (amongst other matters)."

Given Briscoe Group's shareholding structure, with the majority Shareholder being a member of the Board, the Board considers the likelihood of an unanticipated takeover to be low, and so the Board does not consider it necessary for this recommendation to be adopted. However, in the event a takeover offer is received, the Board has already agreed that a Takeover Response Committee would be convened, comprised of Independent Directors. That committee would consider the Company's actions in relation to the takeover offer, including seeking appropriate legal, financial and strategic advice, complying with takeover regulation (including the appointment of an independent advisor under the Takeovers Code and the preparation of a Target Company Statement) and determining what additional information (if any) would be provided by the Company to the bidder.

Principle 4 – Reporting and Disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Continuous Disclosure

Recommendation 4.1: "An issuer's Board should have a written Continuous Disclosure Policy."

As a listed company, there is an imperative to ensure the market is informed, and the listed securities are being fairly valued by the market. In addition to statutory disclosures, the company provides ongoing updates of its operations. This material is made publicly available through releases to the NZX and ASX, in accordance with the relevant Listing Rules. Briscoe Group has a Continuous Disclosure Policy, and this is available through the link here: Continuous Disclosure Policy, and on Briscoe Group's website. The purpose of this policy is to: ensure Briscoe Group complies with its continuous disclosure obligations; ensure timely, accurate and complete information is provided to all Shareholders and market participants; and outline the responsibilities in relation to the identification, reporting, review and disclosure of material information relevant to Briscoe Group.

Charters and Policies

Recommendation 4.2: "An issuer should make its code of ethics, Board and committee charters and the policies recommended by NZX Code, together with any other key governance documents, available on its website."

Information about Briscoe Group's corporate governance framework (including Code of Conduct, Board and Board committee charters, and other selected key governance codes and policies) is available through the link here: Charters and Policies, and on Briscoe Group's website.

Financial and Non-Financial Reporting

Recommendations 4.3 and 4.4: "Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board."

Financial Reporting

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements, and ensuring that financial reporting is balanced, clear and objective. It reviews annual and half year financial statements and makes recommendations to the Board concerning the application of accounting policies and practice, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

Management's accountability for Briscoe Group's financial reporting is reinforced by the written confirmation from the Managing Director and Chief Financial Officer that, in their opinion, financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Briscoe Group. Such representations are given on the basis of a sound system of risk management and internal control approved by the Audit and Risk Committee, which is operating effectively in all material respects in relation to financial reporting risk.

Non-Financial Reporting - Sustainability

Briscoe Group regularly assesses its exposure to environmental, economic and social sustainability as part of the overall framework for managing risk (see Principle 6 – Risk Management) and provides non-financial disclosure of this nature to its shareholders on at least an annual basis.

Being one of New Zealand's leading retailers we are committed to improving sustainability performance across our the four pillars of our sustainability strategy: Governance, Community, Our People and the Environment. Progress against these pillars is reported on pages 16-22 of this report.

Briscoe Group is a Climate Reporting Entity and is publicly reporting for its period ending 28 January 2024, the Group's climate related risks and opportunities in accordance with Aotearoa New Zealand Climate Standards released on 15 December 2022 (see pages 23-29 of this report).

Principle 5 – Remuneration

The remuneration of Directors and executives should be transparent, fair and reasonable.

Directors' Remuneration

Recommendations 5.1 and 5.2: "An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's Annual Report. An issuer should have a remuneration policy for remuneration which outlines the relative weightings of remuneration components and relevant performance criteria."

The Group has adopted a Remuneration Policy which sets out the remuneration principles that apply to all Directors and employees including senior executives, to ensure that remuneration practices are fair and appropriate, and that there is a clear link between remuneration and performance. A copy of the Remuneration Policy, which is reviewed annually by both management and the Human Resources Committee, is available through the link here: Remuneration Policy and on Briscoe Group's website. Briscoe Group is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the commercial environment, the ability to achieve Briscoe Group's business objectives and alignment with protecting and enhancing Shareholder value. Under Briscoe Group's remuneration framework, jobs are sized using a robust and recognised methodology with remuneration evaluated against the relevant market for talent. We incorporate individual performance against defined key performance objectives as a key consideration in all remuneration-based decisions, balanced by the organisational context. Remuneration for senior management includes a mix of fixed and variable components. The mechanics of individual schemes, performance criteria including focus areas, specific targets, weightings, and quantums relating to performance payments which comprise short, medium and long-term incentives are regularly appraised to ensure they incorporate changing market conditions as well as the Company's performance in relation to strategic initiatives that are deemed by the Board to be most relevant in driving Shareholder value.

Non-Executive Directors are paid fees in accordance with the table provided under 5.1. The levels at which fees are set reflects the time commitment and responsibilities of the roles of Non-Executive Directors. Non-executive directors do not receive performance-based remuneration to mitigate bias in decision making. The Board uses various sources to inform its decision making on fees and consults with expert independent advisors where appropriate.

Shareholder approval is sought for any increase in the pool available to pay Directors' fees. Approval was last sought in 2021, when the pool limit was set at $400,000 per annum. An additional increase of $44,000 to the pool will be sought during 2024.

The Board has determined the following allocation from the current pool:

	Position	Fees (per annum)
Board of Directors	Chair	$140,000
	Member	$70,000
Audit and Risk Committee	Chair	$12,000
	Member	$7,000
Human Resources Committee	Chair	$10,000
	Member	$7,000

Remuneration of Directors in the reporting period is tabulated below:

	Board Fee	Audit and Risk Committee	Human Resources Committee	Total Fees	Other Payments/ Benefits	Total Remuneration
Dame Rosanne Meo	$140,000	$7,000	$7,000	**$154,000**	-	**$154,000**
Rod Duke[1.]	-	-	-	**-**	$2,353,263	**$2,353,263**
Tony Batterton[2.]	$70,000	$12,000	-	**$82,000**	-	**$82,000**
Andy Coupe	$70,000	$7,000	$10,000	**$87,000**	-	**$87,000**
Mark Callaghan[3.]	$70,000	-	$7,000	**$77,000**		**$77,000**
Total	**$350,000**	**$26,000**	**$24,000**	**$400,000**	**$2,353,263**	**$2,753,263**

1. *No Directors' fees are paid to Executive Directors. For more information in relation to Executive Director remuneration refer to "Managing Director Remuneration" below.*
2. *Appointed to the Human Resources Committee in September 2023 but did not receive fees for year ended January 2024 as pool for director fees already fully allocated.*
3. *Appointed to the Audit & Risk Committee in September 2023 but did not receive fees for year ended January 2024 as pool for director fees already fully allocated.*

Executive and Employee Remuneration Policy

In 2019, the Board introduced the Briscoe Group Senior Executive Incentive Plan to grant performance rights to key senior management personnel as a long-term incentive (LTI) programme. Vesting is dependent upon achievement of Earnings per Share (EPS) and Absolute Total Shareholder Return (aTSR) growth targets at the end of a three-year term. Five tranches of performance rights have been issued under this programme. The rules of the scheme provide the ability for Directors to exercise discretion in relation to a number of aspects of the scheme, including varying the terms or outcomes of schemes. The Directors recognise the importance of transparency, maintaining the integrity of schemes, and ensuring that Shareholder value is protected or enhanced through the operation of these schemes. To do so, the Directors have chosen to let results "lie where they fell" for each tranche issued to date and recognise that scheme participants understand and respect their decisions to do so.

A medium-term incentive (MTI) scheme was also introduced for other selected senior management. This plan vests in cash rather than equity over a two-year period, using the same measures of EPS and aTSR as the LTI.

Periodically the Human Resources Committee, on behalf of the Board, seeks independent external advice to ensure that remuneration for senior executives is appropriate and fulfils the objectives of attraction, retention and motivation. This exercise was last conducted in 2022 for the roles included as part of the senior management team. The Board is satisfied that the outcomes of that review remain appropriate in the current market and do not envisage repeating that exercise again in 2024 but will reassess any need to do so in the 2025 calendar year.

In this manner, the various components of remuneration maintain alignment with the interests of Shareholders, the Company and the individual.

The number of employees and former employees within Briscoe Group (including the Managing Director but excluding any other Director) receiving remuneration and benefits above $100,000, relating to the 52-week period ending 28 January 2024 is set out in the following table:

Remuneration	Number of Employees	Remuneration	Number of Employees
$100,000 - $109,999	23	$240,000 - $249,999	4
$110,000 - $119,999	8	$250,000 - $259,999	1
$120,000 - $129,999	6	$270,000 - $279,999	1
$130,000 - $139,999	6	$280,000 - $289,999	1
$140,000 - $149,999	10	$290,000 - $299,999	1
$150,000 - $159,999	4	$310,000 - $319,999	1
$160,000 - $169,999	7	$330,000 - $339,999	2
$170,000 - $179,999	5	$440,000 - $449,999	1
$180,000 - $189,999	4	$530,000 - $539,999	1
$190,000 - $199,999	5	$580,000 - $589,999	1
$200,000 - $209,999	5	$670,000 - $679,999	2
$210,000 - $219,999	3	$980,000 - $989,999	1
$220,000 - $229,999	5	$1,080,000 - $1,089,999	1
$230,000 - $239,999	3	$2,350,000 - $2,359,999	1

The table above includes individuals who were employees during the 52-week period ending 28 January 2024 and who received remuneration and benefits above $100,000 during that period.

Senior Management

Briscoe Group's senior management are appointed by the Managing Director and their key performance indicators ('KPIs') are comprised of specific Briscoe Group financial objectives along with business related individual objectives. Establishing and monitoring these KPIs is done annually by the Managing Director recommending the KPIs to the Human Resources Committee, which in turn, makes recommendations to the Board for approval. The performance of the senior management against these KPIs is evaluated annually and serves as a key determinant of any short-term incentive scheme values and payments. The quantums available to be earned by each participant were reviewed as part of the independent external review conducted in 2022 and revised in line with any changes to fixed remuneration in 2023. The Managing Director made recommendations to the Human Resources Committee, and these were confirmed by the full Board.

Short Term Incentive Payments

Short term incentive (STI) payments are at risk cash payments designed to motivate and reward for short term (within each financial year) performance. The target value of a STI payment is set by the Managing Director with a specified dollar potential available to each participant in the scheme. The target areas for all employees who are entitled to a STI payment are set based on a combination of company financial performance, specific financial performance relative to the employee's areas of responsibility and individual goals. The weightings applied to each of the target areas will be largely consistent throughout the company for roles entitled to a STI payment but may vary, along with specific targets to be achieved, depending on specific areas of focus as determined by the Managing Director. The Board approves the STI payments to be made to senior management at the end of the financial year and approves the senior management targets for the following year.

Medium Term Incentive Payments

Medium term incentive (MTI) payments are at risk cash payments designed to motivate and reward for medium term (crossing two financial years) performance. A two-year term provides for evaluation of performance over a longer term than used for purposes of STI and ensures a degree of impact or sustainability thereby avoiding or reducing the risk of "short-termism". MTI participants are members of the broader senior management team who significantly influence achievement of the Company's performance. The target value of an MTI payment is recommended by the Managing Director for approval by the Board, with a specified dollar amount potentially available to each participant in the scheme. Performance is assessed at Company rather than individual level with measures aligned to those of the Long-Term Incentive Scheme (LTI), albeit over a slightly lesser timeframe. The Board will review performance and approve any MTI payments to be made to participants subsequent to announcement of results for the financial year just passed and approve objectives for the following year. Participants in the MTI do not participate in the LTI.

Long Term Incentive Payments

On 26 March 2019 the Board approved a Senior Executive Incentive Plan under which selected senior employees could be granted Performance Rights which upon vesting would reward the employees with ordinary shares in the Company. Vesting of the Performance Rights occurs after three years and is subject to the achievement of certain performance hurdles, relating to the Company's achievement against Total Shareholder Return and Earnings Per Share growth targets. The external independent review of remuneration conducted in 2022 confirmed the appropriateness of the measures and that the use of Performance Rights is aligned with the market. Participants in the LTI do not participate in the MTI.

Six tranches of Performance Rights have been issued under this Plan.

Managing Director Remuneration

Recommendation 5.3: "An issuer should disclose the remuneration arrangements in place for the CEO in its Annual Report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance-based payments."

The remuneration of the Managing Director for the year ended 28 January 2024 was:

	Period Ended 28 January 2024
Base Salary	$1,177,846
Other Benefits	$130,468
STI	$1,044,949
Subtotal	**$2,353,263**
LTI (refer below)	-
Total Remuneration	**$2,353,263**

The remuneration of the Managing Director comprises fixed and performance payments. Fixed remuneration includes a base salary and other benefits comprising; contributions to superannuation, life insurance, health insurance and a fuel card. The Managing Director received a short-term incentive (STI) of $1,044,949 for the year ended 28 January 2024. The target value of a STI payment is recommended by the Human Resources Committee, approved by the Board and linked strongly to company financial performance and performance against strategic initiatives. The Managing Director does not participate in the MTI Scheme and given his shareholding in the Company, nor does he participate in any equity-based Long Term Incentive Scheme.

In accordance with the externally conducted review of the remuneration packages of the roles in the senior management team, the structure and quantums of the remuneration package of the Group Managing Director was considered appropriate.

Principle 6 – Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks

Risk Management

Recommendation 6.1: "An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed."

The Board is responsible for Briscoe Group's risk assessment, management and internal control and it believes it has carried out a robust risk assessment process. Principally through the Audit and Risk Committee, the Board monitors policies and processes that identify significant business risks and implements procedures to monitor these risks.

The Board has set the risk appetite for the Group, taking into consideration the expectations of Shareholders and other stakeholders. The Board recognises that prudent risk-taking is essential for innovation and competitive advantage, while also acknowledging the importance of risk management to safeguard the Group's reputation and financial stability. The clear articulation of our risk appetite provides for an effective mechanism to inform investment decisions, facilitate the discussion of risk, set parameters within which objectives must be delivered, and supports the awareness of risk by our staff and partners.

The Board has a moderate to high-risk appetite in pursuit of the Group's strategic initiatives and innovation and growth. The Board accepts a moderate level of operational risk to optimise efficiencies, streamline processes, and adapt to changing market dynamics while ensuring continuity of business operations. The Board has a low appetite for financial risk, ensuring prudent capital management, liquidity, and profitability, while acknowledging the need for strategic investment to drive growth. The Board has a very low appetite for risks to the Group's brand and reputation, which includes the health and safety of staff, customers and suppliers; non-compliance with legal and regulatory standards; and cyber, data and technology security.

The Board continues to evaluate and adapt the Group's risk appetite to respond to evolving market conditions, regulatory requirements and Shareholder and stakeholder expectations.

A management risk committee comprising the Managing Director, Chief Financial Officer, Chief Operating Officer and Internal Audit Manager meets every quarter to identify and assess the major risks affecting the business by maintaining a risk matrix which is used to develop strategies to monitor and mitigate these risks. Risks are assessed against the impact of the risk and the likelihood of it eventuating. The risk matrix is provided to the Board six monthly. The management risk committee reports to the Audit and Risk Committee. Significant risks are discussed at Board meetings, or as required. Briscoe Group maintains insurance policies that it considers adequate to meet insurable risks.

Health and Safety

Recommendation 6.2: "An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management."

The Human Resources Committee, the Chief People Officer and specialist team members in the Human Resource function assist the Board in meeting its responsibilities under the Health and Safety at Work Act 2015, as well as other regulations and policies.

The Human Resources Committee, along with management, is responsible for ensuring that Health and Safety has appropriate focus and is sufficiently resourced to achieve its objectives within Briscoe Group. This includes safeguarding the health and safety of Briscoe Group's workers, other workers under its influence and ensuring the health and safety of its customers, visitors and the general public to the extent reasonably practicable.

Company performance across a range of measures of Health and Safety are a consistent and priority agenda item at all Board meetings. The Board and senior management are apprised of all notifiable incidents and injuries and the actions taken to ensure the health and wellbeing of injured persons. Actions taken to prevent incident recurrence are also advised.

Management operates and assesses the effectiveness of risk assessment and mitigation, safety processes and systems, capability of staff and the general culture of the business in relation to safety.

Briscoe Group operates a Health and Safety Risk Matrix to identify specific hazards and risks, assess their severity of impact and likelihood of occurrence, document mitigation strategies and determine the level of residual risk. The matrix incorporates psychosocial wellbeing in addition to physical safety. This matrix is reviewed at least annually by the Human Resources Committee and annual Health and Safety objectives and KPIs are set for the business based on the significant risks identified.

The Company operates a continuous system of hazard identification and management along with monthly reviews of performance to ensure that opportunities for improvement are identified and progressed. As our highest Health and Safety risk, reviews of Traffic Management Plans. Continuous vigilance in this area is vital to the safety and wellbeing of our team and other visitors to our sites. Another key risk is injury due to manual handling, an area in which we are working with expert external resources to identify and develop ways to reduce or eliminate these types of injuries.

We have continued the extensive work already completed in the area of team member and customer safety due to anti-social and violent behaviour by visitors to our sites. The work conducted by the Briscoe Group team was complemented by work with and by external stakeholders including the New Zealand Police, other retailers and Retail New Zealand. We have recognised that this remains a priority to protect both the physical and mental wellbeing of our team. The work in this area includes but is not limited to the training provided to our team with consideration for different role types, equipment provided to our Loss Prevention Specialists and management teams, systems and processes used to identify and monitor undesirable behaviour and systems and tools used to protect both product and property. We are determined that our team know and believe that nothing, including loss of product, is more important than the safety of them, their fellow team members and other visitors to our sites.

We use a range of indicators including usage of our Employee Assistance Programme to ensure our actions are targeting known needs as well as identifying new issues or concerns. Our Employee Engagement platform provides additional information from our team on health and safety as well as other matters relating to general wellbeing.

Both senior management and the Board receive regular updates on our health and safety performance. Complementing our regular reviews, our annual deep dive with the Board continues to ensure we challenge ourselves to improve on prior performance through reductions in health and safety incidents, injury frequency and severity. We continue to be encouraged by our improved performance on measures such as Lost Time Injury Frequency Rates, performance data shared by ACC and our own internal recording and reporting systems.

Principle 7 – Auditors

The Board should ensure the quality and independence of the external audit process.

External Audit

Recommendations 7.1 and 7.2: "The Board should establish a framework for the issuer's relationship with its external auditors. This should include procedures prescribed in the NZX Code. The external auditor should attend the issuer's annual shareholders meeting to answer questions from shareholders in relation to the audit."

The Audit and Risk Committee is responsible for the oversight of Briscoe Group's external audit arrangements. These arrangements include procedures for the matters described in Recommendation 7.1 of the NZX Code.

The Audit and Risk Committee is committed to ensuring Briscoe Group's external auditor is able to carry out its work independently so that financial reporting is reliable and credible. Briscoe Group has an External Auditor Independence policy, which is available through the link here: External Auditor Independence Policy, and on Briscoe Group's website. The External Auditor Independence policy implements the procedures set out in the NZX Code. Regular rotation of the Company's external audit firm is not mandated however, the Engagement and Quality Review partners of the Company's external auditors are required to rotate every five years and are subject to a two-year cooling-off period.

The policy sets out the work that the external auditor is required to do and specifies the services that the external auditor is not permitted to do unless authorised by both the Chair and Chair of the Audit and Risk Committee and so advised to the Board. This is so the ability of the auditor to carry out its work is not impaired and could not reasonably be perceived to be impaired.

During 2021 a benchmarking exercise was undertaken by the Board which involved discussions with other external audit companies capable of fulfilling the Group's external audit requirements. As a result of this exercise the Board was satisfied that the current external auditor remained the most appropriate choice for the Group's external audit engagement.

The external auditor attends the Annual Shareholders' Meeting, and the lead audit partner is available to answer relevant questions from Shareholders at that meeting.

Briscoe Group's external auditor is PricewaterhouseCoopers. Total fees paid to PricewaterhouseCoopers in its capacity as auditor for the period ended 28 January 2024 were $155,500 (2023: 142,750). Total fees paid to PricewaterhouseCoopers for other professional services for the period ended 28 January 2024 were $47,500 (2023: $47,500). The other service fees comprise a half yearly review.

Internal Audit

Recommendation 7.3: "Internal audit functions should be disclosed."

Briscoe Group has an internal audit team that performs assurance and compliance reviews across company operations as part of a risk-based programme of work approved by the Audit and Risk Committee. In scope are all aspects of the Group's store and non-store operations. In addition to the assurance and compliance work, the internal audit team provides advice to improve both established systems and processes, and during the design and implementation phase of new systems and processes. The Internal Audit Manager reports functionally to the Audit and Risk Committee and administratively to the Chief Financial Officer.

The Internal Audit Manager provides regular reporting to management as well as directly to the Board and Audit and Risk Committee.

Principle 8 – Shareholder Rights and Relations

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Information for Shareholders

Recommendation 8.1: "An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer."

Briscoe Group is committed to an open and transparent relationship with Shareholders. The Board aims to ensure that all Shareholders are provided with all information necessary to assess Briscoe Group's direction and performance.

This is done through a range of communication methods including periodic and continuous disclosures to NZX and ASX, half year and annual reports and the Annual Shareholders' Meeting. Briscoe Group's website provides a range of information about the Group including financial and operational information, information about its Directors and senior management and copies of its governance documents, for investors and interested stakeholders to access at any time.

Communicating with Shareholders

Recommendation 8.2: "An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing the option to receive communications from the issuer electronically."

Shareholders have the option of receiving their communications electronically, including by email or through Briscoe Group's investor centre. Briscoe Group's website includes a section for Shareholder communications and the Board has always been committed to having an open dialogue with Shareholders and welcomes investor enquiries.

Briscoe Group generally holds 'hybrid' Shareholder meetings that allow Shareholders to attend either a physical event in person or participate virtually by attending and voting online. Shareholders can ask questions at Shareholder meetings regardless of whether they attend the meeting online or in person. Where possible, the Managing Director attends all Shareholder meetings and actively participates in the answering of any questions received from Shareholders.

Shareholder Voting Rights

Recommendation 8.3: "Shareholders should have the right to vote on major decisions which may change the nature of the company in which they are invested."

In accordance with the Companies Act 1993, the Company's Constitution, and the NZX and ASX Listing Rules, Briscoe Group refers any significant matters to Shareholders for approval at a Shareholder meeting.

Further Capital

Recommendation 8.4: "If seeking additional equity capital, an issuer should offer further equity securities to existing shareholders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors."

If the Company seeks additional equity capital, the Board will ensure it considers the interests of existing shareholders and, where that is reasonable and in the best interests of the Company, permit shareholders to participate on a pro-rata basis.

Notice of Annual Shareholders meeting

Recommendation 8.5: "The Board should ensure that the annual shareholders notice of meeting is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting."

Briscoe Group posts any notices of Shareholder meetings on its website as soon as these are available. The general practice is to make these available not less than four weeks prior to the Shareholder meeting unless extraordinary circumstances apply which means this is not possible.

General Disclosures

Board of Directors

Dame Rosanne Meo, DNZM, OBE, BA, Dip BIA: Chairman (Non-Executive)

Director of AMP Administration (NZ) Ltd and Rosanne Meo Consulting. Chartered Fellow of Institute of Directors.

Rod Duke: Group Managing Director and Deputy Chairman

Group Managing Director since 1991. Director of Kein Geld (NZ) Limited, RA Duke Limited, Briscoe Share Plan Trustee Limited, Kein Geld Westgate Limited and RD Golf Investments Limited.

Tony Batterton, BCom, C.A: Director (Non-Executive)

Partner and Executive Director of Evergreen Partners Ltd and related enties. Non-Executive Director of Scales Corporation Limited, Direct Capital IV Management Ltd and related entities, NZ Fine Tours Holdings Limited and Siplow Nominees Ltd.

Andy Coupe, LLB: Director (Non-Executive)

Chairman of Kingfish Ltd, Barramundi Ltd and Marlin Global Ltd. Chartered Fellow of Institute of Directors.

Mark Callaghan, BCA (Hons): Director (Non-Executive)

Director of Hepstone Ltd and Callaghan & Associates Ltd. Member of Institute of Directors.

Subsidiary Companies

No employee of the Group appointed as a Director of Briscoe Group Limited or its subsidiaries receives or retains any remuneration or other benefits in their capacity as a Director.

The remuneration and other benefits of such employees (received as employees) totalling $100,000 or more during the year ended 28 January 2024, are included in the relevant bandings for remuneration disclosed as part of the "Remuneration" section of the Corporate Governance Statement included in this Annual Report (page 73).

The persons who held office as Directors of subsidiary companies at 28 January 2024 are as follows:

Briscoes (New Zealand) Limited

Rod Duke, Geoff Scowcroft

The Sports Authority Limited

Rod Duke, Geoff Scowcroft

Rebel Sport Limited

Rod Duke

Living & Giving Limited

Rod Duke

Principal Activities of the Group

Briscoe Group Limited is a non-trading holding company but provides management services to its subsidiaries.

The principal trading subsidiaries are Briscoes (New Zealand) Limited, a specialist homeware retailer selling leading branded products, and The Sports Authority Limited, (trading as Rebel Sport), New Zealand's largest retailer of most leading brands of sporting goods. The subsidiaries are 100% owned by Briscoe Group Limited.

During the period there were no changes to the nature of Briscoe Group Limited's business or that of its subsidiaries. There were also no changes to company structure.

Directors

A. Shareholdings

Beneficially Held	**As at 15 March 2024 Number of shares**
RAB Coupe	10,000

Non-Beneficially Held	**As at 15 March 2024 Number of shares**
RA Duke as Trustee of the RA Duke Trust	171,566,383
RPO'L Meo	100,000
AD Batterton	20,000

For further details refer to Substantial Product Holders information (page 91).

B. Share dealings

During the 52-week period ended 28 January 2024 no director acquired shares in the Company. There were no other changes to Directors' interests in Briscoe Group Limited during the period.

C. Directors' Insurance

As provided by the Group's Constitution and in accordance with Section 162 of the Companies Act 1993 the Group has arranged Directors' and Officers' Liability Insurance which ensures Directors will incur no monetary loss as a result of actions undertaken by them as Directors provided they act within the law.

D. Interests in contracts

During the 52-week period ended 28 January 2024 the following Directors have declared pursuant to Section 140 (1) of the Companies Act 1993 that they be regarded as having an interest in the following transactions:

- The RA Duke Trust, of which RA Duke is a trustee, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments of $722,897 (2023: $674,884) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport. Refer to Note 6.1.1 of the financial statements).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments of $600,634 (2023: $596,803), as owner of the Briscoes Homeware premises at Wairau Park, Auckland, under an agreement to lease premises to Briscoes (NZ) Limited. (Refer to Note 6.1.1 of the financial statements).
- 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. The 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 $423,858 (2023: 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 1.3 years (2023: Not applicable) with a payment commitment of $706,431 (2023: Not applicable). The joint venture also received rental payments of $225,939 (2023: Not applicable) under the pre-existing agreement to lease premises to The Sports Authority Limited. The remaining non-cancellable term of this lease is 1.3 years (2023: Not applicable) with a payment commitment of $376,566 (2023: Not applicable).

E. Directors' and Officers' use of Company Information

During the period the Board received no notices pursuant to Section 145 of the Companies Act 1993 relating to use of Company information.

Shareholders Information
Holding Range at 15 March 2024

	No. Investors	Total Holdings	%
1 – 1000	1,182	721,100	0.32
1,001 – 5,000	1,754	4,969,189	2.23
5,001 – 10,000	605	4,703,704	2.11
10,001 – 100,000	485	11,718,630	5.26
100,001 and over	33	200,677,389	90.08
Total	**4,059**	**222,790,012**	**100%**

Substantial Product Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 28 January 2024, details of the Substantial Product Holders in the company and their relevant interests in the company's shares are as follows:

Substantial Product Holder	Holding as at 28 January 2024[1]
R A Duke[2.]	171,566,383

1. *This information reflects the company's records and disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013.*
2. *R A Duke has a relevant interest as a trustee of the R A Duke Trust which was disclosed in the SSH notice dated 13 October 2016, in respect of 170,081,138 ordinary shares. As at 28 January 2024 this interest was in respect of 171,566,383 ordinary shares.*

The total number of ordinary shares on issue (being all of the voting shares of the company) as at 28 January 2024 was 222,765,778.

Top 20 Shareholders

As at 15 March 2024

Rank	Holder's Name*	Total	%
1	JB Were (NZ) Nominees Limited **	173,620,931	77.93
2=	Gerald Harvey	5,250,000	2.36
2=	Harvey Norman Properties (NZ) Ltd	5,250,000	2.36
4	Accident Compensation Corporation	3,139,118	1.41
5	Custodial Services Limited	2,068,995	0.93
6=	Alaister John Wall, Beverley Ann Wall and Benedict Dougles Tauber as Trustees of Tunusa Trust established for the benefit of the family of AJ and BA Wall	1,000,000	0.45
6=	Stuart Hamilton Johnstone and Lorraine Rose Johnstone	1,000,000	0.45
8	HSBC Nominees (New Zealand) Limited	923,328	0.41
9	New Zealand Depository Nominee	832,759	0.37
10	FNZ Custodians Limited	811,495	0.36
11	Manhattan Trustee Limited	683,000	0.31
12	Forsyth Barr Custodians Limited	545,708	0.24
13	Peter William Burilin	540,839	0.24
14	Shu Wen Chiang	534,861	0.24
15	Carla Ingrid Brockman	336,300	0.15
16	Gemscott Limited	335,000	0.15
17	Geoffrey Peter Scowcroft	307,809	0.14
18	Investment Custodial Services Limited	307,063	0.14
19	Shih Ting Huang	306,719	0.14
20	Hobson Wealth Custodian Limited	265,601	0.12

** A number of the registered holders listed below hold shares as nominees for, or on behalf of, other parties.*

*** Includes 171,566,383 shares in relation to holdings associated with R A Duke.*

Directory

Directors
Dame Rosanne PO'L Meo (Chairman)
Rodney A. Duke
Anthony (Tony) D. Batterton
Richard A. (Andy) Coupe
Hugh J. M. (Mark) Callaghan

Registered Office
1 Taylors Road
Morningside
Auckland 1025
Telephone +64 9 815 3737

Postal Address
PO Box 884
Auckland Mail Centre
Auckland

Websites
www.briscoegroup.co.nz
www.briscoes.co.nz
www.rebelsport.co.nz

Solicitors
Simpson Grierson

Bankers
Bank of New Zealand

Auditors
PwC

Share Registrar
Link Market Services Limited
Level 30
PwC Tower
15 Customs Street West
Auckland 1010
Telephone +64 9 375 5998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