Results announcement

Results for announcement to the market		
Name of issuer	BRISCOE GROUP LIMITED	
Reporting Period	Full Year (52 weeks) – 29 January 2024 to 26 January 2025	
Previous Reporting Period	Full Year (52 weeks) – 30 January 2023 to 28 January 2024	
Currency	New Zealand Dollars	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$791,469	-0.1%
Total Revenue	$791,469	-0.1%
Net profit/(loss) from continuing operations	$ 60,634*	-28.0%
Total net profit/(loss)	$ 60,634*	-28.0%
Final Dividend		
Amount per Quoted Equity Security	$ 0.10000000	
Imputed amount per Quoted Equity Security	$ 0.03888889	
Record Date	20 March 2025	
Dividend Payment Date	27 March 2025	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$ 1.3352	$ 1.4086
A brief explanation of any of the figures above necessary to enable the figures to be understood	* Includes a one-off, non-cash tax adjustment of $7.374 million required under NZ IAS 12 as a result of legislated tax changes. Net Profit After Tax (NPAT) excluding this adjustment is $68.007 million, -19.3% Please refer to the Commentary and the audited financial statements released in conjunction with this announcement. Earnings before interest and tax (EBIT) is a non-GAAP measure.	
Authority for this announcement		
Name of person authorised to make this announcement	Geoff Scowcroft	
Contact person for this announcement	Rod Duke	
Contact phone number	+ 64 9 815 3737	
Contact email address	rod.duke@briscoegroup.co.nz	
Date of release through MAP	12/03/2025	

Audited financial statements accompany this announcement.

Briscoe Group Limited (NZX/ASX code: BGP)

Highlights for the full year ended 26 January 2025:

- Total sales $791.5 million, 99.94% of last year's record sales
- Gross profit margin 40.37%
- Online sales as mix of total Group sales 19.69%, (LY 18.72%)
- Total costs only 1.11% increase on last year
- Total inventory $5.2 million below last year
- $58.2 million capital expenditure made during the period
- Strategic initiatives remain on track and to budget
- Net profit after tax (NPAT[1.]) $68.0 million

Board Chair, Dame Rosanne Meo said, "In this marketplace to be within 0.06% of last year's record sales, to manage costs to be only 1.11% higher than the previous year and to reduce inventory by a further $5 million is frankly, a remarkable performance."

The current year's result includes a tax adjustment of $7.4 million that the Group is required to book as a result of tax changes announced by the government in early 2024. This deferred tax liability adjustment is a one-off, non-cash accounting entry which has no impact on Briscoe Group's underlying profitability or dividend policy. Excluding this adjustment NPAT[1.] for the year ended 26 January 2025 was $68.01 million. After including the tax adjustment, the directors of Briscoe Group report a net profit after tax of $60.6 million.

Directors have resolved to pay a final dividend of 10.0 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 22.5 cps. The final dividend will be paid on 27 March 2025. The share register will close to determine entitlements to the dividend at 5pm on 20 March 2025.

"Dame Rosanne Meo said, "The total dividend reflects the Group's increased focus on a number of innovative strategic initiatives, our substantial investment programme across the next two years as well as the impact on profit from the economic headwinds. The Company's dividend policy is to pay out at least 60% of NPAT when calculated on a full-year basis and although lower in absolute terms than recent years, this year's total dividend represents a payout ratio of 83% of reported NPAT and 74% when the one-off tax adjustment is excluded."

Rod Duke, Group Managing Director, said: "To drive full year sales to 99.94% of last year's record Group sales is a terrific achievement. Three of the quarters produced positive sales growth and while there was an inevitable margin deterioration to deliver those sales, it's important to bring context to what has been an incredibly challenging year."

Relating this year's result to the year immediately prior to Covid impacts (year ended January 2020):

Group Sales	+21.20%	$791.5 million vs $653.0 million
Gross Profit Margin %	+ 0.94%	40.37% vs 39.43%
NPAT[1.]	+ 8.67%	$68.0 million vs $62.6 million

1. Reported NPAT excluding the impact of the one-off deferred tax expense.

The Group's online business continues to produce strong results and represented 19.69% of Group sales as at 26 January 2025. Rod Duke said, "We're excited for the year ahead in relation to our online business. Re-platforming its front-end to the *Adobe* system will bring significant functionality and performance improvements whilst the simultaneous launch of the new *Marketplacer* platform will enable us to rescale our ability to connect customers with many different suppliers and products through increased direct-to-consumer options. In addition to working towards these new implementations the team has also introduced a number of other initiatives this year including; enhancements to our coupon offerings, an express delivery service, Apple Pay and a suite of AI tools to optimise product data management. Ensuring our customers always have the best possible access to online as well as bricks and mortar is an important driver for us."

As expected, gross margin percentage declined for the period from 42.40% to 40.37%. Rod Duke said, "Like all retailers we faced margin pressure from a number of factors as the impacts of the ongoing economic downturn continued to be felt. Whilst we expect margin pressure to be continue, including from a weaker New Zealand dollar, our goal this year is to at least stabilise Group gross profit margin % and we have a number of initiatives to assist with this. These include; lower levels of clearance product, the introduction of deeper analysis of promotion planning and monitoring, and the implementation of a new merchandise planning tool (*Impact Analytics*) which will improve the quality of product purchasing and sell-through. As previously highlighted, this year's gross profit margin percentage still represents a 94-basis point improvement on the Group's margin produced for the year immediately prior to covid (year-ended January 2020).

"Cost control continues to be an integral part of managing the business and the year has closed with the total of store and overhead costs only 1.11% higher than the previous year. This is a significant achievement considering the 6% wage rate increase for our in-store hourly-paid team made in May 2024 as well as substantial increases absorbed throughout the business including for power, occupancy, warehousing and IT.

"The Group's full-year result was negatively impacted from KMD Brands Limited's decision to not pay any dividends during the year. Last year the Group received $2.9 million (pre-tax) from its investment in KMD Brands.

Inventories totaled $99.7 million at year-end, $5.2 million below the $104.9 million reported for last year. Rod Duke said, "Inventory management remains a key focus for us and despite intense sales pressure the team has improved both stockturn and the quality of closing inventory. We're happy with the inventory we are currently holding but realise continued inventory improvements will be critical in enabling us to deliver future sales and margin growth. With the introduction of *Impact analytics* and further inventory optimisation across categories, we have set a goal to further reduce inventory levels by the end of this financial year. Control of inventory continues to be a key factor of our performance."

The Group's balance sheet remains strong, with cash and bank balances of $142.4 million as at 26 January 2025 and no term debt. Approximately $30 million of creditor payments included in the trade payables balance were subsequently paid on or before 31 January 2025. Rod Duke said, "With the significant investment the Group will make across the next 18 months in establishing the new distribution centre, combined with the seasonality of our operational cashflow, the Group expects to establish a funding facility for initial utilisation during the second half of this year."

During the year $58.2 million of capital investment was made by the Group of which $40.0 million represents expenditure in relation to the new distribution centre project at South Auckland, including purchase of land and preliminary payments in relation to building construction and automation contracts. The roll-out of electronic labelling throughout the Group network accounted for around a further $10.0 million of capex with the balance of capital investment being for store refurbishments, store essential expenditure and enhancements to system software and hardware.

The Group progressed a number of store development projects during the year. Rod Duke said, "As reported at half year, refurbishments were completed at both Rebel Sport and Briscoes Homeware stores in Invercargill and then the Briscoes Homeware store at Hornby was subsequently refurbished during the second half.

"The successful rollout of electronic labelling across the store network was a significant achievement for the team and we believe it is already producing positive results in relation to incremental sales, improved in-store standards and clarity of pricing for customers.

"We are also very excited about the progress made during the year in relation to the design of new flagship stores for both Briscoes Homeware and Rebel Sport. We are thrilled with the work done and the potential to be unlocked by these next generation stores which we hope to deliver by the end of this financial year. We believe these new formats will revitalise the look and consolidate the relevancy of our value proposition.

"Significant progress has been made during the year in relation to establishing the new distribution centre in South Auckland. A key milestone was the implementation during the first half of the year of a new Warehouse management System – *Manhattan.* This has enabled the team to upskill before transitioning to the new facility when it becomes operational towards the end of 2026. Earthworks are now well underway, and the shell of the new complex should begin to take shape towards the end of this current first half.

"At a time when other companies may very well be looking to refrain or defer significant strategic expenditure, we remain committed to investing in the Group's future through a number of both current and new initiatives including; the new distribution centre which, when operational, will transform our ability to control the flow of inventory right across our network, the new online platforms which will step-change the way we manage and present our online offering, the launch of new flagship stores, and our new merchandise planning tool which will provide us a level of analysis and ordering capability that we have not had before.

"Looking forward we do not underestimate just how tough trading will continue to be with the first half expected to be especially challenging. We expect this will see second half profitability exceed that produced for the first half in a return to a more noramlised shape of profitability. We are hopeful that the economic recovery will gradually emerge as the year continues, which will assist us to achieve our goal of protecting this year's level of profitability.

"Looking further out we are excited about the benefits and profit growth potential from the initiatives already mentioned which we believe will drive growth across the next three to four years."

Group Chair Dame Rosanne Meo said, "On behalf of the Board I would like to acknowledge the outstanding work done by the entire Briscoe Group team. They continue to weather the most challenging retail environment we have seen for many years but collectively continue to produce some of the finest results delivered across New Zealand retail."

Wednesday 12 March 2025

Contact for enquiries:

Rod Duke
Group Managing Director
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Briscoe Group Limited is a company incorporated in New Zealand and registered in Australia as a foreign company under the name Briscoe Group Australasia Limited (ARBN 619 060 552). It is listed on the NZX Main Board and also the Australian Securities Exchange as a foreign exempt entity. (NZX/ASX code: BGP).

Briscoe Group Limited

Consolidated Financial Statements

For the 52-week period ended 26 January 2025

Introduction and Table of Contents

For the 52-week period ended 26 January 2025

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 shaded areas for easier identification.

Briscoe Group Limited
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For the 52-week period ended 26 January 2025

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Consolidated Financial Statements

Notes to the Consolidated Financial Statements:

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For the 52-week period ended 26 January 2025

Briscoe Group Limited

Directors' Approval of Consolidated Financial Statements

For the 52-week period ended 26 January 2025

Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Financial Statements on 11 March 2025.

Approval by Directors

The Directors are pleased to present the Consolidated Financial Statements for Briscoe Group Limited for the 52-week period ended 26 January 2025. (Comparative period is for the 52-week period ended 28 January 2024).

Dame Rosanne Meo
CHAIR

Rod Duke
GROUP MANAGING DIRECTOR

11 March 2025

For and on behalf of the Board of Directors

Briscoe Group Limited

Consolidated Income Statement

For the 52-week period ended 26 January 2025

	Notes	**Period ended 26 January 2025 $000**	Period ended 28 January 2024 $000
Sales revenue		**791,469**	791,953
Cost of goods sold		**(471,928)**	(456,191)
Gross profit		**319,541**	335,762
Other operating income	2.2	**275**	3,574
Store expenses		**(124,231)**	(123,899)
Administration expenses		**(91,184)**	(89,141)
Earnings before interest and tax		**104,401**	126,296
Finance income		**6,127**	6,209
Finance cost		**(15,451)**	(15,224)
Net finance cost	5.1	**(9,324)**	(9,015)
Profit before income tax		**95,077**	117,281
Income tax expense	2.3.1	**(34,443)**	(33,060)
Net profit attributable to shareholders		**60,634**	84,221

Earnings per share for profit attributable to shareholders:

Basic earnings per share (cents)	2.4	**27.2**	37.8
Diluted earnings per share (cents)	2.4	**27.2**	37.8

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

Briscoe Group Limited

Consolidated Statement of Comprehensive Income

For the 52-week period ended 26 January 2025

	Notes	**Period ended 26 January 2025 $000**	Period ended 28 January 2024 $000
Net Profit attributable to shareholders		**60,634**	84,221
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Change in value of investment in equity securities	4.1	**(14,643)**	(15,842)
Items that may be subsequently reclassified to profit or loss:			
Fair value gain taken to the cashflow hedge reserve		**4,454**	6,196
Deferred tax on fair value gain taken to cashflow hedge reserve	2.3.2	**(1,247)**	(1,735)
Total other comprehensive income/(loss)		**(11,436)**	(11,381)
Total comprehensive income attributable to shareholders		**49,198**	72,840

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

Briscoe Group Limited

Consolidated Balance Sheet

As at 26 January 2025

	Notes	**As at 26 January 2025 $000**	As at 28 January 2024 $000
ASSETS			
Current assets			
Cash and cash equivalents	3.1.1	**142,401**	175,441
Trade and other receivables	3.1.2	**6,830**	7,738
Inventories	3.1.3	**99,696**	104,868
Derivative financial instruments	5.2.5	**3,058**	548
Total current assets		**251,985**	288,595
Non-current assets			
Property, plant and equipment	3.2	**177,520**	132,810
Intangible assets	3.3	**2,329**	2,078
Right-of-use assets	3.4.1	**230,263**	245,318
Deferred tax	2.3.2	**9,990**	17,309
Investment in equity securities	4.1	**20,403**	35,046
Total non-current assets		**440,505**	432,561
TOTAL ASSETS		**692,490**	721,156
LIABILITIES			
Current liabilities			
Trade and other payables	3.1.4	**109,301**	106,292
Lease liabilities	3.4.3	**20,674**	19,850
Taxation payable	2.3.2	**5,247**	8,316
Derivative financial instruments	5.2.5	**34**	259
Total current liabilities		**135,256**	134,717
Non-current liabilities			
Trade and other payables	3.1.4	**1,411**	1,241
Lease liabilities	3.4.3	**256,028**	269,330
Total non-current liabilities		**257,439**	270,571
TOTAL LIABILITIES		**392,695**	405,288
NET ASSETS		**299,795**	315,868
EQUITY			
Share capital	5.3.2	**62,435**	62,344
Cashflow hedge reserve	5.2.5	**2,250**	250
Equity-based remuneration reserve	6.2.2	**925**	701
Other reserves	5.3.4	**(67,450)**	(52,807)
Retained earnings		**301,635**	305,380
TOTAL EQUITY		**299,795**	315,868

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

Briscoe Group Limited
Consolidated Statement of Cash Flows
For the 52-week period ended 26 January 2025

	Notes	**Period ended 26 January 2025 $000**	Period ended 28 January 2024 $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**791,496**	792,313
Rent received		**155**	105
Dividends received		**6**	2,885
Interest received		**6,936**	5,484
Insurance recovery		**114**	110
		798,707	800,897
Cash was applied to			
Payments to suppliers		**(521,507)**	(492,773)
Payments to employees		**(104,000)**	(95,016)
Interest paid		**(15,451)**	(15,224)
Net GST paid		**(17,125)**	(36,958)
Income tax paid		**(30,922)**	(37,620)
		(689,005)	(677,591)
Net cash inflows from operating activities		**109,702**	123,306
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**49**	16
		49	16
Cash was applied to			
Purchase of property, plant and equipment	3.2	**(56,466)**	(13,582)
Purchase of intangible assets		**(1,695)**	(1,477)
Investment in equity securities	4.1	**-**	-
		(58,161)	(15,059)
Net cash outflows from investing activities		**(58,112)**	(15,043)
FINANCING ACTIVITIES			
Cash was applied to			
Dividends paid	5.3.3	**(64,609)**	(63,488)
Lease liability payments		**(20,064)**	(19,389)
		(84,673)	(82,877)
Net cash outflows from financing activities		**(84,673)**	(82,877)
Net (decrease)/increase in cash and cash equivalents		**(33,083)**	25,386
Cash and cash equivalents at beginning of period		**175,441**	149,874
Effect of exchange rate changes on cash and cash equivalents		**43**	181
Cash and cash equivalents at period end	3.1.1	**142,401**	175,441

Consolidated Statement of Cash Flows (continued)

For the 52-week period ended 26 January 2025

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

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Reported net profit attributable to shareholders	**60,634**	84,221
Items not involving cash flows		
Depreciation and amortisation expense	**35,798**	34,835
Deferred tax adjustment	**7,374**	-
Bad debts and movement in doubtful debts	**(79)**	(44)
Inventory adjustments	**(2,607)**	(1,342)
Amortisation of equity-based remuneration	**497**	391
Loss on disposal/surrender of assets	**6**	62
	40,989	33,902
Impact of changes in working capital items		
Decrease/(increase) in trade and other receivables	**987**	(1,510)
Decrease in inventories	**7,779**	14,266
Decrease in taxation payable	**(3,069)**	(2,992)
Increase/(decrease) in trade payables	**1,233**	(4,767)
Increase in other payables and accruals	**1,149**	186
	8,079	5,183
Net cash inflow from operating activities	**109,702**	123,306

NET DEBT RECONCILIATION

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Cash and cash equivalents at period end	**142,401**	175,441
Lease liabilities		
Opening value	**(289,180)**	(284,969)
Cash flows	**20,064**	19,389
Lease acquisitions	**(7,586)**	(27,273)
Lease surrenders	**-**	3,673
Total lease liabilities at period end	**(276,702)**	(289,180)
Net debt reconciliation	**(134,301)**	(113,739)

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

Briscoe Group Limited

Consolidated Statement of Changes in Equity

For the 52-week period ended 26 January 2025

	Notes	Share Capital $000	Cashflow Hedge Reserve $000	Equity-Based Remuneration Reserve $000	Other Reserves $000	Retained Earnings $000	Total Equity $000
Balance at 29 January 2023		62,136	(1,869)	575	(36,965)	284,647	308,524
Transfer of hedging gains/losses upon settlement of forward contracts net of tax		-	(2,342)	-	-	-	(2,342)
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 gains taken through cashflow hedge reserve		-	4,461	-	-	-	4,461
Total comprehensive (loss)/income for the period		-	4,461	-	(15,842)	84,221	72,840
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
Transfers of hedging gains/losses upon settlement of forward contracts net of tax		-	(1,207)	-	-	-	(1,207)
Net profit attributable to shareholders for the period		**-**	**-**	**-**	**-**	**60,634**	**60,634**
Other comprehensive income:							
Change in value of investment in equity securities	4.1	**-**	**-**	**-**	**(14,643)**	**-**	**(14,643)**
Net fair value gains taken through cashflow hedge reserve		**-**	**3,207**	**-**	**-**	**-**	**3,207**
Total comprehensive (loss)/income for the period		**-**	**3,207**	**-**	**(14,643)**	**60,634**	**49,198**
Transactions with owners:							
Dividends paid	5.3.3	**-**	**-**	**-**	**-**	**(64,609)**	**(64,609)**
Performance rights charged to income statement	6.2.1	**-**	**-**	**497**	**-**	**-**	**497**
Performance rights vested	5.3.2/6.2	**91**	**-**	**(91)**	**-**	**-**	**-**
Performance rights forfeited	6.2.2	**-**	**-**	**(230)**	**-**	**230**	**-**
Deferred tax on equity-based remuneration	2.3.2/6.2.2	**-**	**-**	**48**	**-**	**-**	**48**
Balance at 26 January 2025		**62,435**	**2,250**	**925**	**(67,450)**	**301,635**	**299,795**

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

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 11 March 2025. Certain comparative balances have been amended for consistency with the treatment in the 26 January 2025 consolidated financial statements, refer to note 5.2.5 for further details.

1.2 Material 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 29 January 2024 to 26 January 2025 and provide a balance sheet as at 26 January 2025. The comparative period is in respect of the 52-week period 30 January 2023 to 28 January 2024. The Group operates on a weekly trading and reporting cycle resulting in 52 weeks for most years with a 53-week 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

1. Basis of Preparation

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.

Subsidiaries	Activity	2025 Interest	2024 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	Key estimates
Inventories	3.1.3	Inventory provision
Leases	3.4	Incremental borrowing rate

Climate related risks

The Group monitors its exposure to Climate-related risks and reviews its Climate-related risk assessment annually. As part of this annual 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

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 26 January 2025

	Homeware	Sporting goods	Eliminations/ Unallocated	Total Group
	$000	$000	$000	$000
INCOME STATEMENT				
Sales revenue	489,810	301,659	-	791,469
Cost of goods sold	(293,980)	(177,948)	-	(471,928)
Gross profit	195,830	123,711	-	319,541
Earnings before interest and tax	56,529	44,229	3,643	104,401
Finance income	1,121	4,239	767	6,127
Finance cost	(10,271)	(5,177)	(3)	(15,451)
Net finance costs	(9,150)	(938)	764	(9,324)
Income tax expense	(20,944)	(12,133)	(1,366)	(34,443)
Net profit after tax	26,435	31,158	3,041	60,634
BALANCE SHEET ITEMS:				
Assets	396,548	266,135	29,807[1.]	692,490
Liabilities	264,082	142,631	(14,018)	392,695

2. Performance

OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	**53,106**	**5,055**	**-**	**58,161**
Depreciation and amortisation expense	**23,022**	**12,776**	**-**	**35,798**

	$000
1. Investment in equity securities	*23,187*
Intercompany eliminations	*(22,650)*
Other balances	*29,270*
	29,807

For the period ended 28 January 2024

	Homeware $000	Sporting goods $000	Eliminations/ Unallocated $000	Total Group $000
INCOME STATEMENT				
Sales revenue	490,116	301,837	-	791,953
Cost of goods sold	(279,034)	(177,157)	-	(456,191)
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 cost	(10,178)	(5,043)	(3)	(15,224)
Net finance costs	(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

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 straight-line 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 26 January 2025 $000	Period ended 28 January 2024 $000
Income		
Rental income	**155**	105
Dividends received	**6**	2,885
Insurance recovery	**114**	110
Gain on lease surrender	**-**	474
Expenses		
Depreciation of property, plant and equipment	**11,713**	10,985
Amortisation of software costs	**1,444**	1,393
Depreciation of right-of-use assets	**22,641**	22,457
Interest on leases	**15,448**	15,220
Operating lease rental expense	**37**	56
Wages, salaries and other short-term benefits	**97,399**	99,133
Equity-based remuneration (refer also Note 6.2)	**497**	391
Amounts paid to auditors:		
Statutory Audit	**165**	156
Half year review	**55**	47

2. Performance
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 26 January 2025 $000	Period ended 28 January 2024 $000
(a) Income tax expense		
Current tax expense:		
Current tax	**26,887**	33,383
Adjustments for prior periods	**967**	1,245
	27,854	34,628
Deferred tax expense:		
Decrease/(increase) in future tax benefit current period	**161**	(309)
Tax effect of legislative changes[1.]	**7,374**	-
Adjustments for prior periods	**(946)**	(1,259)
	6,589	(1,568)
Total income tax expense	**34,443**	33,060

2. Performance

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
(b) Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	**95,077**	117,281
Tax at the corporate rate of 28% (2024: 28%)	**26,622**	32,839
Tax effect of amounts which are either non-deductible or non-assessable in calculating taxable income:	**426**	235
Tax effect of legislative changes[1.]	**7,374**	-
Prior period adjustments	**21**	(14)
Total income tax expense	**34,443**	33,060

1. During the year, the New Zealand government passed legislation to remove commercial building depreciation for tax purposes. As a result of the legislation change, the deferred tax liabilities have increased by $7,373,537 with a corresponding increase in tax expense of $7,373,537 as the tax base of the Company's buildings has reduced to nil.

The Group has no tax losses (2024: Nil) and no unrecognised temporary differences (2024: 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 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)	911	-	-	854
Recognised in other comprehensive income	-	-	(1,735)	-	-	(1,735)
At 28 January 2024	372	4,753	(97)	(68,689)	80,970	17,309
Recognised in the income statement	**(7,007)**	**(304)**	**-**	**4,215**	**(3,493)**	**(6,589)**
Recognisd in equity	**-**	**48**	**469**	**-**	**-**	**517**
Recognised in other comprehensive income	**-**	**-**	**(1,247)**	**-**	**-**	**(1,247)**
At 26 January 2025	**(6,635)**	**4,497**	**(875)**	**(64,474)**	**77,477**	**9,990**

2. Performance

(b) Taxation payable

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

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Movements:		
Balance at beginning of period	**(8,316)**	(11,308)
Current tax	**(27,854)**	(34,628)
Tax paid	**30,488**	37,195
Foreign investor tax credit (FITC)	**435**	425
Balance at end of period	**(5,247)**	(8,316)

2.3.3 Imputation credits

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Imputation credits available for use in subsequent accounting periods	**145,980**	142,436

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. Performance

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 26 January 2025	Period ended 28 January 2024
Net profit attributable to shareholders $000	**60,634**	84,221
Basic		
Weighted average number of ordinary shares on issue (thousands)	**222,787**	222,756
Basic earnings per share	**27.2 cents**	37.8 cents
Diluted		
Weighted average number of ordinary shares on issue adjusted for performance rights issued but not exercised (thousands)	**223,208**	223,070
Diluted earnings per share	**27.2 cents**	37.8 cents

3. Operating Assets and Liabilities

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 26 January 2025 $000	Period ended 28 January 2024 $000
Cash at bank or on hand	**142,401**	175,441

As at 26 January 2025 the Group held foreign currency equivalent to NZ$1.473 million (2024: NZ$1.820 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. All rebates are deducted from the cost of inventory. 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 26 January 2025 $000	Period ended 28 January 2024 $000
Trade receivables	**1,645**	1,502
Prepayments	**3,242**	3,268
Other receivables	**1,943**	2,968
Total trade and other receivables	**6,830**	7,738

No interest is charged on trade receivables.

3. Operating Assets and Liabilities

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.

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 26 January 2025 $000	Period ended 28 January 2024 $000
Finished goods	**103,992**	110,293
Inventory provisions and adjustments	**(4,296)**	(5,425)
Net inventories	**99,696**	104,868

During the period the Group recognised $459.6 million (2024: $445.9 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 non-monetary 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 non-accumulating 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.

3. Operating Assets and Liabilities

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.

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Trade payables	**67,175**	65,942
Employee entitlements	**12,444**	19,045
Other payables and accruals	**30,926**	22,404
Provisions	**167**	142
Total trade and other payables	**110,712**	107,533

Shown in balance sheet as:		
Current liabilities	**109,301**	106,292
Non-current liabilities	**1,411**	1,241
Total trade and other payables	**110,712**	107,533

3. Operating Assets and Liabilities

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

	Land and buildings $000	Plant and equipment $000	Total $000
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
Period ended 26 January 2025			
Opening net book value	**96,374**	**36,436**	**132,810**
Additions	**31,963**	**24,503**	**56,466**
Disposals	**-**	**(43)**	**(43)**
Depreciation charge	**(2,937)**	**(8,776)**	**(11,713)**
Closing net book value	**125,400**	**52,120**	**177,520**
At 26 January 2025			
Cost	**143,460**	**124,213**	**267,673**
Accumulated depreciation	**(18,060)**	**(72,093)**	**(90,153)**
Net book value	**125,400**	**52,120**	**177,520**

Capital commitments	**Period ended 26 January 2025 $000**	Period ended 28 January 2024 $000
Capital commitments in relation to property, plant and equipment at balance date not provided for in the financial statements	**61,190**[1.]	11,419

1. $60.4 million in relation to the construction and automation of the Group's new distribution centre at Drury, South Auckland.

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

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 which reflects the terms of the lease and the type of asset leased.

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 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
Period ended 26 January 2025	
Opening carrying amount	**245,318**
Additions	**7,586**
Surrender	**-**
Depreciation for the period	**(22,641)**
Closing carrying amount	**230,263**
At 26 January 2025	
Cost	**357,977**
Accumulated depreciation	**(127,714)**
Carrying amount	**230,263**

3. Operating Assets and Liabilities

3.4.2 Lease liabilities:

	As at 26 January 2025 $000	As at 28 January 2024 $000
Opening value	**289,180**	284,969
Additions	**7,586**	27,273
Surrender	**-**	(3,673)
Interest for the period	**15,448**	15,220
Lease payments made	**(35,512)**	(34,609)
Total lease liabilities	**276,702**	289,180

3.4.3 Lease liabilities maturity analysis:

	Minimum lease payments $000	Interest $000	Present value $000
Within one year	35,488	(14,814)	20,674
One to five years	134,098	(48,359)	85,739
Beyond five years	229,725	(59,436)	170,289
Total	399,311	(122,609)	276,702
Current			20,674
Non-current			256,028
Total			276,702

3.4.4 Lease related expenses included in the income statement:

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Depreciation	**22,641**	22,457
Short-term leases	**37**	56
Interest on leases	**15,448**	15,220
Total	**38,126**	37,733

3.4.5 Lease payments included in the cashflow statement:

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Total cash outflow in relation to leases	**35,512**	34,609

4. Investments

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 26 January 2025.

These shares are equity investments, quoted in the active market, which the Group has elected to designate as a financial asset at fair value through other comprehensive income (FVOCI). An adjustment was made at period end to reflect the fair value of these shares as at 26 January 2025[1].

	$000
At 29 January 2023	50,888
Additions	-
Change in fair value credited to other reserves	(15,842)
At 28 January 2024	35,046
Additions	**-**
Change in fair value credited to other reserves	**(14,643)**
At 26 January 2025	**20,403**

1. Fair value determined to be $0.425 per share as per NZX closing price of KMD Brands Limited as at 24 January 2025 (2024: $0.73) (Level 1 in the fair value hierarchy).

5. Financing and Capital Structure

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 26 January 2025 (2024: Nil).

Net finance cost

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Interest income	**6,127**	6,209
Interest expense - leases	**(15,448)**	(15,220)
Other finance cost	**(3)**	(4)
Net finance cost	**(9,324)**	(9,015)

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.

5. Financing and Capital Structure

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 the cash flow hedge reserve and included in the measurement of the initial cost or carrying amount of the asset or liability.

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.

5. Financing and Capital Structure

The table below 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.

As at 26 January 2025

	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	**(83,299)**	**-**	**-**	**-**	**(83,299)**	**(83,299)**
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	**(28,352)**	**(12,141)**	**(2,070)**	**(4,621)**	**(47,184)**	
- inflow	**30,142**	**13,106**	**2,180**	**4,780**	**50,208**	
- Net	**1,790**	**965**	**110**	**159**	**3,024**	**3,024**

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

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

5. Financing and Capital Structure

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.

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 26 January 2025 $000	Period ended 28 January 2024 $000
Current assets		
Forward foreign exchange contracts	**3,058**	548
Total current derivative financial instrument assets	**3,058**	548
Current liabilities		
Forward foreign exchange contracts	**34**	259
Total current derivative financial instrument liabilities	**34**	259

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.

5. Financing and Capital Structure

At balance date these contracts are represented by assets of $3,058,284 (2024: $548,213) and liabilities of $34,190 (2024: $259,377) and together are included in equity as part of the cash flow hedge reserve, net of deferred tax, as a net gain of $2,177,347 (2024: net gain $207,962). 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 $72,568 (2024: net gain of $41,557). The total of these net gains and losses amount to a net gain of $2,249,915 (2024: net gain of $249,519).

Other comprehensive income reported in the consolidated statement of comprehensive income for the year ended 28 January 2024 has been amended to remove the component of cash flow hedge reserve which represented transfers of hedging gains/losses upon settlement of forward contracts net of tax as separately disclosed in the statement of changes in equity ($2,341,903). The change is limited to the statement of changes in equity and other comprehensive income and has no impact on profit, cash flow or the balance sheet of the Group.

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 (2024: 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 -7.5% / +7.5% (2024: -5% / +10%) in the NZD against the USD, from the period-end rate of 0.5703 (2024: 0.6106),
- A shift of -7.5% / +7.5% (2024: N/A) in the NZD against the EUR, from the period-end rate of 0.54559 (2024: N/A),
- A shift of -1.25% / +0.25% (2024: -0.25% / +0.25%) in market interest rates from the period-end weighted average deposit rate of 4.56% (2024: 5.73%),
- A shift of -10% / +20% (2024: -30% / +10%) in the NZX share price of KMD Brands Limited (formerly Kathmandu Holdings Ltd) from the period-end closing share price of $0.425 (2024: $0.73).

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

As at 26 January 2025

		Interest rate				Foreign exchange rate		Equity price	
	Carrying	-1.25%		+0.25%		-7.5%	+7.5%	-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.]	**142,401**	**(1,268)**	**(1,268)**	**254**	**254**	**85**	**(73)**	**-**	**-**
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**3,058**	**-**	**-**	**-**	**-**	**2,701**	**(2,321)**	**-**	**-**
Investment in equity securities[3.]	**20,403**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,040)**	**4,081**
Financial Liabilities:									
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**34**	**-**	**-**	**-**	**-**	**227**	**(200)**	**-**	**-**
Total increase / (decrease)		**(1,268)**	**(1,268)**	**254**	**254**	**3,013**	**(2,594)**	**(2,040)**	**4,081**

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 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.

5. Financing and Capital Structure

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.*

5.3 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 26 January 2025 Shares	Period ended 28 January 2024 Shares	**Period ended 26 January 2025 $000**	Period ended 28 January 2024 $000
Opening ordinary shares	**222,765,778**	222,645,586	**62,344**	62,136
Issue of ordinary shares arising from the vesting of performance rights	**24,234**	120,192	**91**[1.]	208[1.]
Balance at end of period	**222,790,012**	222,765,778	**62,435**	62,344

1. *When performance rights vest, the amount in the equity-based remuneration reserve relating to those performance rights vested is transferred to share capital. The amount transferred for the 24,234 shares issued during the period ended 26 January 2025 was $90,992 (2024: $207,634 for the 120,192 shares issued).*

5. Financing and Capital Structure

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 26 January 2025 Cents per share	Period ended 28 January 2024 Cents per share	**Period ended 26 January 2025 $000**	Period ended 28 January 2024 $000
Interim dividend for the period ended 26 January 2025	**12.50**	-	**27,849**	-
Final dividend for the period ended 28 January 2024	**16.50**	-	**36,760**	-
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
	29.00	28.50	**64,609**	63,488

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 $434,936 (2024: $424,981) were provided to shareholders not tax resident in New Zealand, for which the Group received a Foreign Investor Tax Credit entitlement.

On 11 March 2025 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 26 January 2025. The dividend will be paid at a rate of 10.0 cents per share for all shares on issue as at 20 March 2025, 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

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 $732,500 (2024: $722,897) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport). The remaining non-cancellable term of this lease is 1.2 years (2024: 2.2 years) with a payment commitment of $854,583 (2024: $1,587,083).

- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments of $600,634 (2024: $600,634) 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 7.6 years (2024: 8.6 years) with a payment commitment of $5,033,296 (2024: $5,633,930).

- Kein Geld Westgate Limited, an entity associated with RA Duke, forms part of an unincorporated joint venture known as Westgate Lifestyle Centre Joint Venture. The joint venture owns Westgate Lifestyle Shopping Centre at Westgate, Auckland, which includes the Briscoes Homeware and Rebel Sport premises. Rental payments of $565,144 (2024: $423,858) were received under an agreement to lease premises to Briscoes (NZ) Limited. The remaining non-cancellable term of this lease is 0.3 years (2024: 1.3 years) with a payment commitment of $141,286 (2024: $706,431). The joint venture also received rental payments of $301,253 (2024: $225,939) under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport). The remaining non-cancellable term of this lease is 0.3 years (2024: 1.3 years) with a payment commitment of $75,313 (2024: $376,566).

- The RA Duke Trust (including RA Duke Limited) received dividends of $49,754,251 (2024: $48,896,419).

- P Duke, spouse of RA Duke, received payments of $65,000 (2024: $65,000) in relation to her employment as an overseas buying specialist with Briscoe Group Limited, and rental payments of $968,512 (2024: $968,512) 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 6.3 years (2024: 7.3 years) with a payment commitment of $6,343,751 (2024: $7,312,263).

6. Other Notes

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 26 January 2025 $000	Period ended 28 January 2024 $000
Salaries and other short-term employee benefits	**3,857**	4,852
Equity-based remuneration	**497**	240
Directors' fees	**433**	400
Total benefits	**4,787**	5,492

Key management did not receive any termination benefits during the period (2024: Nil).
Key management did not receive and are not entitled to receive any post-employment or long-term benefits (2024: Nil).
Executives (excluding directors) included in key management received dividends of $323,709 (2024: $304,524) in relation to Briscoe Group shares held.

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 26 January 2025		Period ended 28 January 2024	
	Directors' fees $000	**Dividends $000**	Directors' fees $000	Dividends $000
Executive Director				
RA Duke	**-**	**-**	-	-
Non-Executive Directors				
RPO'L Meo	**163**	**-**	154	-
AD Batterton	**92**	**-**	82	-
RAB Coupe	**91**	**3**	87	3
HJM Callaghan	**87**	**-**	77	-
	433	**3**	400	3

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

	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Executive Director		
RA Duke	**49,754**	48,896
Non-Executive Directors		
RPO'L Meo	**29**	29
AD Batterton	**8**	6
RAB Coupe	-	-
HJM Callaghan	-	-

6. Other Notes

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 seventh tranche of performance rights were issued under this programme during the period.

Performance rights movements during the period 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)
4	15 Jun 2021	74,562	-	(24,234)	(50,328)	-
5	5 Aug 2022	125,977	-	-	(14,619)	111,358
6	3 Aug 2023	206,445	-	-	(21,563)	184,882
7	22 Oct 2024	-	298,135	-	-	298,135
		406,984	298,135	(24,234)	(86,510)	594,375

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
5	5 Aug 2022	50%	50%
6	3 Aug 2023	50%	50%
7	22 Oct 2024	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 5	Tranche 6	Tranche 7
0%	< 5.7% CAGR	< 10.8% CAGR	< 9.0% CAGR
1% - 99% (Straight-line prorata)			=>9.0%, < 11.0% CAGR
50%	= 5.7% CAGR	= 10.8% CAGR	
51% - 99% (Straight-line prorata)	> 5.7%, < 6.7% CAGR	> 10.8%, < 11.8% CAGR	
100%	=> 6.7% CAGR	=> 11.8% CAGR	=> 11.0% CAGR

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6. Other Notes

The TSR performance is calculated across the following periods:

Tranche	Performance Period
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
7	Announcement date of FY 2023/24 Result to announcement date of FY 2026/27 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 5	Tranche 6	Tranche 7
Fair value of TSR performance rights	$143,287	$144,305	$354,483
Current price at grant date	$5.56	$4.68	$5.06
Risk free interest rate	3.54%	5.22%	4.18%
Expected life (years)	2.75	2.62	2.40
Expected share volatility[1.]	24%	22%	22%

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

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 5	Tranche 6	Tranche 7
0%	< 1.1% CAGR	< -1.9% CAGR	< 1.0% CAGR
1% - 99% (Straight-line prorata)			=>1.0%, < 4.0% CAGR
50%	= 1.1% CAGR	= -1.9% CAGR	
51% - 99% (Straight-line prorata)	> 1.1%, < 2.6% CAGR	> -1.9%, < 0.4% CAGR	
100%	=> 2.6% CAGR	=> 0.4% CAGR	=> 4.0% CAGR

The EPS performance is calculated across the following periods:

Tranche	Performance period
5	FY 2024/25 EPS relative to FY 2021/22 EPS
6	FY 2025/26 EPS relative to FY 2022/23 EPS
7	FY 2026/27 EPS relative to FY 2023/24 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 $4.89, $4.00 and $4.48 for tranche 5, tranche 6 and tranche 7, respectively.

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

6. Other Notes

from grant date.

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 $496,627 (2024: $390,873) in relation to performance rights.

6.2.2 Equity-based remuneration reserve	Period ended 26 January 2025 $000	Period ended 28 January 2024 $000
Balance at beginning of period	**701**	575
Current period amortisation	**497**	391
Performance rights vested transferred to share capital	**(91)**	(208)
Performance rights lapsed/forfeited	**(230)**	-
Deferred tax on performance rights	**48**	(57)
Balance at end of period	**925**	701

6.3 Events After Balance Date

On 11 March 2025 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 26 January 2025. The dividend will be paid at a rate of 10.0 cents per share for all shares on issue as at 20 March 2025, with full imputation credits attached (Note 5.3.3).

6.4 New Accounting Standards

The Group has applied the following standards and amendments for the first time in the preparation of these consolidated financial statements.

- FRS-44 amendment - Disclosure of fees for audit firms' services.
- IFRS Interpretations Committee agenda decision July 2024 - Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8).

The amendments listed above did not have any impact on the amounts recognised in the financial statements, however the IFRS Interpretations Committee agenda decision required the Group to provide enhanced segment disclosures.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 26 January 2025 reporting period and have not been early adopted by the Group. Other than NZ IFRS 18 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.

NZ IFRS 18: Presentation and Disclosure in Financial Statements will be effective for annual reporting periods beginning on or after 1 January 2027. This new standard, which is mandatory for the Group in the 2028 financial year, is expected to change the presentation of the Group's consolidated income statement. The Group will disclose more information in the future when a full assessment of the impact of the standard has been completed.

Independent auditor's report

To the shareholders of Briscoe Group Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the 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 26 January 2025, 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 financial statements comprise:

- the consolidated balance sheet as at 26 January 2025;
- 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 financial statements, comprising 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 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 financial statements of the current year. These matters were addressed in the context of our audit of the 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 26 January 2025, the Group held inventories of $99.7 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 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: $4.75 million, 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 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 financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the 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 the aggregate, on the 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 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 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

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 John (Jolly) Morgan.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers
11 March 2025

Auckland