BRISCOE GROUP LIMITED

RETAIL IS OUR WORLD.

Briscoe Group Limited

Annual Report 2025

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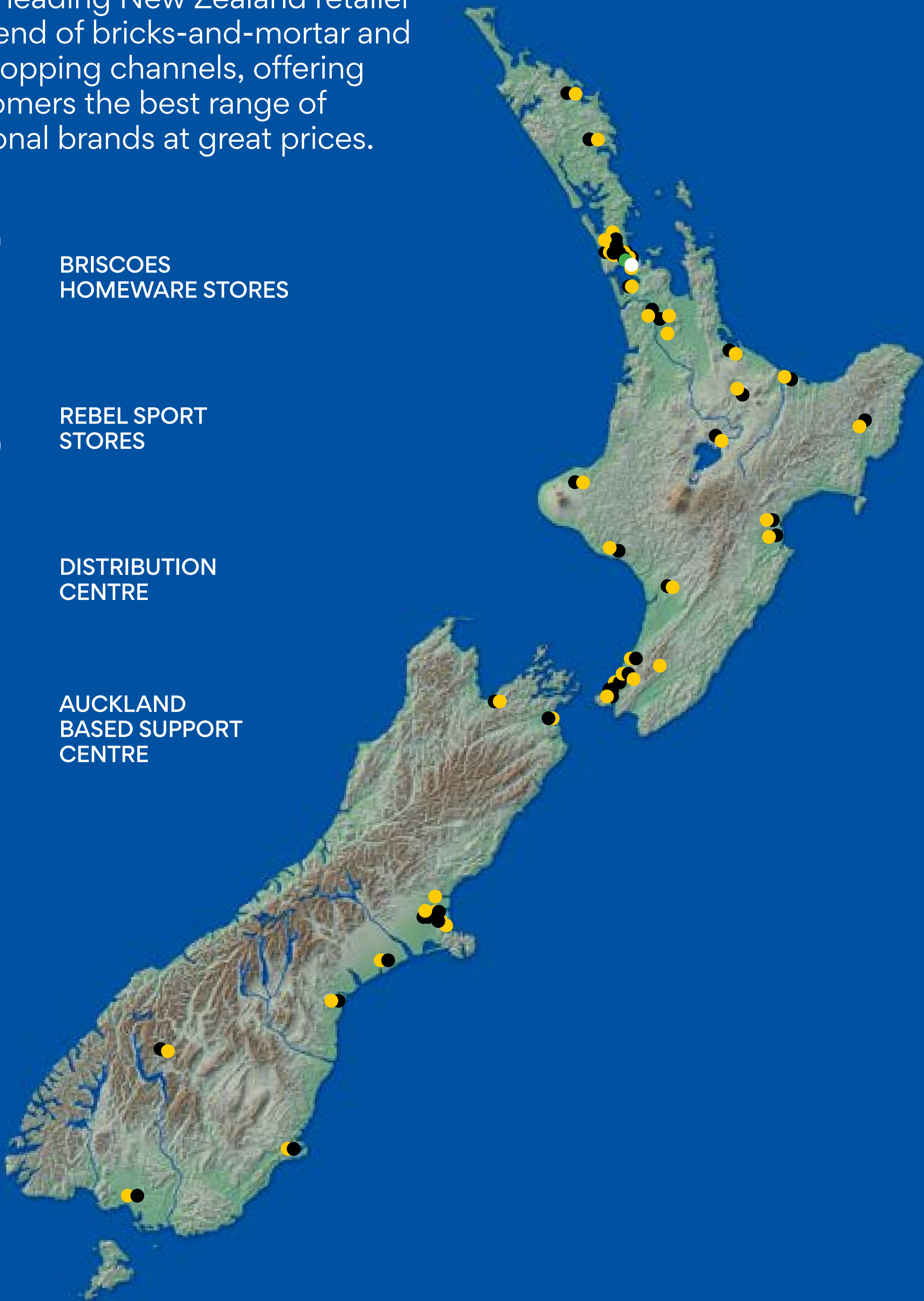
At a glance

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



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Board of Directors' Report

Our last year has been both exciting and demanding but we are pleased to report that our ongoing programme to drive a leading, innovative and competitive retail operation has made significant progress.

We continued to invest in our people, in our product and service offering, and in the back-room and support functions that power them.

As consumers we know that our own needs and demands are constantly evolving. Our expectations as to delivery times, pricing and range offerings to name just a few, are radically more advanced than five years ago.

To match these challenging demands successful retailers can never stand still. Our teams are constantly reviewing the strategic retail landscape, taking account of global trends but ensuring there is a local lens and an understanding of the Aotearoa New Zealand customer. We continue to recognise that omnichannel capability is a must – the speed of technological change, social factors and the evolving needs and preferences of consumers, reinforces this. In New Zealand, recent data released by NZ Post states the average share attributable to online in comparison to physical stores is 11%. In the United States it's 15% - both these statistics reinforce the Group's online strength with a mix of 19.7%.

Customers who browse online and shop instore today can, and do, reverse that behaviour for their next purchase because of the product choice or simply to mingle and be with others. Relatively few shoppers shop only instore or online exclusively.

The landscape has evolved significantly over recent years and there is yet more change to come. The resulting growth in investment reflects the breadth of opportunity we see.

As we reported last year, the investment in our new Distribution Centre is both significant in quantum of investment but also in the wide range of benefits we believe it will unlock in relation to efficiency and flexibility across our supply chain.

This however is only one of a number of strategic initiatives as outlined in the Managing Director's Report (see pages 8-10).

We believe our strategy programme must be a source of advantage – particularly at a time when economic strains mean many retail peers may be looking to refrain from or defer significant expenditure on strategic projects. The Group is already benefiting from performance and profitability gains created by projects completed in the first phase.

The core attributes of the business are enduring – our market profile in Homewares and Sporting Goods, our ability to offer customers a wide range of trusted international brands at great value and a continuing focus on providing innovative and rewarding shopping experiences.

Development of our store network continued during the latest year, with the highlight being significant progress in the work to deliver new flagship store designs for both Briscoes Homeware and Rebel Sport. Our online platform developed further, with enhancements to the customer experience and progress on work to deliver major upgrades in functionality and performance during the current year.

All of these matters are explored in greater depth in the pages that follow.

Dividend

Market conditions put the retail sector under extreme pressure during the latest year. Our financial results were affected by what was an ongoing decline in economic conditions, and hence consumer confidence and demand, but significantly outperformed many of our retail peers.

Our ability to perform in difficult times and through economic cycles is a key competitive asset that we will continue to invest in and grow.

Directors approved a final dividend of 10.0 cents per share (cps) which, when added to the interim dividend of 12.5cps, results in a total dividend for the year of 22.5 cps. 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 Net Profit After Tax (NPAT) when calculated on a full-year basis. Although lower in absolute terms than in 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.

Corporate Governance

Briscoe Group remains committed to the highest standards of governance and management, implemented through best practice structures and policies. These are set out in detail in the Corporate Governance section, from page 88.

The cohesion and effectiveness of the Board and the Executive team are key factors in the Group's performance. Separately and together, they remain aligned to its business objectives.

Currently the Company's Constitution caps the number of directors at 5. This has worked extremely well for the Group since its listing in 2001, but we believe there is merit in increasing this to 6 to allow for transition of directors as we plan ahead. As announced last year, the Chair will not be seeking re-election at the end of her current term (Annual Meeting May 2027) and Andy Coupe has also signalled to the Board his intention not to stand at the end of his current term (Annual Meeting May 2026). Given this, having the ability to appoint a sixth director to ensure seamless transition of directors when they occur is essential, before returning to a Board of five. Accordingly, you will see in the Notice of Meeting that we are seeking your support to raise the maximum number of directors to 6.

The Board believes the quality and agility of our senior leadership team remains the keystone of our performance; and that, accordingly, it is in the interests of all shareholders to provide key senior executives with an opportunity to participate in an appropriately structured rewards scheme.

The Group initiated its Senior Executive Incentive Plan in March 2019, under which, designated executives can be granted Performance Rights which upon vesting, would reward them with ordinary shares in the Company. Performance Rights vest after three years subject to the Company's achievement against Total Shareholder Return and Earnings Per Share growth targets.

There was one tranche of performance rights issued during the year. There have been seven tranches issued under the Scheme to date. The first five of these have now vested or lapsed and there are a maximum 504,580 performance rights from the two unvested trances still able to be converted to ordinary shares subject to the Company's performance.

Further details in relation to equity-based remuneration can be found in Note 6.2 of the financial statements, on page 80 of this Annual Report.

We have made further progress in the Steps to a Better Tomorrow programme, which reflects our determination to support the commitment of our customers and the broader community to protecting the environment

We have reported on a range of Environmental, Social and Governance matters in a separate section below. This includes our second year of mandatory climate-related disclosures under standards established by the External Reporting Board.

Conclusion

As outlined in this Annual Report, our retail environment is dynamic. We know the Group's future success will be determined in part by the foundations it lays today.

Briscoe Group showed again in the latest year that it can perform well in difficult conditions whilst pursuing a substantial programme of improvement and change to provide for future success. The Board recognises, and values highly, the outstanding work of our leadership group and teams throughout the operations.

While the operating environment remains challenging for now, we are hopeful of a gradual improvement in trading conditions during the current year and remain confident that the Group is well positioned to rise to the challenges it faces.

Dame Rosanne Meo
Chair

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

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

Managing Director's Report

Embracing Challenges and Seizing Opportunities

Despite facing one of the most challenging trading environments in the past two decades, we have demonstrated resilience and adaptability. The year was marked by low consumer confidence and spending, particularly in the second half. However, our strategic initiatives and targeted promotional campaigns enabled us to achieve sales revenue at 99.94% of the record level set in the previous year. This is a testament to our team's dedication and the strength of our brand.

Navigating Economic Headwinds

While inflation and interest rates showed early signs of relief, the impact on consumer spending was minimal. Nevertheless, our Black Friday and Christmas promotions provided some positive momentum. Our focus on generating sales through strong promotional campaigns paid off, and we managed to maintain a robust sales performance despite the tough conditions.

Strategic Cost Management and Inventory Optimisation

We proactively managed margins and costs through a range of measures, including significant inventory reductions and improvements in stock turnover. Our goal for the coming year is to stabilise our Group gross profit margin percentage. We have several initiatives in place to achieve this, such as reducing clearance product levels, enhancing promotion planning and monitoring, and implementing a new merchandise planning tool, Impact Analytics.

Store Network Transformation

Our store development program continued to make significant strides. Refurbishments at Rebel Sport and Briscoes Homeware stores in Invercargill and Hornby, Christchurch, have dramatically enhanced the in-store experience, reflecting our commitment to modern, energetic retail spaces.

The refurbishment of Rebel Sport Henderson is well advanced, and we are excited about the upcoming transformation.

The rollout of electronic shelf labelling across our store network has already yielded positive results in sales and pricing clarity.

Additionally, the design of new flagship stores for both Briscoes Homeware and Rebel Sport progressed well. These next-generation formats are set to revitalise our in-store value proposition and we are looking forward to their completion within the next twelve months.

Innovative Online Growth

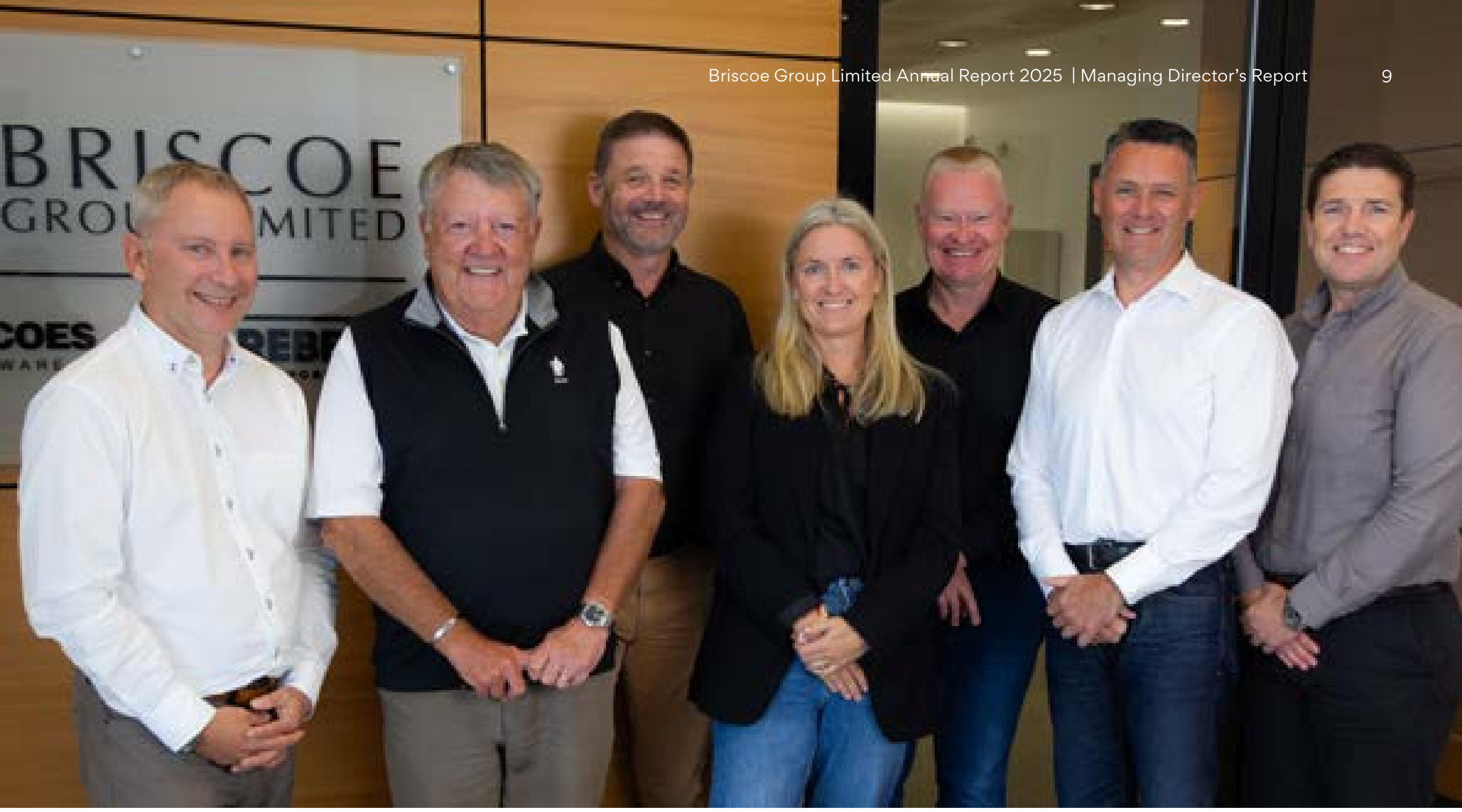
Our online business continues to thrive, growing to 19.69% of Group sales. We completed several key initiatives, including enhancements to our coupon offerings, the introduction of express delivery services, and the implementation of Apple Pay. These advancements, along with our suite of AI tools for product data management, have positioned us well for future growth.

Strategy

Briscoe Group is committed to evolving along with the needs and preferences of customers. This requires continual improvement, change, and adaptation. Our customers and market dynamics are changing along with social trends, technologies, and product innovation. Our own experience and insights gained through research suggest key trends that are, or will be, affecting major retailers in New Zealand.

Our response to these shifts is multi-faceted:

- We are investing to ensure that the shopping experience we provide remains compelling – an attractive and rewarding combination of the store or online environment, the ease and enjoyment that customers experience, and the value provided.
- We are expanding and refining the range of options we provide for customers to do business with us in-store and online.
- We are working with our brand partners to provide new product options.
- We are re-engineering our supply chain to drive productivity gains that can be reinvested in a myriad of ways.



Briscoe Group Senior Leadership Team (from left): Aston Moss, Rod Duke, Geoff Scowcroft, Isabel Campbell, James Baillie, Darren Porteous, Andrew Scott.

Our strategy program is now in its second phase. This sees it moving from a broad view of enhancements of systems, technology, and the shopping experience to a focus on projects to equip our operations for growth beyond current capacity.

The first three years of the program produced a wide range of enhancements to systems and technology, improving our internal performance and profitability at a time of severe demand and cost pressures across the retail sector. These included major projects such as the expansion of our online platform, the introduction (and then expanded ranging) of direct-to-consumer products online, the introduction of electronic shelf labelling, and upgrades in a range of internal systems and technologies that enable our teams in support functions to be more effective.

Projects underway in the current year include:

- New online platforms that will step-change the way we manage and present our online offering, based on the new Adobe system.
- The simultaneous launch of the new Marketplacer platform, will rescale our ability to connect customers with different suppliers and products by providing increased direct-to-consumer options.
- The implementation of a new merchandise planning tool, Impact Analytics, will improve the quality of product purchasing and sell-through, providing a level of analysis and ordering capability we have not had before.

Distribution Facility Project

Now well underway is the largest capital investment to date – the establishment of a new distribution centre to replace our existing centre. The new facility, in Drury, South Auckland, will provide five times the warehouse space of our existing centre. This will revolutionise our warehousing and distribution efficiency, help to optimise inventory control and store efficiency, and thus free resources to invest in the customer experience we provide.

The new distribution centre progressed significantly during the latest year, with the implementation and staff training completed for a new warehouse management system, Manhattan, the selection of the automation partner and the completion of earthworks. The start of construction is scheduled for late in the current half-year, and the new Distribution Centre is expected to be operational from the third quarter of calendar 2026. (Refer page 16 for further detail).

Investing in Our People

Our team has shown remarkable dedication and flexibility in navigating the challenges of the past year. We were pleased to be able to deliver a 6% wage increase for our in-store, hourly-paid team members which follows similar increases in 2022 and 2023, resulting in 21% growth over three years.

We have an expanding range of programs to support and assist team development. These include health and safety initiatives, work training for diverse needs such as product knowledge and customer interaction, support functions, and other core skills. We also focus on leadership development and provide opportunities for tertiary education.

These programs are delivered through various platforms, including online training, learning modules developed in conjunction with external providers, and partnerships with tertiary institutions. Our commitment to our team's development is reflected in improvements in our formal measures of health and safety, employee engagement, and customer satisfaction.

Looking Ahead with Excitement

While trading conditions remain tough, we are optimistic about the future. We anticipate that reduced inflation and interest rates will eventually boost consumer confidence. Our strategic initiatives are set to drive growth and profitability in the coming years.

We are particularly excited about the potential benefits from our new distribution centre, which will significantly enhance our warehousing and distribution capabilities. This investment will enable us to better manage inventory, improve store efficiency and ultimately provide a superior customer experience.

Our ongoing commitment to digital transformation will continue to be a key driver of growth. The new online platforms and AI tools we are implementing will not only enhance our online presence but also provide customers with a more seamless and enjoyable omnichannel shopping experience.

We are also focused on expanding our product range and working closely with our brand partners to introduce innovative and high-quality products. This will ensure that we remain competitive and continue to meet the evolving needs of our customers.

Our greatest asset is our team's ability to perform well in the current environment and create conditions for future success. We are confident that their dedication and expertise will enable us to navigate any challenges and seize new opportunities as they arise.

Looking further out, we believe that our strategic initiatives will drive sustainable growth and profitability across the next few years and beyond. We are committed to delivering value to our shareholders and creating a sustainable future for our company.

Rod Duke
Group Managing Director

Financial Performance

Revenue

Total Group sales for our financial year ended 26 January 2025 were $791.5 million – 99.94% of last year's record sales, a difference of only $484,000. In a market widely reported as the most challenging for many years to close three of our quarters with positive growth and the full year that close to record sales is a significant achievement.

Online sales represented 19.69% of total Group sales, increasing the mix of business by nearly 1%. This improvement reflects the continued focus on enhancing the online customer experience through a number of initiatives implemented during the year. VIP Club membership grew to over 2 million across the Group with increases in both member frequency and annual spend. The re-platforming of the online front-end will provide a further step-change to our online business.

We continue to see growth across a number of our categories with electrical and home décor/giftware categories particularly strong for homewares and menswear and sporting equipment delivering solid growth within the sporting goods segment. A number of existing and new initiatives were instrumental in driving growth across categories including the introduction or expansion of brands such as Ninja, On Running and Lorna Jayne.

Gross Margin

As expected, in response to the economic downturn and highly competitive retail market, the Group's gross margin percentage declined for the period from 42.40% to 40.37%. Whilst we expect margin pressure to continue including from a relatively weaker New Zealand dollar, we have a number of initiatives outlined in the Managing Director's Report to assist with margin growth.

Operating Costs

Cost control continues to be an integral part of managing the business especially in challenging conditions so to maintain total costs increases to 1.11% for the year was an outstanding result across the business. During the period we were pleased to be able to provide an increase of 6% to our in-store hourly-paid team as well as absorb other cost increases from the likes of power, occupancy, warehousing and IT.

Net Profit After Tax (NPAT)

This year's reported NPAT includes a one-off tax adjustment of $7.4 million as a result of tax changes enacted by the government. Excluding this adjustment NPAT[1.] for the year was $68.0 million compared to $84.2 million reported for the previous year.

Comparison to pre-Covid

Although the Covid pandemic presented itself over 5 years ago the year-ended immediately before that (year ended January 2020) remains the most recent 'normalised' year in relation to the impacts felt not only from the pandemic but also the subsequent economic recession of the last 18 months.

The following comparison between this year and the year ended January 2020 brings context to what has been an incredibly challenging year.

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. Excluding impact of $7.4M tax adjustment

Balance Sheet

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.

Inventory control remains a key factor of our performance, and the year-end value of inventory closed at $99.7 million, $5.2 million lower than last year, a great achievement despite intense sales pressure. We believe there are further significant inventory improvements to be realised in the short-term through the implementation of the new merchandise planning tool as well as longer term benefits as a result of the new distribution centre once it is in operation.

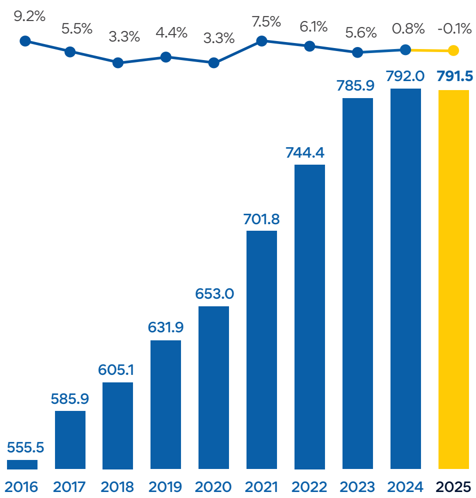
During the year $58.2 million of capital investment was made by the Group of which $40.0 million represents expenditure in relation to the new distribution centre project. The roll-out of electronic labelling throughout the Group network accounted for around a further $10.0 million of capex with the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

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 relatively modest funding facility which we expect to utilise for a short time this year before closing the year with no debt. We expect the facility will be more regularly utilised across the following three financial years.

Geoff Scowcroft
Chief Financial Officer

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

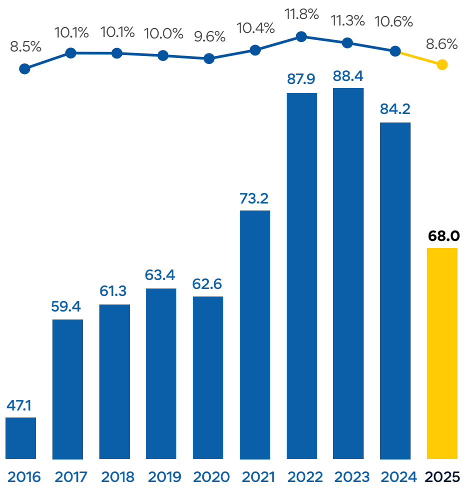
Total revenue*
$M and growth %



99.9% of last year's record sales.

*2021 includes 53 weeks of trading.

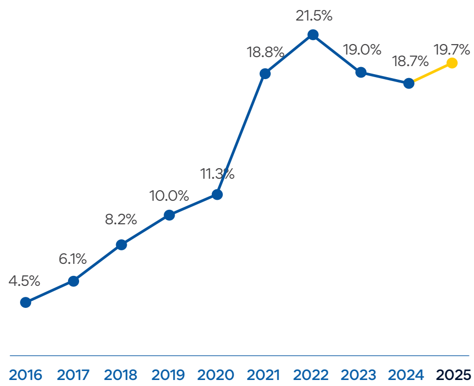
Net profit after tax*
$M and sales %



$68.0M NPAT** achieved in challenging economic environment.

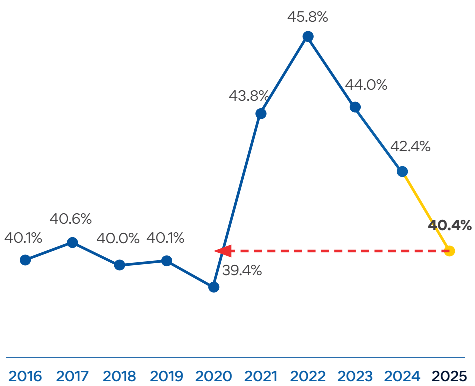
* NZ IFRS16 adopted from 2020.
** Excluding impact of $7.4M tax adjustment.

Online mix of sales
%



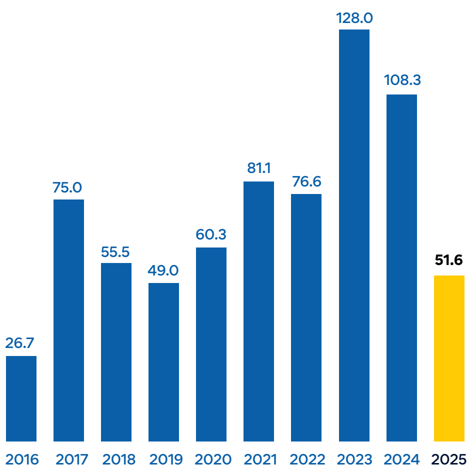
Significant online sales mix improvement.

Gross profit margin
%



Gross profit margin % still above pre-Covid level despite severe economic downturn.

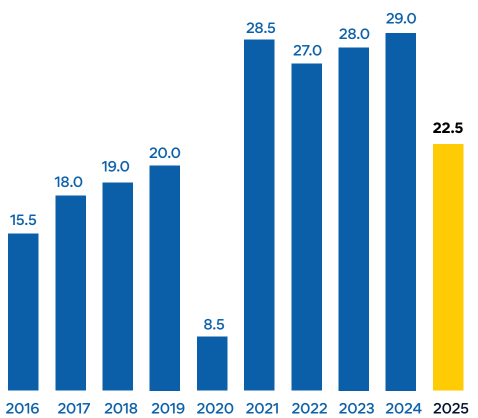
Free cash flow*
$M



Free cash flow (defined as net cash from operating activities less capital expenditure) reflects progression of Distribution Centre project.

* Approximately $30 million of creditor payments made immediately after balance date in 2025 (2024: $20M, 2023 $26m).

Dividends per share*
cents



Dividend reflects Group commitment to significant strategic programme as well as the impact on profit from the economic headwinds.

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

Strategy

Deliver the best retail experience in New Zealand

Group Strategy 2024 – 2027			
LONG TERM GROWTH ACCELERATION	**RETAIL EXPERIENCE EVOLUTION**	**SUPPLY CHAIN TRANSFORMATION**	**BUILDING BLOCKS**
Expand existing global commercial growth. Direct to Customer (DTC) labels. Online Platform upgrades.	Strategic store concepts. Enhance Retail DTC labels. Sport & Briscoes hardware product expansion. New loyalty program.	New Auckland Distribution Centre (DC). Expanded automation and robotics. Global Sport inventory optimization.	Tech Architecture, Automation, and AI to simplify processes. Increase positive impact through sustainability.
Delivered in year end Jan 2025:			
Expanded DTC to cover over 110 Suppliers. New Adobe platform due to go live by July 2025.	ESL Labels rollout completed to all Briscoes and Rebel stores. Rebel flagship store design complete.	New DC Site design completed. Rebel clearance stock reduction. The new Assortment Planning, Allocation & Replenishment system Impact Analytics (IA) on track.	New Marketplace platform selected and design well advanced. Over 60 team members completed our Leadership program. Over 200 ethical supplier audits completed.
Key Deliverables for year end Jan 2026:			
New Adobe platform due to go live by July 2025. Test of new product categories on the Marketplace DC platform July 2025.	Further optimization of Briscoes and Rebel product ranges. New Rebel Flagship store due to open by January 2025. Completion of Briscoes Flagship store design. Loyalty platform test for Rebel Sport.	Early access to new Auckland DC site. AI Allocation and Replenishment modules launched by July 2025. AI Assortment Planning due to go live by October 2025.	Roll out supplier audit program to local suppliers. Tech platform review for next 5 to 7 years underway. Continued focus on waste minimization.

This year we completed our first year of the second phase of our strategic plan (2024 to 2027), we have made record levels of investment into strategic initiatives and are incredibly proud of the progress we have made. The plan is on track and in budget which is a testament to our teams focus and capability.

This next phase covers a wide range of initiatives, further evolving the retail experience and transforming our supply chain all while making sure we have the appropriate Foundations (“Building blocks”) in place. The initiatives will provide a platform for the group to accelerate long term growth.

The following sections cover in more detail some of the exciting initiatives we have underway including our new Auckland Distribution Centre, expanding and strengthening our customer base and taking Steps to a Better Tomorrow guided by our Sustainability strategy.

Andrew Scott
Chief Opperating Officer

Supply Chain

Technology innovations to drive range optimisation

This year our merchandise division will implement an end-to-end suite of planning, merchandising, and inventory management tools in partnership with global leader in artificial intelligence and machine learning forecasting for retail, Impact Analytics. This investment aims to enhance our forecast accuracy and inventory management, ensuring that we can consistently meet customer demand with the right products, in the right place, at the right time.

New product ranges to meet segment needs

In conjunction with the delivery of our suite of enabling systems, we are further enriching our category management framework and practices to increase relevance to new and potential customers. A core capability of the group has been our continued ability to trade at a compelling price and promotion for our customers. Investment in our technology, systems, and enhanced supply chain generates opportunity for us to drive growth through the effective utilisation of our existing store footprint. By leveraging data, insights, and fostering collaboration across merchandising, marketing, and operations, we will deliver new product ranges that are more aligned with customer preferences and market trends.

New brands continuously introduced to drive growth and customer satisfaction

In FY25 there has been a strong focus on introducing new brands to make sure we are meeting customer demands for new ranges, products and innovations. On the Rebel Sport business we have introduced large global brands The North Face, P.E. Nation, Hoka and ON Running. We also successfully introduced local womenswear brand Hine, a kiwi female founded brand focused on supporting diversity in its ranges.

Our supply chain transformation continues. Construction of our state-of-the-art distribution centre (DC) in Drury South commenced in February 2025. The capacity this DC provides enables reduced stock levels in our stores by holding more in the DC and regularly replenishing our stores in line with demand. The retail space this creates will be used for an improved range of products and potential for new product categories in stores.

In July 2024 we implemented our new Warehouse Management System (WMS) in the current Distribution Centre. The team have adapted well to the new system and are utilising the enhanced functionality. Deploying the new system is fast tracking key learnings and will help to shape the operations process in our new North Island DC.

The detailed design of the new DC facility, including automation is now complete, and the detailed operational design, processes and system configuration is well underway and planned to be completed by the end of July 2025. Configuration, development and testing of the WMS for use in the new DC will take place through to the end of 2025.

Automation software design and process flow optimisation kicks off in March 2025 and will be developed over several iterations with our international vendor Knapp. The automation software build will then commence late 2025.

Target date for practical completion of the construction is July 2026.

The Strength of Our Customer Base

Rising customer satisfaction

The business has rising scores of customer satisfaction, achieving consistent growth in NPS scores over the past 3 years. Briscoes now sits at 80 consistently and Rebel Sport over 72.

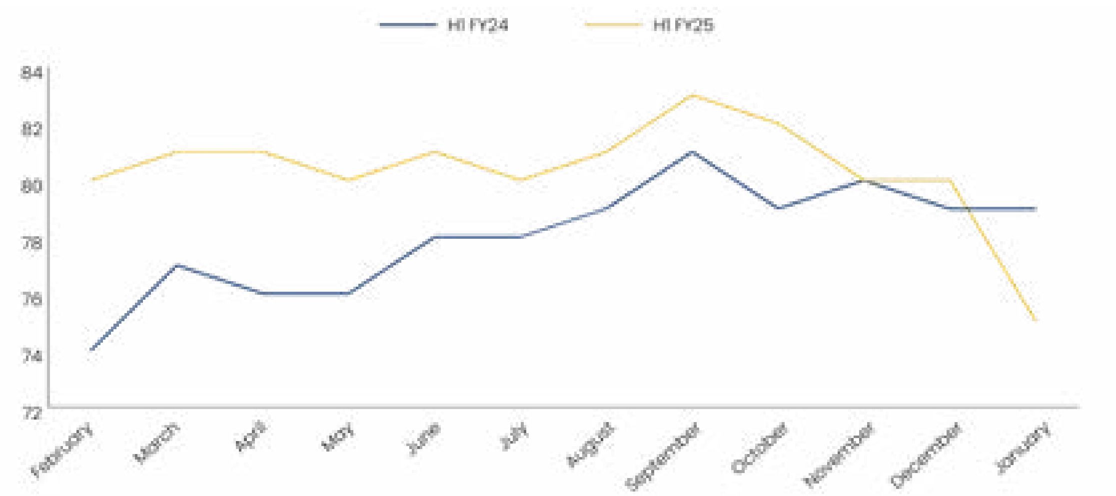
Market consideration, preference and purchase continued to strengthen over the year. Measured through our brand tracking, Briscoes Homewares is the highest considered brand at 77%, growing from 71% a year ago. Likewise, preference for Rebel Sport has grown over the year from 49% to 54%.

Healthy membership clubs

We continue to focus on growing our clubs and offering exclusive offers and experience to drive up the frequency and ultimately the lifetime value of our customers. We are currently exploring the next phase of the club with a loyalty programme that would drive high frequency through our doors due to launch in the next 12-18 months.

Rebel Sport customer satisfaction

Briscoes customer satisfaction

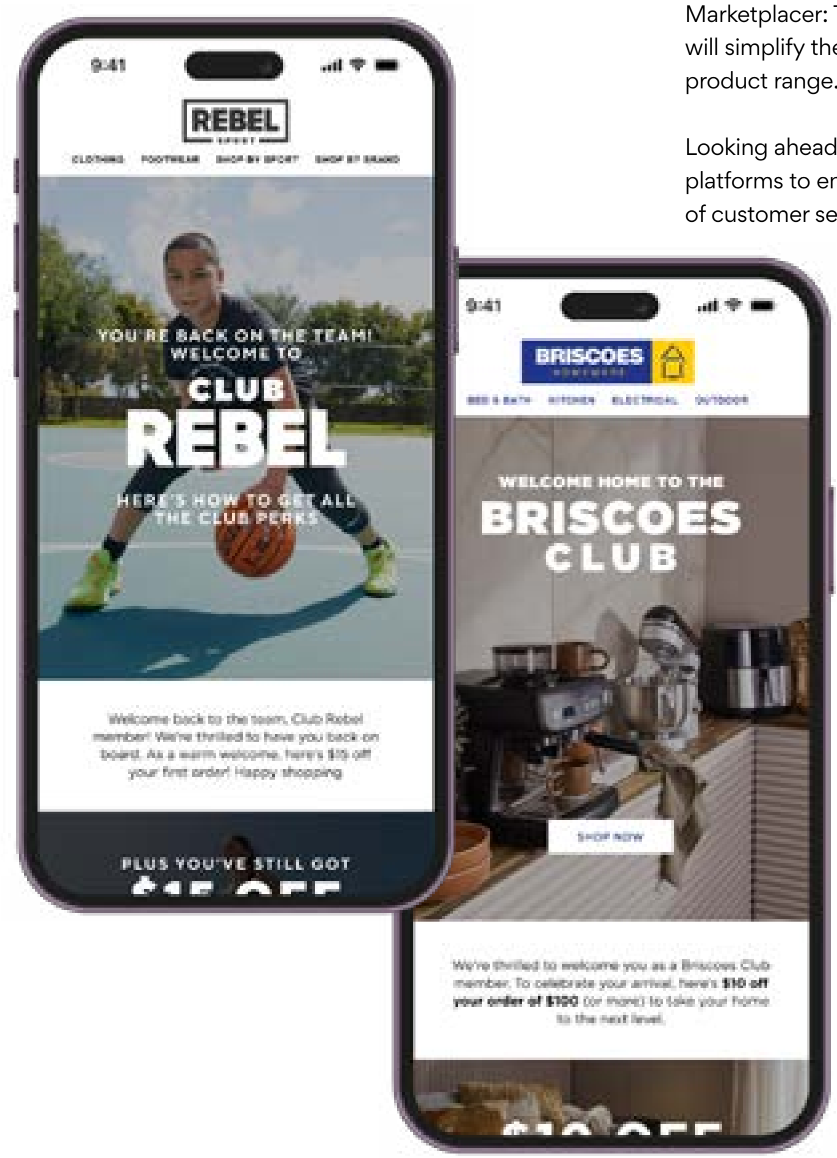


Briscoes Club

- The Briscoes Club now sits at 1,124,000 total members, 14% growth YOY
- There are now 688,500 active members.
- Total value of a member is 24% higher vs a non-member.
- Club members now account for 38% of total sales.

Rebel Club

- The Rebel Club now sits at 1,037,000 total members, 13.9% growth YOY.
- There are 528,800 active members.
- Total value of a member is 26% higher vs a non-member.
- Club members now account for 33% of total sales.



Customer Experience Enhancements

We remain steadfast in our commitment to delivering exceptional customer experiences across all our storefronts, both digital and physical.

Store Development Programme

Our ongoing initiative aims to upgrade 5-10 stores annually, introducing new formats and enhancements. The development of new flagship stores for Rebel and Briscoes is progressing well, with an anticipated launch by the end of 2025. These flagship stores are poised to drive the next phase of our growth.

Digital Transformation

We are currently implementing two major online platform changes:

Adobe Commerce: This new eCommerce platform will accelerate our speed to market, allowing us to introduce new features and functionalities more rapidly.

Marketplacer: This Direct-to-Consumer (D2C) technology will simplify the shopping experience for our extended online product range.

Looking ahead to FY26, we plan to review our Contact Centre platforms to ensure we continue to provide the highest level of customer service.

Sustainability

Our Steps to a Better Tomorrow.

We are proud of the progress we have made over the past year in advancing our sustainability initiatives, with our Sustainability Working Group continuing to drive the business to deliver on our goals and targets.

Driven by the four key pillars of our Sustainability Strategy: Governance, Environment, Our People and Community, this year has focused on solidifying the key processes, frameworks, and responsibilities that will continue to guide us as a company that works to care for our communities, our people, and our environment. As we reflect on the year's achievements, we recognise that our understanding of how best to improve outcomes for both people and the planet is deepening.

Our sustainability journey remains dynamic, shaped by continuous learning and adaptation. While the following sustainability updates showcase the strides we have made against our Sustainability Strategy, it is important to acknowledge that much work remains. We are actively addressing a number of complex sustainability challenges facing the retail industry, that will require sustained focus.

We are grateful to our dedicated teams who have made substantial contributions to advancing our sustainability agenda. Their commitment has been instrumental in ensuring that we continue to make measurable progress toward a *Better Tomorrow.*

The following updates are presented for each key pillar of our Sustainability Strategy, this year's *Steps to a Better Tomorrow.*

$1+ million
raised for CureKids

19,040 balls
through the Pass-it-forward program

<1% Difference
in rates of pay on basis of gender

Diverted 75.74%
of our operational waste from landfill

5.41% decrease
in Scope 1 and 2 emissions

Governance

Our Goal

To ensure board and management's awareness of key Sustainability issues, implementing effective measures and controls.

Sharing our Sustainability Journey

In response to the growing demand from stakeholders for easy access to our sustainability-related information and reporting, this year we launched a dedicated Sustainability Webpage on our Corporate Website. This new webpage provides stakeholders with our key sustainability information, ensuring they stay informed about our ongoing sustainability journey. The webpage can be accessed at: www.briscoegroup.co.nz/sustainability/

Climate-Related Disclosures

We are proud to present our second year of mandatory Climate-Related Disclosures on page 28-40 of the Annual Report. Improvements to this year's disclosure include elements of the first iteration of our climate transition plan developed with thinkstep-anz and a reasonable assurance opinion over our Scope 1 and 2 emissions.

Enabling Our Team

This year, we have focused on educating and upskilling team members in sustainability by offering in-person training sessions, online learning modules, releasing an internal Sustainability Newsletter and providing regular sustainability updates. We believe improving team engagement is key to strengthening our sustainability efforts and maximising our impact.

Materiality Assessment

At the end of 2024 we began our second Materiality Assessment, with the aim of evaluating and validating our Sustainability strategy and direction. This assessment will ensure that we have an up to date understanding of what our stakeholders view as the most pertinent Sustainability topics to our business. We aim to have this process completed in the first half of the year.

Environment

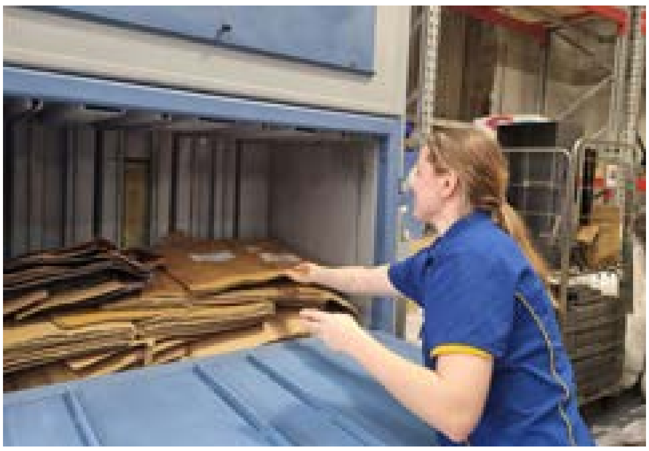
Climate, Waste & Supply Chain

Our Goal

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

Emissions Reductions

During the year we reduced our overall Scope 1 and 2 emissions by 5.41% and are on track for our 2030 target of an overall reduction of 50% from our FY23 base year. Further details on our emissions and our initiatives to reduce them can be found in the Metrics & Targets section of our Climate-related Disclosures on page 38 of the Annual Report.



This year we utilised Verisio, our chosen ethical supply chain platform, to send an emissions survey to all our trade suppliers to allow us to gain a high-level understanding of where they are at on their emissions reduction journeys. Based on this initial screening, we will be sending more targeted surveys to each supplier to identify exactly what targets have been set and which key groups of suppliers will require more targeted support. Following this, we feel we will be in a position to set an informed Scope 3 Supplier engagement target.

Waste

In FY25 we diverted **75.74%** of our operational waste from landfill

257.2 tonne decrease in operational waste to landfill (FY24: 1,114.6 tonnes)

4.05% increase in our diversion rate (FY24: 71.69%)

Committed to diverting **90%** of operational waste from landfill by **2030**

Working towards a Circular Economy

As waste continues to be a pressing issue for the retail industry, it is clear that embedding circular economy principles into our business is critical to tackling our waste. Our Circular Economy Roadmap is well progressed and focuses on three key areas: Eliminating Waste, Supplier Collaboration, and Customer Engagement. We are still working through exactly what the appropriate targets and milestones are in this program given the complexities faced in the New Zealand market, however, this year we have set a target to divert 90% of our operational waste from landfill by 2030.

Over the next 12 months we will focus on:

- Expanding waste reduction initiatives.
- Strengthening waste tracking and reporting to measure progress and drive continuous improvement.
- Developing and trialing circular initiatives in select stores.
- Collaborating with suppliers to better understand circular capabilities, explore future innovations, and identify partnership opportunities for sustainable solutions.

Product Returns Recovery

Following the initial implementation of our Product Returns Program in Christchurch in late 2023, the program, in partnership with EcoCentral and All Heart NZ, is now active in Christchurch, Auckland, and Wellington. It currently covers 32 out of our 90 stores, with plans to expand to the outer regions.

Through this program, we have diverted over 78,000 kilograms of product returns from landfills, with a portion of these goods being donated to communities in need.

Other Initiatives

In the background we continue to make small changes for a better, more sustainable future including:

- Reusable name badges for our instore team members.
- Phase one of our Re-uniform program: Sending selected old uniforms back to the supplier to be given a second life and offering second-hand uniform options to our team.
- Switching our larger web fulfillment satchels from 100% virgin plastic to 80% recycled plastic, meaning an additional 200,000 satchels per year are made from 80% recycled plastic.
- Removing black film wrap from our web fulfillment process, preventing approximately 90 kilometres of plastic going into the landfill per year.
- Piloting the Nespresso Capsule Recycling program: offering our customers a circular option for Nespresso coffee capsule disposal.
- Refining and streamlining store reporting processes to reduce printing quantities, eliminating approximately 600,000 printed pages per year.
- Kicking off the process to digitise all Employee Files, further reducing our paper printing quantities.
- Engaging in Recycling Week. Releasing x5 Recycling Learning Modules to help upskill our team on crucial recycling practices.

Addressing Modern Slavery Risks: Our Ethical Supply Chain Program

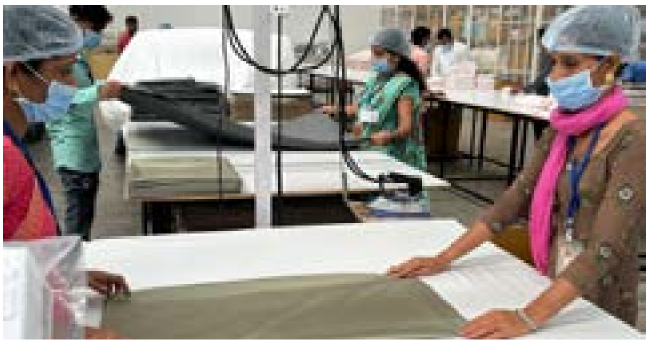
Our Ethical Supply Chain Program, in partnership with Verisio, represents our commitment to upholding Human Rights, preventing Modern Slavery and fostering ethical and sustainable practices throughout our supply chain. Launched in 2023, the program is designed to enforce and uphold rigorous ethical and environmental standards, increase compliance and ensure that the products we stock are produced under fair conditions.

Over the course of this program, we have made significant progress, collaborating closely with suppliers to conduct comprehensive factory audits, address identified risks, and elevate ethical and environmental standards across our supply chain.

Our Ethical Supply Chain program segments our suppliers into three key supplier groups:

1. **Overseas Trade Suppliers** – Where we import products directly to NZ.
2. **Local Trade Suppliers** – Where suppliers supply products to us in NZ.
3. **Non-Trade Suppliers** – Service providers operating locally and internationally.

We have tailored our approach to each supplier group based on a high-level risk screening and feasibility assessment. We have phased our efforts to ensure our programs are comprehensive and adequately mitigate the nuanced issues and risks associated with each group. We endeavour to strengthen each program as our understanding of our supply chain risks evolves.



1. Overseas Trade Supplier

Our initial focus has been on Overseas Trade Suppliers, as this is where we see our key risk lie due to the nature of these trading relationships (often involving direct dealings with factories). For these suppliers, the program requires their declaration of all factories used to manufacture products sold to us, and their provision of a current approved audit (e.g. BSCI, SMETA, Amfori) for each factory. We have made significant progress with these suppliers. Highlights include:

- All active supplier factories (over 200 factories as of year-end) have undergone third-party ethical audits.
- 34% of factories are graded at our lowest risk level, low risk.
- Through the program we have reduced the number of factories graded high risk to 16%. High risk factories will continue to receive support to address identified issues and achieve a lower risk grading, ensuring they meet our compliance standards.

In 2024, we ceased trading with six factories because they either failed to provide an audit report or refused to make necessary improvements to meet our compliance standards. Terminating a trading relationship is considered a last resort, and in cases of non-compliance, we follow a clear process that prioritises engagement and remediation efforts.

2. Local Trade Suppliers

This is the largest supplier group within our program, encompassing a diverse range of trading relationships, including agents, large brands, licensees, and small New Zealand businesses. Given the complexity and varied structures within this group, we identified a Code of Conduct (COC) as the most effective first step to engaging with these suppliers. Unlike our overseas trade suppliers, many of the factories used by these suppliers already fall under established brand audit and due diligence programs.

- Currently, 95% of Local Trade Suppliers have signed our COC, which covers the Ethical Trading Initiative (ETI) base code.
- We are currently engaging the remaining 5%, who have not signed primarily because they have their own brand COC.

As we continue strengthening our Ethical Supply Chain program, we are exploring ways to enhance our due diligence for local suppliers. This includes performing a more detailed risk-assessment to identify the most suitable audit type for each supplier sub-category within this group.

3. Non-Trade Suppliers

Throughout 2024, we engaged our top 50 non-trade suppliers (making up approximately 70% of non-trade spend). These suppliers were asked to complete a comprehensive survey to allow us to evaluate their environmental and ethical risks. Association of Professional Social Compliance Auditors (APSCA)-accredited auditors were then used to assess the responses against our compliance criteria and an initial risk grading was given to each supplier. Following this, these suppliers have been given the opportunity to collaborate with us, to address and improve the identified issues and risk areas. We have been encouraged by the steady progress we have seen in reducing these risk gradings.

Looking Ahead

In FY26 we are working to expand and strengthen our Ethical Supply Chain Program to improve compliance through;

- A rewards and recognition scheme for our overseas trade suppliers.
- Strengthening due diligence of our local ethical supplier program.
- Adding increased ethical and environmental considerations into the non-trade onboarding process.
- Policy implementation.
- Increased training and communication to our internal team and suppliers.

Our People

Our Goal

Ensure we are an employer of choice and a safe place to work where our people can thrive.

Investing in our Team

Investment in our team takes place in many ways, both directly and indirectly. Our Management & Leadership Development Programme continues to be recognised and well received as a valuable aid in building organisational capability in both operational and support roles. FY25 saw a further four cohorts through the programme with a blend of participants from stores and support functions.

We reflect on our financial performance as compared to pre-covid sales and profits, and against which we achieved 20% sales growth alongside an 8% improvement in profit. What isn't obvious is the steady investment which has occurred through a 39% increase in wage rates over this same period. Alongside this, we have maintained stable employment with our team, earning both their understanding and trust that we don't make promises of wage increases that are funded through reductions in headcount or contracted days and hours of work.

Job security means a lot to our team, and we strive to provide certainty in an industry or sector that often leaves workers feeling that their incomes are precarious. This sits at the core of our relationship with our team members, contributing to the strong sense of trust and confidence in our future and is reflected in a further 0.3 growth in our employee engagement score.

Our Retail Management Teams lead over 2,300 of our people throughout our stores. We continue to see an increasing proportion of women in our store leadership roles, along with our commitment to pay equity, resulting in there being less than 1% variation in pay when assessed on the basis of gender across different roles and tiers.

Overall, a broad range of investments in our people, systems and processes are contributing to team member capabilities, competence and confidence. Our team is well placed to drive the business forward and we are excited about the further opportunities that lie ahead with the role our people play in our flagship stores and new Distribution Centre.

VR Manual Handling Training contributing to enhanced Safety Performance

We are incredibly proud of our Virtual Reality Manual Handling programme. This innovative training was piloted in selected sites early in 2024, with further sites added as the year progressed. Our team were a rich source of feedback enabling us to rapidly enhance the programme. The introduction of virtual reality as a toolkit to complement our face to face, online and on demand training has been well received by our team. We are also seeing excellent results demonstrating the impact this technology can have in terms of workplace learning alongside delivering knowledge and skills that are transferable well beyond the workplace. Most importantly we are excited about the potential reductions in the likelihood of injury through manual handling activities, something that has long been an issue across retail and many other industries. This is a terrific example of work that builds both the frontline and the bottom line.

This relentless focus on avoiding injury at work saw further reductions in our Total Recordable Injury Frequency Rate (-61%) and our Lost Time Injury Frequency Rate (-68%).

First Foundation

Our commitment to funding scholarships to support Briscoe Group employees or direct family members continues with an additional four students being awarded scholarships in 2024. Our partnership with this impressive organization has resulted in over 40 scholarships being awarded since 2013 – that's more than 40 individuals having an opportunity to engage in tertiary education and take their steps towards a high wage economy.

We are particularly delighted that the paths our scholars have chosen, reflect a diverse set of future careers including law, commerce, teaching and early childhood education, healthcare, architecture and agriculture. The four-year programme sees Briscoe Group recipients work within the company during their scholarship alongside financial and mentor support.

Our partnership with First Foundation has also seen more of our managers put themselves forward to provide mentoring support to scholars in the wider programme, meaning our reach extends beyond that provided by Briscoe Group. Those providing mentoring support often refer to the learning and growth they experience, not just the satisfaction of helping someone make their way in the world.

These scholarships are proudly co-funded by the R A Duke Family Trust.

Sonder (Employee Wellbeing App)

Over 100 team members have actively used Sonder, a 24/7 holistic care app that provides access to mental health, medical, and personal safety support with an average response time of 10 seconds. Six months after go-live, we achieved a 25% adoption rate across the company.

Mental wellbeing support has been the most utilised feature by our team. Additionally, over 30 team members have received medical care from the Sonder nurses.

Wellbeing scores on our team engagement platform Peakon increased by 0.2 within the first quarter of Sonder being introduced and over 60 team members provided comments praising the app, noting its positive influence on their daily lives.

Introducing Sonder represented a significant additional investment in support of the physical and mental wellbeing of our team and we are delighted that the team are both making use of it and appreciate its value.

Aston Moss
Chief People Officer

Community

Our Goal

To improve community impact via engagement through giving, charity and shared value.

Cure Kids

Our long-term partnership with CureKids continues to deliver results, with over $1 million raised this year, funding essential child-health research here in Aotearoa. Our team has continued to maintain this fundraising momentum over our 21-year partnership, every year seeing money going to support this important initiative.

This year, we continued to build on that momentum with our most ambitious 24-Hour Team Challenge yet. The event brought together 21 dedicated teams, who kept treadmills and bikes moving continuously for 24 hours, showcasing remarkable teamwork and determination.

Grassroots Grants

This year we launched our Grassroot Grant program, which has already delivered a meaningful impact by distributing $160,000 in funding and essential sports equipment to communities across Aotearoa.

To date 60 community groups and sports clubs have benefited from our grants, enabling clubs and community groups to sustain their programs. These grants work to keep sports accessible to everyone, regardless of their circumstances.

We believe in the important role sports play in building healthier, more connected communities, and we're proud to stand alongside the clubs and community groups, turning this vision into a reality.

Meet Springboard—one of our proud Grass Roots Grant recipients. Through its boxing program, Springboard empowers 169 youth, fostering resilience, discipline, and self-respect. Through supporters like Rebel Sports, this initiative continues to provide a safe, nurturing environment where vulnerable youth develop essential life skills under the guidance of dedicated mentors.

Pass-it-forward Scholarships

Our Pass-It-Forward Scholarships continue to demonstrate their impact by empowering exceptional young women in sport and delivering meaningful outcomes for both individuals and sporting communities. We not only support athletes to achieve their dreams but work to contribute to the broader ecosystem of sport in Aotearoa, inspiring the next generation of talent.

Pass-it-forward Donations

This year, the Pass-it-forward program has seen an incredible 19,040 balls and 800 cricket sets pledged to schools and clubs across the country. By providing sports equipment directly to the children who need it most, this initiative is committed to breaking down the barriers to sport in NZ.

AFC Sponsorship

We are proud to support the Auckland Football Club (AFC) as a sponsor, furthering our dedication to fostering growth and opportunities in sports. This partnership focuses on the AFC Development Centre, a vital initiative that nurtures emerging talent and builds pathways for players to excel.

Meet Braxton Sorensen-McGee, a talented rugby athlete and Pass-it-forward scholarship recipient. Through our three-year financial and mentoring scholarship, Braxton has been able to focus on her athletic aspirations, culminating in many remarkable milestones such as signing with the Auckland Blues for the 2025 season, being selected for the Black Ferns 7's Camp, and earning MVP honours at the Pacific Youth Cup Tournament.

"I just want to thank Rebel Sport for helping me to reach my dreams. Not only have they helped me financially with the scholarship, but they have also gone above and beyond to help me with boots, mouthguards and even giving us a gift voucher. I was able to go in and meet the team, do photo shoots and I am looking forward to doing more with them in the next couple of years. Thank you, Rebel Sport, for everything."

Braxton Sorensen-McGee
Pass-it-forward Scholarship Recipient

Climate-Related Disclosures

Our Climate-Related Disclosures on pages 28 to 40 cover our progress between 29 January 2024 and 26 January 2025 and comply with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

All figures and commentary relate to the full year ended 26 January 2025, unless otherwise indicated. Briscoe Group is a Climate Reporting Entity under the Financial Markets Conduct Act 2013.

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

Adoption Provision:	Description of Adoption Provision:
Adoption provision 2: Anticipated financial impacts	This adoption provision provides an exemption from disclosing the anticipated financial impacts of climate-related risks and opportunities reasonably expected by the entity and from disclosing an explanation of why we are unable to disclose this information. It also provides an exemption from disclosing a description of the time horizons over which the anticipated financial impacts of climate related risks and opportunities could reasonably be expected to occur.
Adoption provision 4: Scope 3 GHG emissions	This adoption provision provides an exemption from disclosing greenhouse gas (GHG) emissions: gross emissions in metric tonnes of carbon dioxide equivalent (CO2e) classified as Scope 3.
Adoption provision 7: Analysis of trends	This adoption provision provides an exemption from disclosing an analysis of the main trends for Scope 3 GHG emissions in an entity's first reporting period, second reporting period and third reporting period.
Adoption provision 8: Scope 3 GHG assurance	This adoption provision allows an entity to exclude its Scope 3 GHG emissions disclosures from the scope of the assurance engagement.

This report contains disclosures that rely on early and evolving assessments of current and forward-looking information, incomplete and estimated data, and the Group's judgements, opinions and assumptions. As such, this report reflects the Group's present understanding and/or best estimates of current and future climate-related events, risks, opportunities, impacts and strategies as at the date of publication of this report. However, the Group cautions reliance on aspects of this report, as it is subject to significant risks, uncertainties, and assumptions.

In particular, this report contains forward-looking statements, including climate-related goals, targets, scenarios, ambitions, risks and opportunities, as well as statements of the Group's intentions, estimates and judgements. Forward-looking statements are not facts and require us to make assumptions, forecasts and projections about the Group's present and future strategies and the environment in which the Group will operate in the future, which are inherently uncertain and subject to limitations. For example, there are limitations associated with the available data, and some information on which the statements in this report are based is likely to change over time. The Group has sought to provide a reasonable basis for forward-looking statements but is currently constrained by the novel and developing nature of this subject matter and the complexity of our global supply chain and broad base of manufacturing partners etc. Considering this, the group is committed to continuously improving the quality and completeness of its data and methodologies.

Forward-looking statements, including risks and opportunities described in this report, and the Group's strategies to achieve its targets, might not eventuate or might be more or less significant than anticipated. New risks and/or opportunities may also arise over time. Many factors can affect the Group's actual results, performance or achievement of climate-related targets or metrics, and these may differ materially from what is described in this report, including factors which are outside of the Group's control.

Accordingly, the Group gives no representation, guarantee, warranty or assurance about the future business performance of the Group, or that the outcomes or impacts expressed or implied in any forward-looking statement made in this report will occur.

The Group expects that some statements made in this document might be amended, updated, recalculated and restated in future climate-related disclosures as the quality and completeness of its data and methodologies continue to evolve and improve. However, the Group will not revise or correct any statements or opinions in this report once it is published (subject to relevant legal requirements). Any changes will be reflected in future reporting periods reports.

This disclaimer notice should be read together with the limitations identified elsewhere in this report.

This report is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares or other interests. Nothing in this report should be interpreted as capital growth, earnings or other legal, financial, tax or other advice or guidance.

For and on behalf of the Board of Directors:

Dame Rosanne Meo
CHAIRMAN
8 April 2025

Rod Duke
GROUP MANAGING DIRECTOR
8 April 2025

Governance

Board Level

BRISCOE GROUP BOARD
Monitoring progress of the sustainability workstreams, reviewing formal reporting from the Sustainability Working Group and endorsing sustainability targets (including GHG emission reduction targets).

AUDIT & RISK COMMITTEE
Oversight of financial reporting, financial disclosures and the Group's accounting policies (including in relation to climate change.) Oversight of the risk management framework and the Group risk profile including climate related risks.

Executive Level

CFO
Accountability for the measurement of greenhouse gas emissions, financial reporting and the Management Risk Committee.

COO
Accountability for the implementation of our climate change transition plan, sustainability progress reporting and the Sustainability Working Group.

Management Level

MANAGEMENT RISK COMMITTEE
Members: Managing Director, COO, CFO, Internal Audit Manager, Finance Manager
Responsible for assessing the major risks including climate risks affecting the business and developing strategies to monitor and mitigate these risks.

SUSTAINABILITY WORKING GROUP
Members: COO, CFO, CPO, GM – Operations and Property, GM – Merchandise, Internal Audit Manager, Finance Business Partner, Sustainability Advisor, Supply Compliance Manager
Responsible for driving our Sustainability Strategy, climate risk and opportunity identification across the business, implementation of climate transition plan and preparing sustainability disclosures including reporting in line with the Climate Standards and internal sustainability reporting. Engaging with experts where required and preparing Board education.

Company Level

BRISCOE GROUP NETWORK

Board Oversight

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

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

Management's Role

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

The Management Risk Committee meets every quarter to identify and assess the major risks (including climate risks) affecting the business by maintaining a risk matrix. This matrix is used as a key input for our transition planning, with strategies then developed to monitor and mitigate these identified risks. The risk matrix is provided to the Board via the Audit & Risk Committee.

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

Strategy

We are a leading New Zealand retailer with a blend of bricks and mortar and online shopping channels, offering our customers the best range of brands at great prices. Our goal is to deliver the best retail experience in New Zealand. We pride ourselves on our ability to adapt quickly to the ever-changing retail environment and continue to differentiate ourselves from others in the sector. This year we entered the second three-year program of our strategic development program, which focuses on projects to equip the Group for growth beyond its current capacity and comprises a combination of both existing and new initiatives. The four key areas of this program are – Long term growth acceleration, Retail experience evolution, Supply chain transformation and Building blocks. Further details of this program can be found on page 15 of the Annual Report.

A key focus of the Building blocks area is how we can operate more sustainably whilst we grow and increase our positive impact through sustainability. We believe operating more sustainably helps increase our resilience to climate-related risk. Including Sustainability as a Building block in our current strategy program highlights the importance we place on ensuring we are positioned for success as the global and domestic economy shifts towards a low-emission, climate-resilient future. This year, we worked with external experts (thinkstep-anz) to create the first iteration of our climate transition plan.

Although we have not yet made any significant changes to our business model or long-term strategy, getting the foundations of our transition plan in place will allow us to make informed decisions when it comes to our longer-term strategy. We have identified the key triggers that we will monitor to identify when more deliberate action needs to be taken. We acknowledge that as a business we need to uncouple our growth and our emissions to ensure we can deliver on both our short- and long-term emissions reduction targets. We are currently still working through the longer-term aspects of our Transition Plan as a business; however, we look forward to sharing these as they evolve.

We have started to feel the transitional impacts of climate change on our business including; increased legislation (specifically the newly introduced NZ Climate related disclosures) and increased insurance premiums off the back of climate-related events occurring in NZ last year. This year we did not experience any significant physical impacts from climate-related incidents on our business operations. We have not identified any material current financial impacts in this financial year.

Scenario Analysis

In 2023, we collaborated with other New Zealand retailers that are climate reporting entities and KPMG New Zealand to co-design a set of integrated climate change scenarios for New Zealand's retail sector. These scenarios are detailed in a published report entitled "The Futures of Retail" published on the KPMG website. The work included the development of three climate-related scenario narratives over three time-horizons for each retailer to consider when developing their own climate scenarios. The sector group chose three Network for Greening the Financial System (NGFS) scenarios as the basis for the sector-level scenarios. These were: Orderly Category: Net Zero 2025, Disorderly Category: Delayed Transition and Hot House World Category: Current Policies.

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

We then engaged external experts thinkstep-anz and ESG Strategy to assist us in interrogating these scenarios and performing a Briscoe Group specific risk assessment. This process involved running several workshops with the SWG and other key management, and had three stages:

1. An initial risk screening of a master list of over 30 risks and opportunities.
2. A baseline risk assessment representing 1.1°C of global warming helping us to identify the current physical and transition impacts we have incurred.
3. Two further scenarios representing 1.5°C and 3.0°C of global warming.

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

- Short-term: 1 to 3 years
- Medium-term: >3 to 10 years
- Long term: > 10years

Climate Risk Assessment:

For the ranking of risks and opportunities at 1.5°C of global warming, the narrative considered was a mixture of the Retail Sector Scenarios for both an Orderly and a Disorderly Transition. Both these scenarios lead to warming being limited to between 1.6°C and 1.7°C by 2050, so physical impacts are similar and seen as being low to moderate.

With the Disorderly scenario, having a delayed transition (i.e., beyond 2030) meant that transitional impacts are moderate to high, depending on the timing of regulatory and legal interventions. The financial impacts are seen to be low to moderate, and both consumer sentiment and macro-economic conditions are uncertain.

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

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

In FY25 as part of our transition planning process, a workshop was held with the SWG and other key management where we reviewed the sector scenarios and our detailed climate risk assessment outputs and deemed these to still be appropriate.

Other than our experts mentioned above, we did not engage any other external partners or stakeholders in the process.

The first iteration of our Scenario analysis, climate-risk assessment, and transition planning has been performed as a stand-alone process, no modelling was undertaken, and it was not integrated into our usual strategy processes. This is due to the significant time and resource required in initial years to get the foundations established and have these processes completed, while meeting timelines set forth by the External Reporting Boards climate disclosure regime. We understand the importance of this process and believe that taking a measured approach will lead to better, more robust outcomes. However, once we have the initial development and implementation behind us, we will look to streamline these processes and integrate them into our existing business planning and strategy cycle.

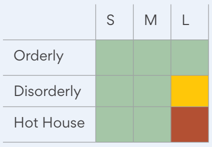
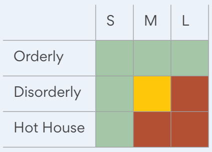
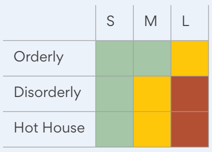
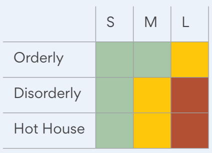
SCENARIOS:

Scenario	Net Zero 2050 (Orderly Category)	Delayed Transition (Disorderly Category)	Current Policies (Hot House World Category)
Intergovernmental Panel on Climate Change (IPCC) scenarios	Shared socio-economic Pathway (SSP)-Representative Concentration Pathway (RCP) SSP1-1.9/RCP1.9	SSP1-2.6/RCP2.6	SSP3-7.0/RCP7.0
New Zealand Climate Change Commission (CCC) scenarios	Tailwinds	Headwinds	Current Policy Reference
Summary	An ambitious and coordinated transition to a low-emissions, climate-resilient future. Stringent climate policies, innovation, ambitious investment, and medium-to-high deployment of carbon removal solutions limit global warming to 1.6°C in 2050 and reducing to 1.4°C by 2100.	Ambitious action is delayed to 2030, followed by sudden and uncoordinated economic transformation. Extensive, stringent and punitive but late government intervention, in combination with some deployment of carbon removal solutions, limits global warming to 1.7°C in 2050 and reducing to 1.6°C by 2100.	Current emissions reduction policies are implemented. Current socio-economic trends continue, resulting in 2°C global warming by 2050 and more than 3°C by 2100.
Risk of having surpassed critical tipping points in Earth's climate system	Low	Moderate	Very High
Severity of physical impacts	Lowest	Low to moderate	Highest
Severity of transition-related impacts	Moderate (greatest in short-term)	Highest (greatest in medium-term)	Lowest (steadily increasing, but also giving businesses more time to adapt)
Consumer sentiment	Rapid re-orientation towards sustainable lifestyles, as characterised by a focus on wellbeing and conscious consumption.	Current trends continue to 2030, then abruptly transition towards sustainable lifestyles as the physical impacts of climate change (and biodiversity loss) hit home.	Current consumption trends continue, including the adoption of more sustainable lifestyles by successive generations.
Macro-economic conditions	Immediate, orderly transition generates short-term economic turbulence but pronounced benefits in the medium and long-term. Physical impacts of climate change exert measurable but limited downward pressure on economy.	Delayed and disorderly transition generates sharp economic downturn but eventually supports economic stability. Physical impacts of climate change exert moderate downward pressure on economy.	No 'green economic bump.' Physical impacts of climate change exert increasingly significant downward pressure on economy, potentially growing to destabilise financial institutions and systems by mid-century.
Financial impact of supply chain disruptions	Lowest	Low to moderate	Highest
Policy reaction to climate change	Immediate and smooth	Delayed	Current policies only
Regional policy variation	Medium	High	Low
Speed of technology change	Fast	Slow, then fast	Slow

Key climate-related risks and opportunities

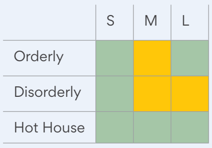
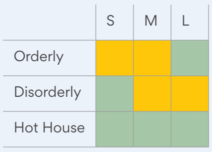
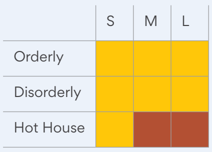
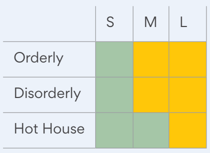
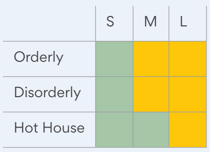
Below are the top climate-related risks and opportunities we identified along with relevant Building block actions from our initial transition plan:

KEY RISKS:

Category	Description	Potential Impact	Potential Financial Impact	Building block action
KEY PHYSICAL RISKS				
Sustainable Sourcing 	With climate-related events increasing globally, there is a significant risk to the availability and consistent supply of raw materials used by our suppliers to manufacture products.	Availability of products offered to us from our suppliers. Decreased ability to purchase required levels of inventory. Diversification of product range.	Increased cost of inventory. Decrease in margin/profit.	Engaging with our suppliers to understand current resource risks and mitigation efforts. Identifying at risk products/materials in our current stock range. Encouraging suppliers to adopt sustainable practices, diversify sourcing and undertake their own transition planning.
Increased storminess/ extreme winds River and pluvial flooding 	Increase in storminess (frequency, intensity) including tropical cyclones. Changes in extreme wind speed. Increase in convective weather events (tornadoes, lightning). Changes in extremes: high intensity and persistence of rainfall. Increase in hail severity or frequency.	There will be an increasing incidence of storm events with increasing severity impacting supply chains and operations. Potential store closures. Delays in supply chain. Staff and customers unable to get to our stores.	Loss of sales and decrease in profit. Cost of repairs/ maintenance to buildings. Increased lease costs. Increased supply chain costs. Increased insurance premiums.	Flood risk mapping of current and future store and Distribution Centre locations. Using the flood risk mapping to assess at risk sites and review adaption strategies. Assess for vulnerabilities in insurance cover in relation to extreme weather coverage.
Sea-level rise leading to coastal and estuarine flooding 	Relative sea-level rise (including land movement). Change in tidal range or increased water depth. Permanent increase in spring high-tide inundation. Rising groundwater from sea-level rise.	Sea level rise of 0.32m could impact specific locations and increase losses due to flooding. Temporary store closures. Delays in supply chain. Staff and customers unable to get to our stores. Store relocations.	Loss of sales and decrease in profit. Cost of repairs/ maintenance to buildings. Increased lease costs. Increased supply chain costs.	Flood risk mapping of current and future store and Distribution Centre locations. Using the flood risk mapping to assess at risk sites and review adaption strategies. Assessing for vulnerabilities in insurance cover in relation to extreme weather coverage.
Supply chain 	A main international port is affected (e.g. by storms/or floods). New Zealand shipping port or main highway is affected (e.g. by storms/or floods).	Unable to get goods to New Zealand. Need to source goods from alternative location. Delays in supply chain. Goods movement around New Zealand is restricted.	Loss of sales and decrease in profit. Increased supply chain costs.	Reviewing the resilience of our supply chain by evaluating vulnerabilities related to climate change. Considering critical ports, dependencies, and potential disruptions caused by extreme weather events, resource scarcity, or shifting transportation routes. Understanding the impacts of sea-level rise on international ports.

S – Short-term (1-3years) M – Medium-term (3-10years) L – Long-term (>10years)

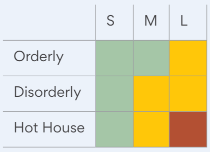
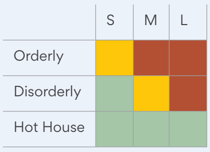
Low Risk Medium Risk High Risk

Category	Description	Potential Impact	Potential Financial Impact	Building block action
KEY TRANSITION RISKS				
Regulatory & Legal 	With a global focus on decarbonisation, the increase of additional regulation and/or ratcheting of current requirements could have a significant impact on global supply chains and domestic regulation. Increased legal activity and costs due to climate activism and/or sector positioning.	Increasing reporting complexity, requiring allocation of time and resources. Increased demand on resources to ensure compliance. Increased demand on resources to dispute any claims made again company.	Increased indirect (operating) costs and impact on margin. Increased cost of corporate compliance. Cost of potential fine, sanction or claim.	Engaging with experts to understand the immediate implications of new regulations and ensure compliance. Engaging with retail sector peer group to stay abreast with sectorial changes and associated responses.
Changing consumer preferences 	Consumers are increasingly aware of their role in decarbonisation, and this is reflected in shopping habits and demand for low-carbon products.	Reduction in sales due to customer preference diverted to low carbon products not stocked. Need to diversify product offering to include low carbon products. Need to transition to supply of lower carbon products.	Decrease in sales. Increase cost of goods. Reduction in profit.	Conducting regular consumer preference reviews. Reviewing strategy of our core brands (Briscoes and Rebel Sport) to ensure alignment with changes in consumer preferences. Ensuring product offering reflects current market demands. Making use of our current Direct to Customer program to trial low emissions/sustainable products.
Insurance 	Maintaining existing or gaining new or additional insurance cover may become harder due to perceived climate risk.	Potential inability to gain insurance. May be unable to achieve the level of cover desired.	Increased cost of insurance. Increase in cost of Directors & Officers Liability insurance.	Performing annual reviews of insurance coverage and policies. Assessing for vulnerabilities in insurance cover in relation to climate-related risks.
Supply chain 	Decline in available shipping routes to NZ (e.g. due to decrease in exports, availability of low carbon shipping alternatives etc).	Unable to get goods to New Zealand. Need to source goods locally. Delays in supply chain.	Loss of sales and decrease in profit. Increased cost of goods. Increased supply chain costs.	Working with existing supply chain stakeholders to better understand the implications of a changing climate on global freight. Continuing to monitor shipping availability and staying up to date with changes to the supply chain landscape.
Metrics & Targets 	Completeness of emissions profile. Commitment to emissions reductions or NetZero targets. Emissions intensity of the organisation and achievement of reductions. Ability to decarbonise, cost of decarbonisation. Highly reliant on suppliers to meet Scope 3 reduction targets.	There will be increasing scrutiny on organisational disclosures and performance in decarbonisation. Completeness of Scope 3 data and inherent limitations. Difficult supplier relationships as a result of supplier reluctance to reduce emissions. Inability to meet emissions reduction targets.	Increased cost of compliance. Additional cost of carbon reduction/mitigation.	Robust carbon emissions reduction road map developed. Program of work to improve quality of Scope 3 data. Supplier engagement program to work with suppliers to measure emissions and set GHG reduction targets. Review metrics and targets used to monitor climate related risks to ensure they can be consistently reported over long-term. Look to expand scope of climate-related metrics and targets.

S – Short-term (1-3years) M – Medium-term (3-10years) L – Long-term (>10years)

Low Risk Medium Risk High Risk

KEY OPPORTUNITIES:

Category	Description	Potential Impact
KEY PHYSICAL OPPORTUNITY		
International influences from climate change and Greenhouse Gas mitigation preferences  	Immigration from Pacific and other Island countries (disaster responses, development). Migration will increase and New Zealand will increasingly be seen as a safer destination, increasing staff availability and product demand.	Increase in sales and increase in profit. Greater access to labour due to growing population.
KEY TRANSITION OPPORTUNITY		
Markets and Products & Services  	New market opportunities (diversification). Opportunity to develop/source and market low-carbon products and services.	Increased sales and profit. Potential for new operating segments.

S – Short-term (1-3years) M – Medium-term (3-10years) L – Long-term (>10years)

Low Opportunity Medium Opportunity High Opportunity

Internal capital deployment and funding:

The Group has not to date fully integrated all the climate-related risks and opportunities it has identified into its internal capital deployment and funding decision-making processes. However, where relevant they are informally considered.

Transition planning:

As mentioned above a key focus this year has been developing the first iteration of our climate transition plan. This plan details current and future actions, triggers for additional actions, associated resources, and responsibilities for implementation. This plan also incorporates our emissions reduction road map developed alongside our external expert ESG Strategy. Although we have made considerable progress in this area, there is still work to be done and this plan will continue to evolve over the foreseeable future.

Against our key climate-related risks above, we have included the Building block actions we have committed to in the first phase of our transition plan. Some of these actions have already begun and some will be initiated in the new financial year. While some actions may seem minor, they are essential 'Building blocks' for a climate-resilient future. They will provide us further insights into the anticipated financial impacts of our climate-related risks alongside the necessary long-term investments that may be required, guiding our future strategy.

All Building block actions in our transition plan, such as the engagement of experts and those that expand the remit of our existing teams, are covered within our operating expenditure, and are considered in our annual budget setting process. Outside of the costs associated with these Building block actions, and previously approved capital expenditure (e.g. in relation to our Forklift electrification program), at present, we do not have funding specifically allocated towards climate transition activities. However, during the transition planning process, it was clear that many business-as-usual activities and existing capital investment decisions help to address the risks posed by a changing climate and align with our emissions reduction roadmap. When making large capital investment decisions, such as those in relation to our Distribution Centre, factors such as emission reductions are considered, however, they are not the key value driver for investment decisions.

Risk Management

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

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

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

- Short-term: 1 to 3 years
- Medium-term: >3 to 10 years
- Long term: > 10years

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

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

i. Description of the risk

ii. Inherent risk and residual risk

iii. Risk profile (evaluation enabling prioritisation)

iv. Mitigations

v. Board Oversight (monitoring)

The Management Risk Committee, comprising the Managing Director, Chief Financial Officer, Chief Operating Officer, Finance Manager and Internal Audit Manager review the risk register quarterly and risk reporting is presented to the Audit & Risk Committee. Significant risks are discussed at Board meetings, or as required.

Metrics and Targets

Greenhouse Gas (GHG) Emissions

Briscoe Group's GHG emissions inventory has been prepared in accordance with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and ISO 14064-1:2018 - Greenhouse gases Part 1. We have used the operational control consolidation approach. Ministry for the Environment (Mfe) 2024 emissions factors and Global Warming Potential (GWP) rates have been used in our calculations (Measuring emissions: A guide for organisations: 2024 detailed guide).

	FY23 (Base year) Emissions (tCO^2e)	FY24 Emissions (tCO^2e)	FY25 Emissions (tCO^2e)	FY25 vs FY24	FY25 vs Base Year (FY23)
Scope 1	212	174	138	(20.69)%	(34.91)%
Scope 2 (location-based)	2,531	1,470	1,417	(3.61)%	(44.01)%
Total Reported Emissions (Scope 1 and 2)	**2,743**	**1,644**	**1,555**	**(5.41)%**	**(43.31)%**
tCO^2e per $1m of Sales revenue	**3.49**	**2.08**	**1.96**	**(5.77)%**	**(43.84)%**

In FY24 we set the following Greenhouse gas reduction target: Briscoe Group commits to reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2023 base year and will work to net zero emissions by 2050.

Our Scope 1 & 2 target was developed by a third-party expert (ESG Strategy) and based on the SBTi guidance at the time. SBTi offers a globally recognised framework for companies to set GHG emissions reduction targets that are consistent with the level of decarbonisation required to keep global temperature increase within 1.5°C above pre-industrial levels. While we believe our Scope 1 and 2 emissions reduction target is aligned with SBTi's requirements, it has not been validated by them. The Groups target does not rely on any offsets; however our Scope 2 reduction target is largely reliant on the New Zealand energy grid becoming more renewable.

This year the Group's Scope 1 & 2 emissions decreased by 5.41% compared to FY24 and decreased 43.31% when compared to our FY23 base year. Overall, Scope 1 emissions reduced by 20.69% in the current year primarily driven by:

7.70%
Emissions from LPG used in forklifts

10.80%
Emissions from fuel purchased on staff fuel cards

49.46%
Emissions from refrigerant leakage

Emissions from LPG used in forklifts: We have now replaced 86% of the internal combustion engine forklifts in our store network with electric units, the remaining units are scheduled to be replaced by then end of 2025. Some internal combustion units will remain in our Distribution Centre, however these will all be replaced when we move to our new site in 2026.

Emissions from fuel purchased on staff fuel card: There are two factors responsible for the decrease in these emissions, one being that overall fuel purchased in FY25 was down 8.35% on last year and secondly the mix of this fuel purchased which was diesel decreased from 17% to 14%. The emissions factor related to petrol is lower than that for diesel.

Emissions from refrigerant leakage: Although we saw a large decrease in these emissions this year, we expect them to fluctuate over the next few years as we work to replace our legacy HVAC units. We aim to service all Briscoe Group units at least once a quarter to minimise the amount of refrigerant gas lost into the atmosphere but sometimes this is outside of our control.

Scope 2 emissions from Electricity use: This year saw a modest reduction of 3.63% in Scope 2 emissions. Work is underway to reduce our electricity consumption in store, with store refurbishments being completed in more sustainable designs incorporating elements such as LED lighting.

Methodology and assumptions:

Scope 1

Emissions Source:	**Data Source:**	**Method:**	**Assumptions:**	**Uncertainty:**
Stationary combustion fuels (LPG used in forklifts)	Supplier invoices	Kilograms of LPG purchased x most relevant MfE LPG conversion factors. In FY25 a change was made to record LPG in Kilograms rather than litres and apply the stationary fuel emissions factor rather than a transport fuel factor. This change did not have a material impact and FY23 and FY24 have not been restated.	Quantity supplied is consumed in same period as purchase. Supplier information is complete and accurate.	Low
Mobile combustion fuels (Petrol and Diesel used in staff owned vehicles purchased via company fuel card)	Supplier invoices	Litre of fuel purchased x most relevant MfE fuel conversion factors.	Quantity supplied is consumed in same period as purchase. Driver behaviour and individual engine performance not considered. Supplier information is complete and accurate.	Low
Fugitive Emissions (Refrigerant leakage based on top-up quantities)	Supplier invoices	Kilograms of Gas top-up x most relevant MfE gas conversion factors.	Supplier information is complete and accurate.	Low

Scope 2

Emissions Source:	**Data Source:**	**Method:**	**Assumptions:**	**Uncertainty:**
Purchased electricity	Electricity consumption data sourced directly from our electricity supplier.	The location-based approach was used to calculate Scope 2 emissions: Quantity of purchased electricity by metered kWh (normalised to calendar month) x most relevant MfE purchased electricity conversion factor.	On average, the MfE annualised electricity conversion factor is representative of Briscoe Group consumption pattern. Electricity usage can be normalised to calendar month (i.e., electricity usage from multi-month invoices can be allocated to each month based on the average daily quantity over the invoiced period).	Low

Excluded Emissions Sources:

Scope 1: Deisel used for Generator testing and LPG for staff BBQs at a limited number of the Groups sites have been excluded as they are deemed de minimis (immaterial, meaning less than 1% total emissions).

Scope 2: Two stores where Electricity is on charged by the Landlord have been excluded as reliable usage data is not available. The usage at these two sites is deemed to immaterial to the overall footprint.

Biogenic Emissions: The Group does not produce any biogenic emissions of CO_2 from the combustion or biodegradation of biomass.

Base year selection and Recalculation policy:

FY23 was determined to be the appropriate base year for our calculations and Scope 1 and 2 emissions reduction target. Although prior to this year Briscoe Group had measured its emissions, in FY23 a more robust process in line with international standards was followed. Methodology changes that impact our base year GHG emissions 5% or greater, are considered material and will trigger the adjustment of our base year emissions. This includes updated emission factors, improved data access, and updated calculation methods or protocols. There have been no recalculations to the FY23 base year in FY25.

Assurance of Greenhouse Gas Emissions:

McHugh & Shaw Limited has independently verified emissions for FY25. We have obtained reasonable assurance over our Scope 1 and 2 emissions. More information on the scope can be found in the assurance report provided by McHugh & Shaw on page 41-43 of this report.

Scope 3 emissions

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

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

Given the complexity of the Scope 3 calculations, we have made the decision to make use of the additional relief provided by the External Reporting Board and use Adoption provision 4 for a second year. This is to allow ourselves more time to deepen our understanding of our Scope 3 emissions profile and improve the quality of the data and assumptions used in our calculations.
A meaningful reduction in Scope 3 emissions will not be possible without the collaboration of our supply chain. We have a well-established ethical supplier program which we have begun utilising to engage with our suppliers on their carbon footprints and emissions reduction targets, and internally we are working with our experts to formalise a supplier engagement program in relation to carbon emissions. Once formalised, this program will allow us to ensure our suppliers are working towards measuring their emissions and setting Science-aligned reduction targets of their own.

Other Metrics and Targets

We do not currently use an internal emissions price.

We do not currently track any other climate-related metrics beyond GHG emissions.

As we gain a deeper understanding of our climate related risks and opportunities, and our transition plan evolves, we will consider if further metrics are required to both measure and monitor climate-related risks across our business. These metrics may focus on evaluating the proportion of assets and operations vulnerable to transitional and physical climate risks and aligning business activities with climate-related opportunities.

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

McHugh & Shaw.

INDEPENDENT ASSURANCE REPORT ON BRISCOE GROUP LIMITED'S GREENHOUSE GAS (GHG) DISCLOSURES

TO THE DIRECTORS OF BRISCOE GROUP LIMITED

Our Assurance Conclusion

Reasonable Assurance Conclusion

In our opinion, the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our reasonable assurance engagement (as outlined below) included in the climate statements for the year ended 26 January 2025, are fairly presented and prepared, in all material respects, in accordance with Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (XRB), as explained on page 28 of the climate statements.

Scope of the Assurance Engagement

We have undertaken a reasonable assurance verification engagement over the following GHG disclosures within the climate statements for the year ended 26 January 2025:

- GHG Emissions Scope 1/ISO Category 1, 138 tCO_2e, on page 38.
- GHG Emissions Scope 2/ISO Category 2, 1,417 tCO_2e, on page 38.

Our assurance was limited to the GHG statement and did not include statutory financial statements. Our assurance is limited to policies, and procedures in place as of 8 April 2025, ahead of the publication of Briscoe Group Limited's (the Group) climate-related disclosure for FY2025.

Our assurance was limited to the GHG statement and did not include statutory financial statements. Our assurance engagement does not extend to any other information included, or referred to, in the climate statements and is confined to the information on pages 38 to 40 of the Annual Report We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Key Matters to the GHG Assurance Engagement

We have determined that there are no key audit matters or emphasis of matter to be communicated in this report.

Other Matters

- The previous reporting year was not subject to assurance.

Comparative Information

The comparative GHG disclosures (that is GHG disclosures for the period ended 29 January 2023 and 28 January 2024) have not been subject to assurance. As such, these disclosures are not covered by our assurance conclusion.

Materiality

Based on our professional judgement, determined quantitative materiality for the GHG disclosures is 1% for individual emission sources, and not totalling more than 5%. Qualitative materiality has been determined with

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due consideration to relevance to users of the climate statement, as well as the potential impact of omission, misstatement, or obscurement of any information.

Competence and Experience of the Engagement Team

Our work was carried out by an independent and multi-disciplinary team including sustainability assurance and environmental practitioners. The assurance lead retains overall responsibility for the assurance conclusion provided.

Briscoe Group Limited's Responsibilities for the GHG Disclosures

The Group is responsible for the preparation and fair presentation of the GHG disclosures in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs). This responsibility includes designing, implementing and maintaining a data management system relevant to the preparation and fair presentation of GHG disclosures that is free from material misstatement.

Inherent Uncertainty in Preparing GHG Disclosures

As discussed on page 28 of the climate statements the GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Responsibilities

Our responsibility is to express an opinion on the GHG disclosures based on our verification. We are responsible for planning and performing the verification to obtain assurance that the onsite GHG disclosures are free from material misstatement.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by management, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Other Relationships

In addition to the provision of the assurance engagement over the GHG statement we also have the following relationships, or interests, in the Group, which did not compromise our overall independence:

- Subject to certain restrictions, the employees of our firm may also deal with the two subsidiaries within the ordinary course of trading activities of the business of Rebel Sport and Briscoes retail stores.

Independence and Quality Management Standards Applied

This assurance engagement was undertaken in accordance with NZ SAE 1 Assurance Engagements over Greenhouse Gas Emissions Disclosures issued by the External Reporting Board (XRB). NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Professional and ethical standards are held in high regard and our quality management system aligns with the standards ISO 9001:2015 and ISO 14065:2020 and we comply with the Carbon and Energy Professionals New Zealand Code of Ethics and Code of Professional Conduct.

Summary of Work Performed

Our verification strategy used a combined data and controls testing approach. Evidence-gathering procedures included but were not limited to:

- Enquiries of management to obtain an understanding of the overall governance and internal control

environmental, risk management processes and procedures relevant to GHG information;
- Evidence to support the reporting boundaries, organisational and legal structure reported;
- Recalculation of the GHG emissions;
- Analytical review and trend analysis of the GHG information;
- Evaluation of relationships among GHG and non-GHG data;
- Interview of personnel involved in data collection;
- Review of emissions factors used within the calculations for source appropriateness;
- Review of uncertainty and data quality;
- Review of the assumptions, estimations and quantification methodologies; and
- Seeking written representation from governance on key assertions.

Reasonable Assurance Conclusion

Our reasonable assurance verification engagement was performed in accordance with NZ SAE 1, and ISO 14064-3: 2019 – Specification with guidance for the verification and validation of greenhouse gas statements, issued by the International Organization for Standardization (ISO). This requires that we comply with ethical requirements (as outlined above), and plan and perform the verification to obtain reasonable assurance (Scope 1 & 2) that the GHG disclosures are free from material misstatement.

Reasonable Assurance Procedures
• Sample testing, tracing and retracing of data trails back to primary data including vehicle fuel, LPG, refrigerant loss and electricity records. • Site visits to inspect the completeness of the inventory including interview of site personnel to confirm operational behaviour, any standard operating procedures and sample of site-based records.

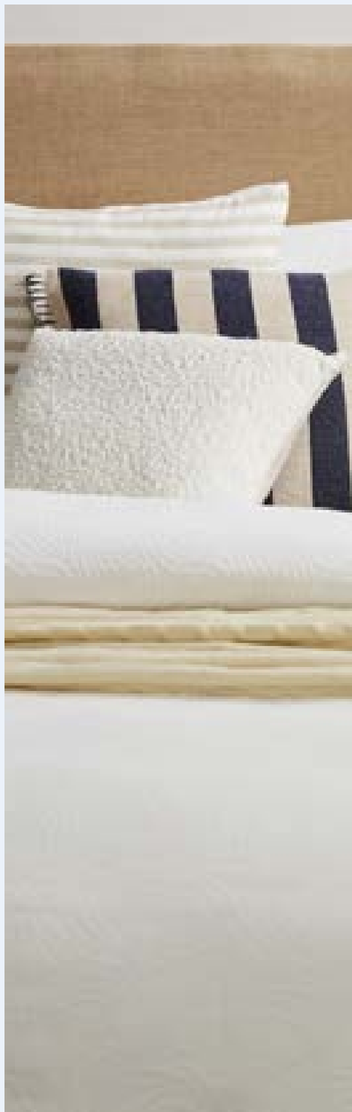
The data examined during the verification were historical in nature. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Jeska McHugh, Assurance Lead
CEP NZ Certified Carbon Auditor (#CCA1005)
McHugh & Shaw Limited
Christchurch, New Zealand
8 April 2025

Natalie Clee, Independent Reviewer
Deilen Deri Consultancy Ltd
On behalf of McHugh & Shaw Limited
Auckland, New Zealand
8 April 2025

This report including the opinion expressed herein, is issued to the Directors of Briscoe Group Limited in accordance with the terms of our agreement for the purpose of disclosing GHG emissions. We consent to the release of this report by you to interested parties, but we disclaim any assumption of responsibility for any reliance on this report by any other party than for which it was prepared.


Nike
Track
Club

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Consolidated Financial Statements

For the 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 blue font for easier identification.

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

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	Rod Duke
CHAIR	GROUP MANAGING DIRECTOR

11 March 2025

For and on behalf of the Board of Directors

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.

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.

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.

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.

Consolidated Statement of Changes in Equity

For the 52 week period ended 26 January 2025

	Notes	Share Capital	Cashflow Hedge Reserve	Equity-Based Remuneration Reserve	Other Reserves	Retained Earnings	Total Equity
		$000	$000	$000	$000	$000	$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 loss 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 loss 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.

Notes to the Consolidated Financial Statements

For the 52-week period ended 26 January 2025

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 control is transferred to the Company. They are deconsolidated from the date that control ceases.

1. Basis of Preparation

For the 52 week period ended 26 January 2025

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

For the 52 week period ended 26 January 2025

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 (2024: 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 costs	(10,271)	(5,177)	(3)	(15,451)
Net finance cost	(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
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

2. Performance

For the 52 week period ended 26 January 2025

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

For the 52 week period ended 26 January 2025

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

For the 52 week period ended 26 January 2025

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

For the 52 week period ended 26 January 2025

	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)**
Recognised in equity	**-**	**48**	**469**	**-**	**-**	**517**
Recognised in to other comprehensive income	**-**	**-**	**(1,247)**	**-**	**-**	**(1,247)**
At 26 January 2025	**(6,635)**	**4,497**	**(875)**	**(64,474)**	**77,477**	**9,990**

(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. Performance

For the 52 week period ended 26 January 2025

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.

2.4 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

For the 52 week period ended 26 January 2025

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.

3.1.3 Inventories

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

3. Operating Assets and Liabilities

For the 52 week period ended 26 January 2025

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.

Long service leave

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

Provisions

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

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

3. Operating Assets and Liabilities

For the 52 week period ended 26 January 2025

	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

3.2 Property, Plant and Equipment

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

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

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

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

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

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

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

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

3. Operating Assets and Liabilities

For the 52 week period ended 26 January 2025

	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

For the 52 week period ended 26 January 2025

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 (2024: 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

For the 52 week period ended 26 January 2025

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

For the 52 week period ended 26 January 2025

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

For the 52 week period ended 26 January 2025

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 costs	**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 costs	**(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.

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.

5. Financing and Capital Structure

For the 52 week period ended 26 January 2025

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

Derivatives that do not qualify for hedge accounting

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

5.2.2 Credit risk

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

5.2.3 Interest rate risk

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

5.2.4 Liquidity risk

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

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

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

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

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

5. Financing and Capital Structure

For the 52 week period ended 26 January 2025

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.

5.2.5 Market risk

Equity price risk

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

Foreign exchange risk

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

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

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

5. Financing and Capital Structure

For the 52 week period ended 26 January 2025

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.

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. Financing and Capital Structure

For the 52 week period ended 26 January 2025

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:

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.

5. Financing and Capital Structure

For the 52 week period ended 26 January 2025

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.

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.

5. Financing and Capital Structure

For the 52 week period ended 26 January 2025

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).*

5.3.3 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 10.00 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

For the 52 week period ended 26 January 2025

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).

6.1.2 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. Other Notes

For the 52 week period ended 26 January 2025

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	Dividends	Directors' fees	Dividends
	$000	$000	$000	$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	Period ended 28 January 2024
	$000	$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

For the 52 week period ended 26 January 2025

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 following table:

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:

6. Other Notes

For the 52 week period ended 26 January 2025

% 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

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

6. Other Notes

For the 52 week period ended 26 January 2025

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 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 10.00 cents per share for all shares on issue as at 20 March 2025, with full imputation credits attached (Note 5.3.3).

6. Other Notes

For the 52 week period ended 26 January 2025

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.

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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 e 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

Corporate Governance Statement

Corporate Governance

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

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

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

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

Principle 1 – Code of Ethical Behaviour

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

Code of Values and Conduct and Related Policies

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

Briscoe Group requires its Directors, senior management and employees to maintain the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision making. The Board has adopted a Code of Conduct which incorporates the requirements set out in Recommendation 1.1, forms part of the induction process for all new employees and is available through the link here: Code of Conduct, and on Briscoe Group's website. The Code of Conduct is reviewed annually and was last reviewed in June 2024. All Directors and employees must provide acknowledgement that they have read and understood the content. To ensure that our expectations are known and understood, both training and reinforcement are delivered via our online learning platform as part of initial and ongoing training.

Briscoe Group's Delegated Authorities Policy does not permit donations to political parties.

Trading in Company Securities Policy

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

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

Principle 2 – Board Composition and Performance

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

Board Charter

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

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

Nomination and Appointment of Directors

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

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

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

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

Directors

Recommendation 2.4: "Every issuer should disclose information about each Director in its Annual Report or on its website, including a profile of experience, length of service and ownership interests; director attendance at board meetings; and the board's assessment of the director's independence including a determination in regards to pertinent factors listed in the Code."

The Board currently comprises five Directors; four independent and one Executive Director. The Board has considered which of its Directors are deemed to be independent for the purposes of the NZX Listing Rules and has determined that as at 12 February 2025, four Directors are independent Directors, including the Chair (Dame Rosanne Meo) and the Chair of the Audit and Risk Committee (Tony Batterton). As at the date of this annual Report, the Directors are:

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

Noting Chair, Dame Rosanne Meo has been a director of Briscoe Group for more than 12 years, the Directors (other than Dame Rosanne Meo) have carefully considered whether her long tenure leads to any influence or perceived influence, in a material way, affecting her capacity to bring an independent view, to act in the best interests of Briscoe Group, or to represent shareholders. They have observed the robust and critical approach that she brings in challenging management and strategic priorities, while clearly facilitating open and constructive dialogue both between members of the Board, and also between management and other members of the Board. As such, they have determined that Dame Rosanne Meo continues to qualify as an independent Director.

Director Skills

The Board comprises Directors with a mix of qualifications, skills and experience appropriate to the Company's existing operations and strategic direction. A comprehensive matrix of Director skills based on each Director's self-assessment is set out below. Further information about the experience and qualifications of individual Directors is available through the link here: Director Profiles and on Briscoe Group's website.

CAPABILITY	Dame Rosanne Meo	Rod Duke	Tony Batterton	Andy Coupe	Mark Callaghan
Governance/Stakeholder Relations Corporate governance experience of listed company.	High	Moderate	High	High	Moderate
Strategy Experienced in setting and driving strategy.	High	High	High	Moderate	High
Retail Broad and deep retail knowledge (developed during both buoyant and more challenging economic conditions).	High	High	Moderate		High
Customer & Marketing Experience of customer-focused strategies, understands brand equity and marketing.	High	High			High
Supply Chain Holds broad sourcing, logistics or distribution experience.	Moderate	High			Moderate
People & Culture Has proven leadership skills and the ability to recognise strong organisational culture.	High	High	Moderate	Moderate	High
Risk Management/ Sustainability Experienced in identifying and mitigating both financial and non-financial risks.	Moderate	High	High	High	Moderate
Financial/ Commercial Has significant finance experience and is commercially astute.	Moderate	High	High	High	Moderate
Digital/ Data/ Technology Comfortable with technology and the use of data and digital channels. Encourages innovation and use of new technologies.	Moderate	Moderate		Moderate	
APPOINTED	May 2001	March 1992	June 2016	October 2016	January 2021

Key:

High Capability = ● Moderate capability = ●

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

Directors disclosed the following relevant interests in shares as at 26 January 2025:

Director	Number of shares in which a relevant interest is held
Dame Rosanne Meo	100,000 shares
Rod Duke	171,566,383 shares
Tony Batterton	30,000 shares
Andy Coupe	10,000 shares
Mark Callaghan	10,000 shares

Diversity

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

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

We have previously identified that information gathered through our recruitment processes was limited, particularly in relation to data collected for purposes of assessing diversity and progress in this area. We recognised that although it is critical to prevent bias in selection and hiring practices through presentation of candidate information this must be balanced with having access to this data to ensure we monitor and champion practices and decisions which enhance diversity. In 2022 we worked with an external project team to identify good practice around gathering and using ethnicity information both for potential candidates and existing employees. We now have ethnicity information for over 64% of our team based on the information shared at recruitment stage or volunteered when we have engaged with our team on this particular issue. Expansion of gender identification options has enabled a number of our team to communicate that they identify as a different gender than they previously nominated.

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

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

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

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

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

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

	26 January 2025		28 January 2024	
	Female	**Male**	**Female**	**Male**
Directors	**1**	**4**	1	4
Officers[1.,2.]	**-**	**3**	-	3
Other Senior Management[3.]	**1**	**3**	1	3

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

Director Training

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

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

Board Evaluation

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

The Chair of the Board leads regular internal performance reviews in addition to undertaking a periodic external evaluation of the performance of Directors, the Board as a whole, and of the Board committees against the Board and committee charters, including seeking Directors' views relating to Board and committee process, efficiency and effectiveness. The Chair of the Board also engages with individual Directors to evaluate and discuss performance and professional development. The Board plans to undertake the next external evaluation during the 2025 calendar year utilising an Institute of Directors survey resource for commercial boards, "Accelerate Evaluation".

Independent Directors

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

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

Separation of Board Chair and CEO

Recommendations 2.9 and 2.10: "An issuer should have an independent chair of the board. The chair and the CEO should be different people."

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

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

Principle 3 – Board Committees

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

Audit and Risk Committee

Recommendation 3.1: "An issuer's audit committee should operate under a written charter. An audit committee should only comprise non-executive directors of the issuer. One member of the committee should be both independent and have an adequate accounting or financial background. The chair of the audit committee should be an independent director and not be the Chair of the Board."

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

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

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

Remuneration Committee

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

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

Nomination Committee

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

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

Overview of Board Committees

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

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

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

Attendance at Board and Committee Meetings for the Year Ended 26 January 2025

	Board	Audit and Risk	Human Resources
Number of meetings held	14[1.]	4	4
	Attended	Attended	Attended
Dame Rosanne Meo	13	4	4
Rod Duke	13	4	3
Tony Batterton	14	4	4
Andy Coupe	14	4	4
Mark Callaghan	14	4	4

1. Includes two meetings of the Board held immediately after the half and full-year Audit and Risk Committee meetings to approve Group resolutions associated with releases to the NZX and ASX, financial statements and dividends.

Control Transaction Protocols

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

A "control transaction" means any transaction that: (a) is regulated by the Takeovers Code; (b) would be regulated by the Takeovers Code if it were not structured as a scheme of arrangement under Part 15 of the Companies Act 1993; or (c) is a "Restricted Transfer' under Appendix 3 (Takeover Provisions) of the NZX Listing Rules.

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

Principle 4 – Reporting and Disclosure

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

Continuous Disclosure

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

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

Charters and Policies

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

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

Financial and Non-Financial Reporting

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

Financial Reporting

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

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

Non-Financial Reporting - Sustainability

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

Being one of New Zealand's leading retailers we are committed to improving sustainability performance across the four pillars of our sustainability strategy: Governance, Community, Our People and the Environment. Progress against these pillars is reported on pages 19-27 of this report.

Briscoe Group is a Climate Reporting Entity and is publicly reporting for its period ending 26 January 2025, the Group's climate related risks and opportunities in accordance with Aotearoa New Zealand Climate Standards released on 15 December 2022 (see pages 28-40 of this report).

Principle 5 – Remuneration

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

Remuneration Policy

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

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

Director Fees

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

Shareholder approval is sought for any increase in the pool available to pay Directors' fees. Approval was last sought in 2024, when the pool limit was set at $444,000 per annum.

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

	Position	Fees (per annum)
Board of Directors	Chair	$152,000
	Member	$76,000
Audit and Risk Committee	Chair	$12,000
	Member	$7,000
Human Resources Committee	Chair	$10,000
	Member	$7,000

Remuneration of Directors in the reporting period is tabulated below:

	Board Fee	Audit and Risk Committee	Human Resources Committee	Total Fees	Other Payments/ Benefits	Total Remuneration
Dame Rosanne Meo	$149,000	$7,000	$7,000	**$163,000**	-	**$163,000**
Rod Duke[1.]	-	-	-	**-**	$1,766,177	**$1,766,177**
Tony Batterton	$74,500	$12,000	$5,250	**$91, 750**	-	**$91, 750**
Andy Coupe	$74,500	$7,000	$10,000	**$91,500**	-	**$91,500**
Mark Callaghan	$74,500	$5,250	$7,000	**$86,750**	-	**$86,750**
Total	**$372,500**	**$31,250**	**$29,250**	**$433,000**	**$1,766,177**	**$2,199,177**

1. *No Directors' fees are paid to Executive Directors. For more information in relation to Executive Director remuneration refer to "Managing Director Remuneration" below.*

Executive and Employee Remuneration

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

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

Periodically the Human Resources Committee, on behalf of the Board, seeks independent external advice to ensure that remuneration for senior executives is appropriate and fulfils the objectives of attraction, retention and motivation. This exercise was last conducted in full in 2022 for the roles included as part of the senior management team. The Board is satisfied that the outcomes of that review remain largely appropriate in the current market. Noting changes to roles and incumbents in a small number of positions the Board will reassess any need to seek further independent advice in the 2025 calendar year.

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

The number of employees and former employees within Briscoe Group (including the Managing Director but excluding any other Director) receiving remuneration and benefits above $100,000, relating to the 52-week period ending 26 January 2025 is set out in the following table:

Remuneration	Number of Employees
$100,000 - $109,999	21
$110,000 - $119,999	16
$120,000 - $129,999	6
$130,000 - $139,999	8
$140,000 - $149,999	7
$150,000 - $159,999	1
$160,000 - $169,999	4
$170,000 - $179,999	8
$180,000 - $189,999	4
$190,000 - $199,999	9
$200,000 - $209,999	4
$210,000 - $219,999	3
$220,000 - $229,999	4

Remuneration	Number of Employees
$230,000 - $239,999	1
$250,000 - $259,999	2
$260,000 - $269,999	2
$290,000 - $299,999	1
$360,000 - $369,999	1
$420,000 - $429,999	1
$490,000 - $499,999	1
$600,000 - $609,999	1
$610,000 - $619,999	1
$850,000 - $859,999	1
$940,000 - $949,999	1
$1,760,000 - $1,769,999	1

The table above includes individuals who were employees during the 52-week period ending 26 January 2025 and who received remuneration and benefits above $100,000 during that period.

Senior Management

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

Short Term Incentive Payments

Short term incentive (STI) payments are at risk cash payments designed to motivate and reward for short term (within each financial year) performance. The target value of a STI payment is set by the Managing Director with a specified dollar potential available to each participant in the scheme. The target areas for all employees who are entitled to a STI payment are set based on a combination of company financial performance, specific financial performance relative to the employee's areas of responsibility and individual goals. The weightings applied to each of the target areas will be largely consistent throughout the company for roles entitled to a STI payment but may vary, along with specific targets to be achieved, depending on specific areas of focus as determined by the Managing Director. Achievement of Net Profit After Tax (NPAT) is a fundamental hurdle that must be achieved prior to measurement and satisfaction of any other role based or personal goals. In the absence of achieving budget NPAT, no scheme vests nor rewards the performance or contributions of the participant.

The Board approves the STI payments to be made to senior management at the end of the financial year and approves the senior management targets for the following year. The Board reserves the right to exercise discretion in circumstances where specific KPI's are not met but exceptional performance warrants some financial recognition.

As Budget NPAT was not achieved for the financial year ended 26 January 2025, no Short-Term Incentive schemes vested. The Board, in recognising the contributions and wider achievements made across a broader range of measures than financial targets, elected to use their discretion and determined a discretionary payment of up to 50% of the maximum achievable would be made. This applied to all participants who are included in formal Short-Term Incentive Schemes along with payment made to all team members who had met basic criteria such as being permanent employees who had worked at least a minimum number of hours in the prior financial year. In this manner, all employees were recognised and rewarded for their efforts and contributions.

Medium Term Incentive Payments

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

Long Term Incentive Payments

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

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

Managing Director Remuneration

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

The remuneration of the Managing Director for the year ended 26 January 2025 was:

	Period Ended 26 January 2025
Base Salary	$1,223,160
Other Benefits	$140,517
Discretionary Payment	$402,500
Subtotal	**$1,766,177**
LTI (refer below)	-
Total Remuneration	**$1,766,177**

The remuneration of the Managing Director comprises fixed and performance payments. Fixed remuneration includes a base salary and other benefits comprising; contributions to superannuation, life insurance, health insurance and a fuel card. The performance targets included in the Managing Director's Short-Term Incentive Scheme include achievement of financial objectives (achievement of budget NPAT, weighted at 70%) as well as progress on strategic initiatives (weighted at 30%). Strategic initiatives include those which are core to the ongoing day to day operation of the business in combination with those which position the company well for future operation, such as the development of our new Distribution Centre, system and platform transformation and implementation, along with projects focused on our people, property and products.

As noted in the Short Term Incentive Payments section above, as Budget NPAT was not achieved for the financial year ended 26 January 2025, no Short-Term Incentive schemes vested. The Board, in recognising the contributions and wider achievements made across a broader range of measures than financial targets, elected to use their discretion and determined a discretionary payment of up to 50% of the maximum achievable would be made. This applied to the Managing Director also.The Managing

Director does not participate in the MTI Scheme and, given his shareholding in the Company, nor does he participate in any equity-based Long Term Incentive Scheme.

In accordance with the externally conducted review of the remuneration packages of the roles in the senior management team conducted in 2022, the structure and quantum of the remuneration package of the Group Managing Director was considered appropriate.

The Managing Director has no entitlement to any golden handshake or golden parachute payment.

Principle 6 – Risk Management

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

Risk Management

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

The Board is responsible for Briscoe Group's risk assessment, management and internal control and it believes it has carried out a robust risk assessment process. Principally through the Audit and Risk Committee, the Board monitors policies and processes that identify significant business risks including climate related risks and implements procedures to monitor these risks. The Board has assessed the most material risks facing the business to be unfavourable and unpredictable economic conditions; increased competition; inadequate or unsuccessful strategic decisions; IT systems or security failure; and merchandise and supply chain issues.

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

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

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

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

Health and Safety

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

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

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

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

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

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

The Company operates a continuous system of hazard identification and management along with monthly reviews of performance to ensure that opportunities for improvement are identified and progressed. As our highest Health and Safety risk, reviews of Traffic Management Plans continue. Continuous vigilance in this area is vital to the safety and wellbeing of our team and other visitors to our sites. Another key risk is injury due to manual handling. In 2024 we commenced development of manual handling training incorporating the use of virtual reality to create a safe environment in which to train and practice appropriate manual handling practices. Our physiotherapy designed programme has been piloted in one location for both trading brands and rolled out to a slightly wider group of stores to increase the numbers of people involved in the training and who can provide feedback. Both the technology and programme have been enthusiastically embraced by our team members and managers.

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

We use a range of indicators including usage of our Employee Assistance Programme to ensure our actions are targeting known needs as well as identifying new issues or concerns. In 2024 we successfully implemented Sonder as our wider employee wellbeing support system. Employee feedback has been extremely positive, and we see continued increases in the use of the services provided through the platform. Our Employee Engagement platform provides additional information from our team on health and safety as well as other matters relating to general wellbeing and it has been pleasing to see the continued upward trend in engagement scores across the Company. Importantly, we have identified positive relationships between scores through our employee engagement platform and business metrics including customer satisfaction and other performance metrics. An engaged and happy team is key to customer satisfaction.

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

Principle 7 – Auditors

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

External Audit

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

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

The Audit and Risk Committee is committed to ensuring Briscoe Group's external auditor is able to carry out its work independently so that financial reporting is reliable and credible. Briscoe Group has an External Auditor Independence policy, which is available through the link here: External Auditor Independence Policy, and on Briscoe Group's website. The External Auditor Independence policy implements the procedures set out in the NZX Code. Regular rotation of the Company's external audit firm is not mandated however, the Engagement and Quality Review partners of the Company's external auditors are required to rotate every five years and are subject to a two-year cooling-off period. Pricewaterhouse Coopers has been the external auditor of Briscoe Group since 2001. The current lead audit partner, Jolly Morgan, commenced his 5 year term from February 2024.

The External Auditor Independence policy sets out the work that the external auditor is required to do and specifies the services that the external auditor is not permitted to do unless authorised by both the Chair and the Chair of the Audit and Risk Committee and so advised to the Board. This is so the ability of the auditor to carry out its work is not impaired and could not reasonably be perceived to be impaired. During 2021 a benchmarking exercise was undertaken by the Board which involved discussions with other external audit companies capable of fulfilling the Group's external audit requirements. As a result of this exercise the Board was satisfied that the current external auditor remained the most appropriate choice for the Group's external audit engagement.

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

Briscoe Group's external auditor is PricewaterhouseCoopers. Total fees paid to PricewaterhouseCoopers in its capacity as auditor for the period ended 26 January 2025 were $165,000 (2024: $155,500). Total fees paid to PricewaterhouseCoopers for other professional services for the period ended 26 January 2025 were $55,000 (2024: $47,500). The other service fees comprise a half yearly review.

Internal Audit

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

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

Principle 8 – Shareholder Rights and Relations

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

Information for Shareholders

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

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

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

Communicating with Shareholders

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

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

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

Shareholder Voting Rights

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

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

Further Capital

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

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

Notice of Annual Shareholders meeting

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

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

General Disclosures

Board of Directors

Dame Rosanne Meo, DNZM, OBE, BA, Dip BIA: Chairman (Non-Executive)
Director of AMP Administration (NZ) Ltd and Rosanne Meo Consulting. Chartered Fellow of Institute of Directors.

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

Tony Batterton, BCom, C.A: Director (Non-Executive)
Partner and Director of Evergreen Partners Ltd and related entities. Non-Executive Director of Scales Corporation Limited, Direct Capital IV Management Ltd and related entities, NZ Fine Tours Holdings Limited and Siplow Nominees Ltd.

Andy Coupe, LLB: Director (Non-Executive)
Chairman of Kingfish Ltd, Barramundi Ltd and Marlin Global Ltd. Chartered Fellow of Institute of Directors.

Mark Callaghan, BCA (Hons): Director (Non-Executive)
Director of Tasti Products Limited, Hepstone Ltd, and Callaghan & Associates Ltd. Member of Institute of Directors.

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

The remuneration and other benefits of such employees (received as employees) totalling $100,000 or more during the year ended 26 January 2025, are included in the relevant bandings for remuneration disclosed as part of the "Remuneration" section of the Corporate Governance Statement included in this Annual Report (page 99).

The persons who held office as Directors of subsidiary companies at 26 January 2025 are as follows:

Briscoes (New Zealand) Limited
Rod Duke, Geoff Scowcroft

The Sports Authority Limited
Rod Duke, Geoff Scowcroft

Rebel Sport Limited
Rod Duke

Living & Giving Limited
Rod Duke

Principal Activities of the Group

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

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

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

Directors

A. Shareholdings

Beneficially Held	As at 14 March 2025 Number of shares
RAB Coupe	10,000
HJM Callaghan	10,000

Non-Beneficially Held	As at 14 March 2025 Number of shares
RA Duke as Trustee of the RA Duke Trust	171,566,383
RPO'L Meo	100,000
AD Batterton	30,000

For further details refer to Substantial Product Holders information (page 107).

B. Share dealings

During the 52-week period ended 26 January 2025 the following directors acquired shares in the Company:

Director	Date of transaction	Number of shares acquired	Consideration
AD Batterton	14 – 19 March 2024	10,000	$46,290
HJM Callaghan	7 May 2024	10,000	$44,500

There were no other changes to Directors' interests in Briscoe Group Limited during the period.

C. Directors' Insurance

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

D. Interests in contracts

During the 52-week period ended 26 January 2025 the following Directors have declared pursuant to Section 140 (1) of the Companies Act 1993 that they be regarded as having an interest in the following transactions:

- The RA Duke Trust, of which RA Duke is a trustee, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments of $732,500 (2024: $722,897) from the Group, under an agreement to lease premises to The Sports Authority Limited, trading as Rebel Sport. (Refer to Note 6.1.1 of the financial statements).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments of $600,634 (2024: $600,634), as owner of the Briscoes Homeware premises at Wairau Park, Auckland, under an agreement to lease premises to Briscoes (NZ) Limited. (Refer to Note 6.1.1 of the financial statements).

- 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 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. (Refer to Note 6.1.1 of the financial statements).

E. Directors' and Officers' use of Company Information

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

Shareholders Information
Holding Range at 14 March 2025

	No. Investors	Total Holdings	%
1 – 1000	1,182	716,644	0.32
1,001 – 5,000	1,689	4,727,251	2.12
5,001 – 10,000	576	4,455,268	2.00
10,001 – 100,000	498	12,157,372	5.46
100,001 and over	33	200,733,477	90.10
Total	**3,978**	**222,790,012**	**100%**

Substantial Product Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 26 January 2025, details of the Substantial Product Holders in the company and their relevant interests in the company's shares are as follows:

Substantial Product Holder	Holding as at 26 January 2025[1]
R A Duke[2]	171,566,383

1. *This information reflects the company's records and disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013.*
2. *R A Duke has a relevant interest as a trustee of the R A Duke Trust which was disclosed in the SSH notice dated 13 October 2016, in respect of 170,081,138 ordinary shares. As at 26 January 2025 this interest was in respect of 171,566,383 ordinary shares.*

The total number of ordinary shares on issue (being all of the voting shares of the company) as at 26 January 2025 was 222,790,012.

Top 20 Shareholders

As at 14 March 2025

Rank	Holder's Name*	Total	%
1	JB Were (NZ) Nominees Limited **	173,705,784	77.97
2=	Gerald Harvey	5,250,000	2.36
2=	Harvey Norman Properties (NZ) Ltd	5,250,000	2.36
4	Accident Compensation Corporation	2,875,310	1.29
5	Custodial Services Limited	2,111,918	0.95
6=	Alaister John Wall, Beverley Ann Wall and Benedict Dougles Tauber as Trustees of Tunusa Trust established for the benefit of the family of AJ and BA Wall	1,000,000	0.45
6=	Stuart Hamilton Johnstone and Lorraine Rose Johnstone	1,000,000	0.45
8	HSBC Nominees (New Zealand) Limited	993,951	0.45
9	New Zealand Depository Nominee	930,617	0.42
10	Forsyth Barr Custodians Limited	922,339	0.41
11	Manhattan Trustee Limited	683,000	0.31
12	FNZ Custodians Limited	552,472	0.25
13	Peter William Burilin	540,839	0.24
14	Shu Wen Chiang	534,861	0.24
15	Gemscott Limited	335,000	0.15
16	Geoffrey Peter Scowcroft	307,809	0.14
17	Shih Ting Huang	306,719	0.14
18	Bnp Paribas Nominees NZ Limited Bpss40	267,485	0.12
19	Nzx Wt Nominees Limited	266,557	0.12
20	Elizabeth Beatty Benjamin & Michael Murray Benjamin	220,000	0.10

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

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

Directory

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

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BRISCOES
HOMEWARE


REBEL
SPORT

Notes

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BRISCOE GROUP LIMITED

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