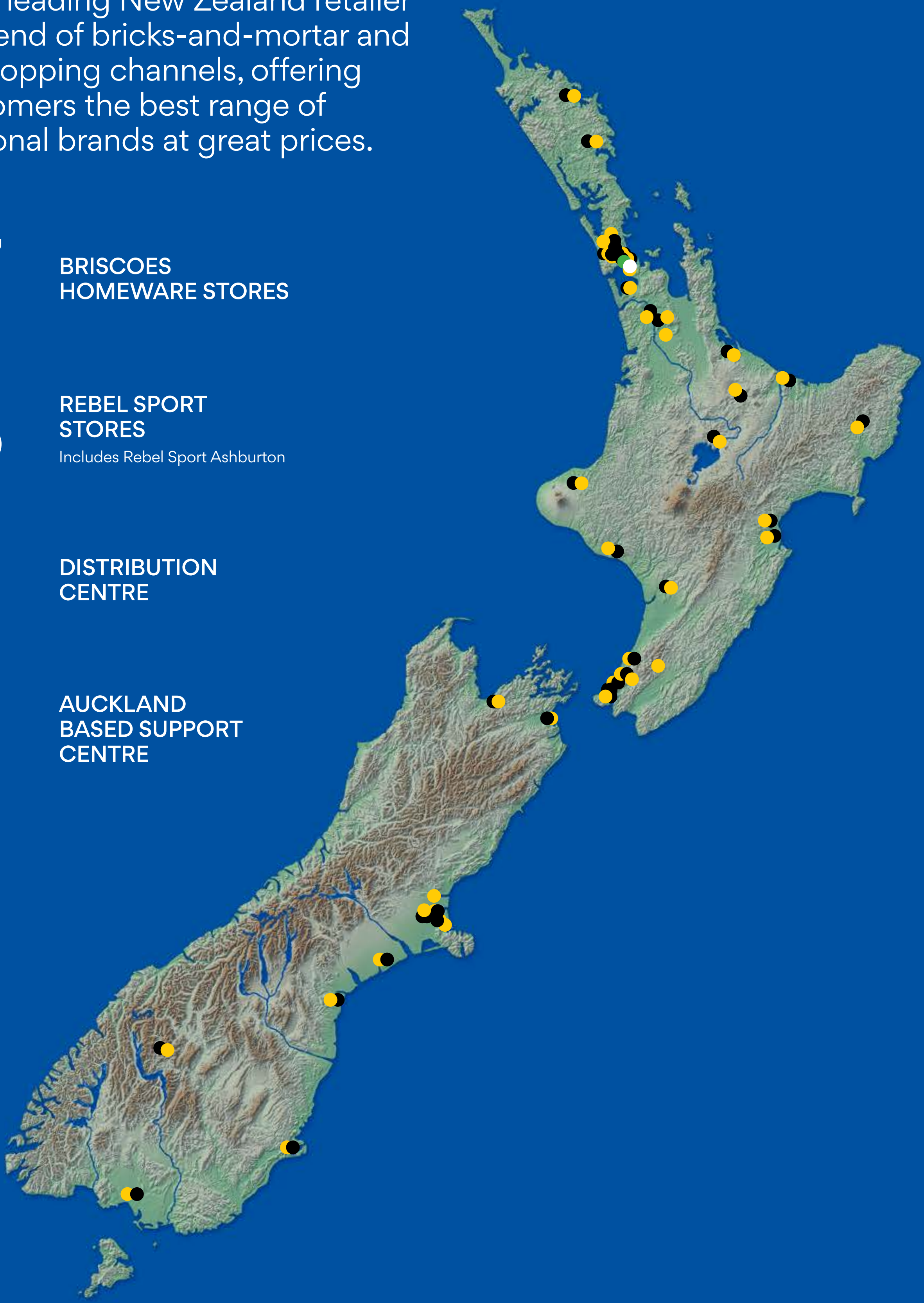
Briscoe Group Limited
Annual Report 2023

RETAIL IS OUR WORLD.

Contents

At a glance

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



47 BRISCOES HOMEWARE STORES

43 REBEL SPORT STORES
Includes Rebel Sport Ashburton

01 DISTRIBUTION CENTRE

01 AUCKLAND BASED SUPPORT CENTRE

Over 500,000 units sold per week

10 stores fully refurbished

More than 2,300 Team Members

Customer database now over 1.63 million

Over 53.6 million website visits

$1.05 million raised for Cure Kids

Board of Directors' Review

Briscoe Group's long-term programme of strategic and operational development continued during the year, enabling further growth at a time when the retail sector was tested by a range of challenges arising from the Covid-19 pandemic and declining economic conditions.

Year-on-year developments occur within a larger evolution of the retail sector, from traditional bricks-and-mortar shopping to a broader and more diverse range of platforms that create options for the customer to have the shopping experience that they choose.

Our ability to adapt quickly to the ever-changing retail environment and continue to differentiate from other retailers has again been a critical factor in results for the latest year.

The three-year strategy programme discussed in earlier communications has played an important role in building a range of attributes that support this ability. This work has been focused in three key areas – enhancing customer experience, improving our supply chain and developing new revenue streams.

Many initiatives arising from this programme are now embedded as 'business as usual,' contributing to sales, gross profit and the Group's bottom line.

Our long-running programme of store refurbishment continued, with 10 projects completed in the latest year; and we continued to invest in development of our online trading platform, with improvements at both the customer-facing end and the administration and fulfilment focused back-end. Refurbishment of stores and website enhancements will continue to drive the business forward.

The Group's ability to absorb short-term pressures and produce another record year for sales and earnings speaks well of the continued agility and performance of our senior leadership team, and of teams at all levels and in all parts of our operations.

The wellbeing of our team members continues to be our highest priority. The pressures that come with operating in times of change and uncertainty such as we have all experienced in recent years must be acknowledged and managed. The Group has programmes and initiatives in place to ensure the safety and security of team members, along with opportunities for education and training designed to help them to reach career and life goals.

We wish to record the Board's appreciation of the role played by all team members across the Group in achieving the latest year's results.

Dividend

The directors resolved to pay a final dividend of 16.0 cents per share (cps). The dividend was fully imputed and, when added to the interim dividend of 12.0cps, brings the total dividend for the year to 28.0cps. The share register closed to determine entitlements to the final dividend at 5pm on 23 March 2023 and was paid on 30 March 2023.

We were delighted to be in a position to increase both the interim and final dividends for the year.

Corporate Governance

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

The Board recently made its annual determination in respect of independence of directors. It was determined that all directors other than the Managing Director continue to be independent. As part of that determination, the tenure of the Chair was considered carefully.

While the Board acknowledged that the tenure was significant, it agreed unanimously that it did not compromise in any way the Chair's ability to bring an independent view, act in the best interests of the issuer and represent the best interests of all shareholders.

As noted previously, the Group is committed to understand and deliver on its obligations to stakeholders in regard to Environmental, Social and Governance practices, which the Company has embraced as part of its overall business Sustainability programme. Significant progress has been made during the year across a broad spectrum of initiatives established as part of this Sustainability framework.

More detailed information on this work is in the Sustainability section of this Annual Report (pages 14 -19).

Equity-Based Remuneration Scheme

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

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

We continue to be of the view that this is an appropriate long-term incentive scheme, and to date five tranches of Performance Rights have been issued under it.
At the time of writing this report, there are two tranches still to vest, with a maximum of 200,539 performance rights able to be converted to ordinary shares subject to the Company's performance.

Further details in relation to equity-based remuneration can be found in Note 6.2 (page 62) of the financial statements within this Annual Report.

Conclusion

The Group has a proven track record of navigating highs and lows in the retail environment and is well-positioned to do so again despite the challenges and uncertainties facing the retail industry.

Your Board is confident that the talent and focus of our people, the strength of our brands and the shopping experiences customers can enjoy on our integrated trading platform will enable continued strong performance.

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

"Our ability to adapt quickly to the ever-changing retail environment and continue to differentiate from other retailers has again been a critical factor in results for the latest year."

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

Managing Director's Review

It was a remarkable year, in which the lockdowns and other disruptions of the Covid-19 trading environment receded, only for a newer set of challenges to appear.

The Covid-19 pandemic extended into the year, with the outbreak of the Omicron variant in late 2021 having a dampening effect on foot traffic to bricks-and-mortar stores during our first quarter. Economic factors including cost of living increases, higher interest rates, a weaker New Zealand dollar and falling house prices affected consumer sentiment from the second quarter onward. At the same time, we faced the need to manage increases in operational costs and the cost of goods sold, with the resulting stress on margins.

The Group's trading numbers improved strongly in the third quarter, albeit the prior year comparison had been affected by store shutdowns in Auckland.

The achievement of record annual earnings against a backdrop of growing pressure on both revenues and costs was very noteworthy.

As indicated in the Board of Directors' Review, it reflected our ability to adapt quickly in the retail environment, and to ensure that we present the strengths in our product offering and trading platform in a way that continues to appeal to our customers.

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

We are delighted to have produced a second half performance that not only made up the narrow deficit in profit in the first half, but also enabled us to surpass the previous year's records in both sales and profit.

The second half performance is particularly strong when the deterioration through the year in economic factors affecting consumer confidence, and subsequently retail spending, are taken in to account.

We have a very strong core business which continues to prove its resilience amidst the varied conditions faced by the Group in recent years. Our incredibly talented team continues to exceed expectations to allow these results to be produced.

Margin pressure has increased as the impacts of an economic downturn are felt and the retail sector squeezes its margins to remain competitive.

As previously reported, the Group is working to protect as much as possible of the 633 basis points gained in gross profit margin across the two years to January 2022. We continue to see benefits from this effort, and to close this year just 174 basis points below the previous annual gross margin percentage is a very creditable result.

Margin pressure is ongoing, and we do not underestimate the continuing challenge of protecting these gains.

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

Store network

Despite the difficult trading conditions and constraints in relation to team availability the Group progressed a significant number of store development projects.

As reported at the half-year, five full-store refurbishments were completed during the first half. Five more were completed during the second half – at Briscoes Homeware Te Rapa and both the Briscoes Homeware and Rebel Sport stores at Dunedin and Whangarei. Upgrades to both brands' stores at Manukau have started and are on track to be completed during the third quarter of 2023.

We are very excited about the opening of a new Rebel Sport store in Ashburton in conjunction with the relocation of the existing Briscoes Homeware store. These stores will be open for Easter 2023.

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

Online

The Group's online business again performed exceptionally well. We continue to invest in developing both the front and back-end platforms.

We see signs of a global trend in which the balance between store and online trading is shifting back slightly to store trading – not surprisingly, when the Covid-19 era of lockdowns and personal caution appears to be unwinding. No doubt this balance will shift over time as retail trends, customer circumstances and other factors evolve.

The online team implemented a number of developments to enhance performance:

- The implementation of a new product embellishment system to ensure there is great product content displayed online
- The implementation of the global tool *Fit Analytics* to ensure customers can be assured of selecting the right garment size across all our sports apparel brands
- The introduction of same-day click & collect
- Enhanced fulfilment processes, increasing the speed of picking online orders
- Improved order routing logic, optimising the speed of orders to customers.

Strategy programme

The Group continues to focus on progressing its strategic initiatives, which we see as critical to protecting the foundations for future growth.

An important piece of work undertaken during the second half, with external assistance, was to complete a review of the Groups distribution and supply chain requirements across the next decade. This included:

- Current and future state scenarios
- Automation suitability
- Warehouse management system requirements
- Distribution centre design.

These have all been assessed in order to produce a business case for board approval. Once finalised this will represent a significant strategic project across the next two-to-three years.

A number of other initiatives also continue to benefit profitability. These include:

- The ongoing introduction of new products online and shipped direct from suppliers to customers – the 'drop ship' model
- Continued development of our personalised database communication tool, Emarsys
- The introduction of Tableau business intelligence dashboards throughout our network
- The creation of a new on-shelf-availability tool for use across the store network
- Stock processing efficiencies in-store and at our distribution centre
- e-Receipts at all stores
- In-store trials in relation to electronic shelf labelling.

We also launched our omnichannel VIP club proposition for both brands – Briscoes Club and Club Rebel. All customers, whether they purchase online or in-store, can sign up to the applicable club and receive a range of benefits including Welcome and Birthday offers, exclusive access to sale events, 'New in' updates and more.

> "We have a very strong core business which continues to prove its resilience amidst the varied conditions faced by the Group in recent years."

The year ahead

We expect New Zealand retail in general to remain highly sensitive to ongoing uncertainty in relation to deteriorating economic conditions, customer sentiment, cost pressures, higher interest rates and political uncertainty given the upcoming general election.

Measures to limit the impact of cost increases will be a feature of the year and we certainly do not underestimate how challenging trading could be.

The Group maintains a set of highly positive fundamentals including the strength and resilience of its business model, the strong fit of a 'big box' trading platform within the modern retail environment, its market profile in Homewares and Sporting Goods, and its ability to offer customers a wide range of trusted international brands at great value.

These attributes are backed by strengths including a very strong balance sheet and a strategic focus that continues to deliver operational improvement and growth opportunities.

Above all, we can trust the talent and dedication across our entire team to offer New Zealanders the best shopping experience possible and to deliver continued strong performance.

Rod Duke
Group Managing Director

Financial Performance

"In a year which saw the continuation of existing as well as the introduction of new challenges, the Group delivered a very strong set of results; growth in sales, gross profit and bottom-line profit; continued balance sheet strength and increased dividend to shareholders."

Geoff Scowcroft
Chief Financial Officer

Revenue

Total Group sales increased by 5.56% to a record $785.9 million. This growth reflects a strong year of trading and although there were no impacts from store closures, unlike the previous two years, there were certainly a number of other challenges faced by the business, including the Omicron outbreak and deteriorating economic sentiment.

Online sales now represent 18.97% of total Group sales and have grown by 102.78% in only three years when they made up just 11.26% of Group sales. As well as benefiting from the obvious step-change due to Covid, there have been clear gains from the continued investment in both front and back-end online process and system developments.

We continue to see brand-wide growth across our categories in both homeware and sporting goods with both the luggage and footwear categories delivering exceptional growth for the year.

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

Gross Margin

Gross margin dollars increased by $5.3 million, +1.55%, for the period with gross margin percentage decreasing from 45.76% to 44.02%.

We continue to invest considerable resource in working closely with our committed suppliers to mitigate cost price pressures and minimise retail price increases, whilst maintaining our commitment to offering customers great value across all our categories.

Margin pressures from the impacts of the economic downturn are evident as the retail sector squeezes margins to be more competitive. Established initiatives continue to produce benefits in our efforts to protect as much as possible of the 633 basis points gained in gross profit margin across the previous 2 years ended January 2021 and January 2022. To close only 174 basis points below last year is a very solid result. Margin pressure is however ongoing, and we certainly do not underestimate the challenge ahead.

Operating Costs

Our focus on costs is as critical as ever with cost pressures evident across all areas of the business. Shipping, distribution, labour and security are just a few examples of areas under significant cost pressure. However, we continue to make excellent progress in introducing efficiencies throughout the business to mitigate and control costs. Online fulfilment productivity and in-store processing projects are examples of this.

Net Profit After Tax (NPAT)

NPAT of $88.4 million was achieved for the year, ahead of the $87.9 million recorded for the previous year. To achieve an increase on last year's record profit considering the deterioration in economic factors impacting consumer confidence and retail spending is an outstanding achievement.

Balance Sheet

The Group's balance sheet remains very strong, with cash and bank balances of $149.9 million as at 29 January 2023 and no term debt. Approximately $26 million of creditor payments included in the trade payables balance were subsequently paid on or before 31 January 2023.

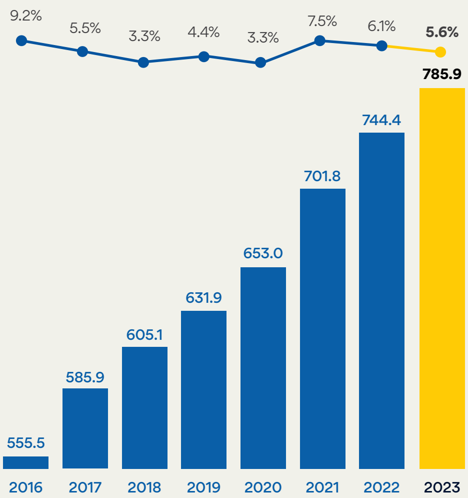
Inventory remains a key area of relentless focus closing at $117.8 million, $1.7 million lower than last year. Widely reported cost pressures including foreign exchange weakness, shipping and storage costs and labour supply have all presented challenges for managing stock throughout the period. While the value of inventory has decreased around 1%, the volume of inventory we are holding has actually decreased by around 11%. This lower level of inventory is a significant advantage for our business as we enter a more subdued retail cycle than we have seen for a number of years.

Initiatives in relation to our inventory ordering processes – refining how, when and what we purchase, as well as improving other inventory measures such as in-store availability, slow moving items and stock obsolescence are all critical to optimising our inventory management as well as helping to protect the gross profit margin.

During the year $16.5 million of capital investment was made by the Group of which $9.0 million represents expenditure on the fit-out of refurbished stores. The balance of the capital investment was for online platform improvements, security system initiatives, lighting upgrades and enhancements to system software and hardware.

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

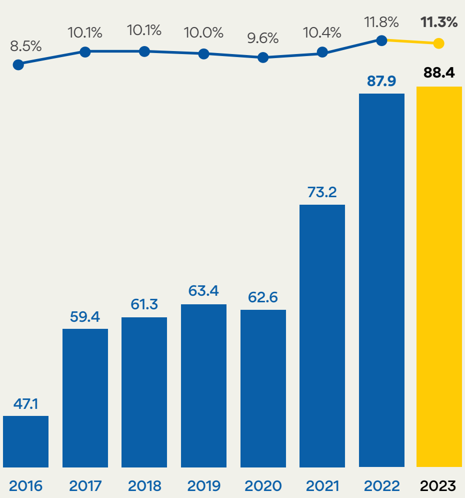
Total revenue*
$M and growth %



Consistently solid growth achieved across a number of years.

*2021 includes 53 weeks of trading

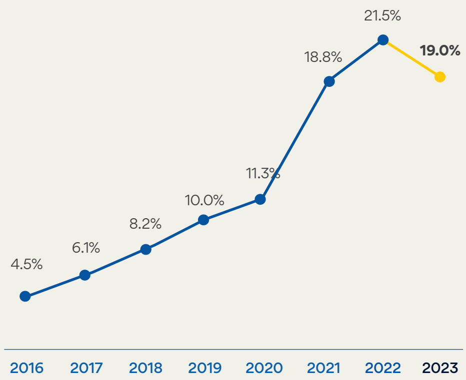
Net profit after tax*
$M and sales %



Record NPAT despite ongoing challenges in relation to public health and deteriorating economic factors.

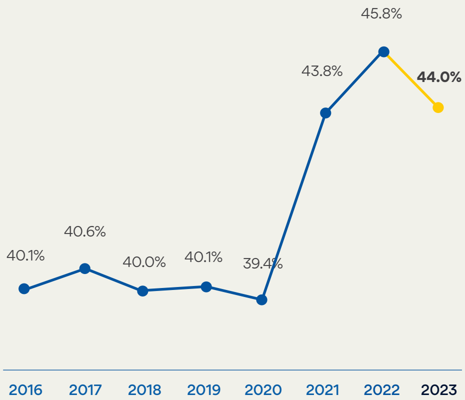
* NZ IFRS16 adopted from 2020

Online mix of sales
%



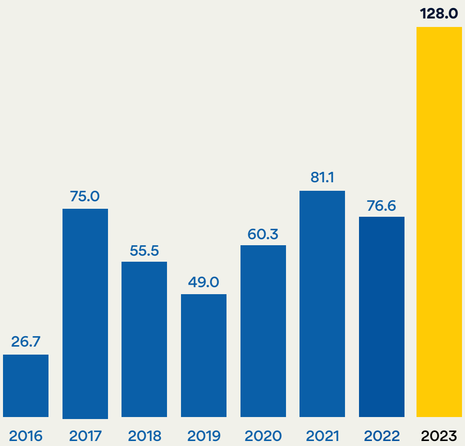
Online mix now at expected normalised annualised levels post impact of store lockdown closures. Step-change in mix from pre-Covid very evident.

Gross profit margin
%



Significant margin gains (+633 basis points) made across 2021 and 2022 reduced by only 174 basis points in 2023.

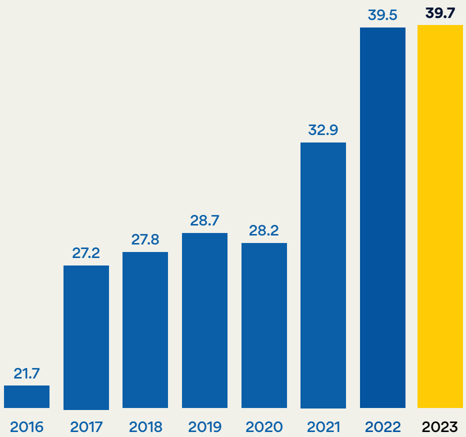
Free cash flow*
$M



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

* Approximately $26 million of creditor payments made immediately after balance date in 2023

Earnings per share*
cents



Record profit maintains strong earnings per share.

* NZ IFRS16 adopted from 2020

Sustainability

Our "Steps to a Better Tomorrow"

New Zealanders have a genuine commitment to protecting the environment and are also very aware of the big issues such as climate change, waste, social injustice and equity. They want to make sure that the products they purchase are not only good quality and value for money but also have a positive impact on the environment and our community.

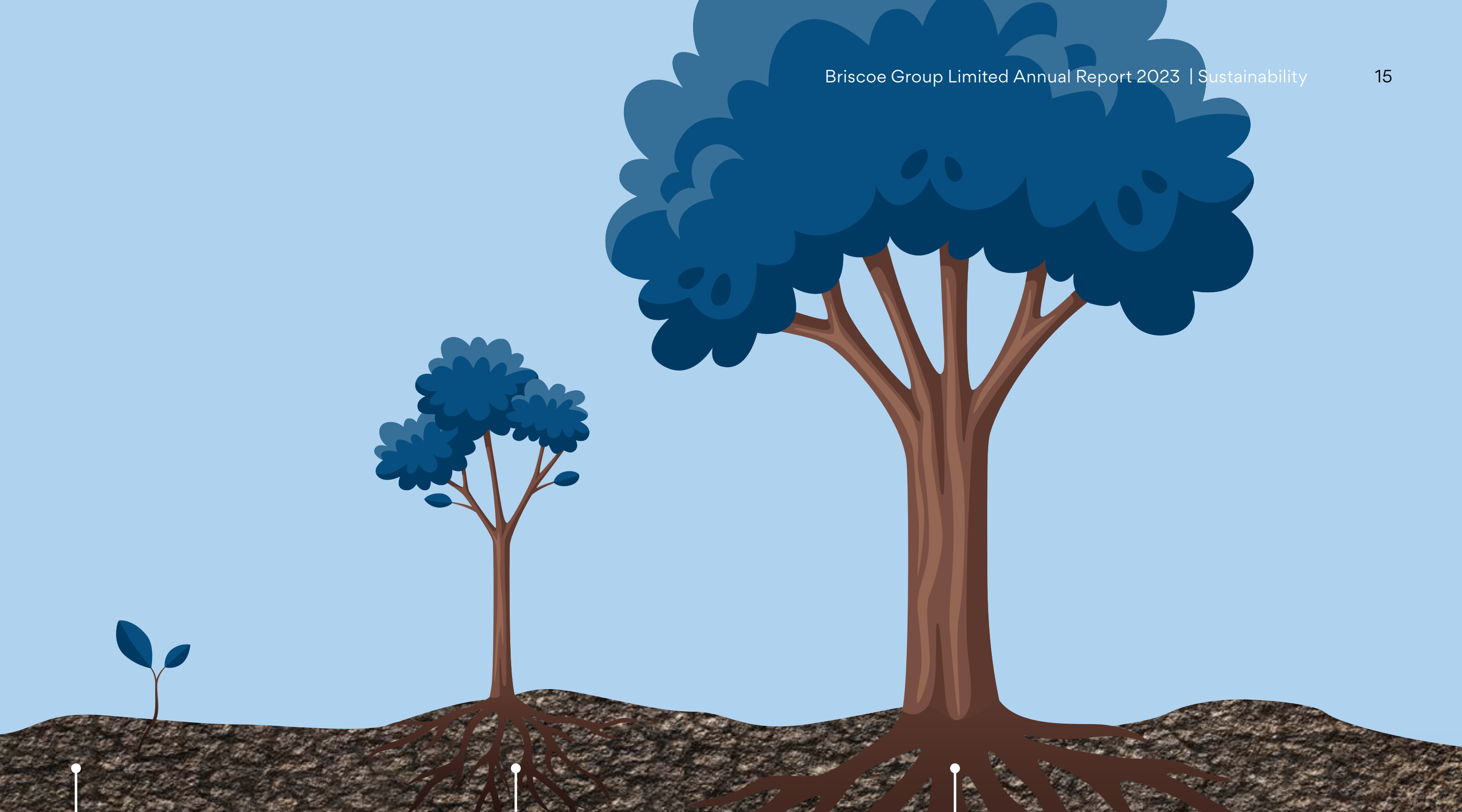
Our "Steps to a Better Tomorrow" program aims to support New Zealanders' growing commitment to sustainability.

We want New Zealanders to happily spend their money with us because of our commitment to continuously becoming a more sustainable organisation. We recognise sustainability is good business practice, enabling us to meet regulatory and customer expectations, mitigating future risks, reducing costs, enhancing our brand and reputation, and building ourselves into a more resilient and adaptable business.

Since launching our "Steps to a Better Tomorrow" programme 12 months ago, we have made consistent progress across all our sustainability pillars. This year we had a record of $1.05m raised for Cure Kids and donated 10,500 balls through our partnership Pass It Forward. In our operational side we are conducting a full carbon footprint assessment including across our supply chain (scope 3) with a view of setting our first climate targets in the coming months. We continue to make progress towards reducing our waste and emissions and we are rolling out a new ethical supplier programme using expertise from the UK.

"I am especially pleased with the work we are doing in our communities. We continue to invest in our long term relationships with Cure Kids and Pass It Forward. I am so impressed with their work in supporting our future generation of kids. We are making good progress operationally, and as a member of the Retail Working Group, are working collaboratively with our sector as we move toward our first climate related disclosure in 2024."

Rod Duke
Group Managing Director



2022-2025

- Setting the policies, targets, governance and reporting.
- Defining our climate and waste targets with programs of work to support their achievement.
- More deliberate with our social and community programs ensuring we maximise positive impact.
- Embedding internal governance including Climate Related Disclosures.

2025-2030

- Delivering on our commitments towards zero waste and emissions.
- Maximising our social impact for a better New Zealand.
- Improving our status as an employer of choice for our people.

By 2050

- Zero emissions and waste across our operations.
- Positive contributor to thriving communities across all of New Zealand.

Electrification of our forklifts

Completed field testing of electric forklifts across our sites and have now brought our electrification target forward to have a full electric fleet by 2025.

Pass it Forward

Donated over **10,500** balls to schools across New Zealand this year, with nearly **60,000** balls donated since the launch of our Pass It Forward partnership in 2017.

Cure Kids

Had our biggest ever fundraising year and raised **$1.05 million** for New Zealand kids, accumulating in over **$10 million** raised over the last 17 years.

Our team

Provided mental health training for our team and our Employee Assistance Program is used primarily for non-work-related support to our staff and families.

Engaged with experts

We have engaged with several external experts to help in setting our Sustainability and ESG strategy, understanding our emissions profile and how best to engage with all our suppliers across the world.

Engaged with the Sustainability Community

Joined the Sustainable Business Council and are a member of the New Zealand Retail Climate Scenario Sector Group facilitated by KPMG.

Governance

Last year we conducted a materiality assessment which gave us the foundation for our first Sustainability Policy. We continue to focus on the key areas that matter most, which are climate change, waste, our people and our community. Each area is led by a member of the senior management team, and Sustainability is a standard board agenda item for each meeting.

We have already made progress in governance across our supply chain, climate related disclosures and in the coming months will be assessing being a part of voluntary certifications such as CDP and Science Based Target Initiative.

Partnership with Verisio

We recently signed a partnership agreement with Verisio to help us conduct ethical and environmental assessments across our supply chain.

Verisio provide specialist end-to-end supply chain risk management and the initial work includes using their specialist software to help us conduct a full audit of our suppliers.

"We are excited to be working with Briscoe Group on the important area of ethical supply chain management and look forward to sharing our experience from working with similar retailers from around the world."

Leon Reed
CEO Verisio

Climate related risks

Work has already begun on our assessment of the Aotearoa New Zealand Climate Standards released on 15 December 2022 by the External Review Board. Briscoe Group will be reporting under this standard for the next financial year ending January 2024. We have also joined several industry peers in the New Zealand Retail Climate Scenario Sector Group facilitated by KPMG. Through our participation in this group, we hope to improve our own capability and build a set of industry consistent scenarios which we will adapt to our own specific situation as per the recommended guidance.

"By engaging proactively with our suppliers, we hope to increase our future range of sustainable options such as the Dri Glo Repreve Duvet Inner which is made from recycled plastic bottles."

Fraser Collins
Group General Manager, Merchandise

Future focus areas:

- Setting future climate and waste targets in line with Science-Based and Net Zero expectations
- Conducting an immediate flood risk assessment of all store and building locations across the country
- Working with our suppliers ensuring we have an ethical supply chain and also exploring more sustainable product offerings
- Improving our internal sustainability capability through engaging experts and training

Community

Across New Zealand Briscoe Group is active in numerous community programs.

From supplying valuable sporting equipment to schools through our Pass It Forward partnership to raising much needed funds for our main charity Cure Kids you'll see our team, customers and communities coming together on a regular basis bonded by the common goal of creating a better tomorrow.

Pass It forward fundraising through Rebel Sport amounted to **$266,725** which equated to **10,699** balls being donated to schools enabling over **40,000** students to have access to sport. Since its inception in 2017 Pass It Forward has donated nearly **60,000** Balls equating to **$1,498,500** in fundraising.

"We are so grateful for the donation of the balls and look forward to seeing the children using them to increase their ball skills and generally having fun with them. The Tania Dalton Foundation, Silver Fern Sports and their Pass It Forward incentive scheme are worthy initiatives. We have a very excited school basketball team who were very proud to have been chosen to accept the balls on behalf of our school. Thank you and your foundation once again."

Gavin Oliver
Principal, Pukete Primary School

"There isn't a day that goes by where the Cure Kids team aren't deeply, deeply grateful for the wonderful partnership we have with Briscoe Group.

In 2022 the passionate team at Briscoe Group stores up and down the country asked New Zealanders if they could support Cure Kids. This and many other 'fun' raising activities raised a phenomenal **$1,050,000** - a record breaking year for our partnership! Over the past 17 years this remarkable team raised over **$10,000,000** to support health research on the big health issues that affect the lives of our tamariki.

We love being part of the Briscoe Group Whānau, inspiring, passionate, everyday New Zealanders who go the extra mile to support Cure Kids every day – helping us fulfil our dream for healthier children with brighter futures."

Frances Benge
Chief Executive Officer, Cure Kids

Future focus areas

- Exploring ways of how we can effectively engage more staff in community programs
- Investigating how we can provide more meaningful support to our local communities and expand on the good work already taking place

Our People

We know that supporting our team is critical to success and providing high standards of customer service. We continue to focus on safe working conditions with continued health and safety training including wellbeing and mental health.

"Learning and development is critical to attracting, developing and retaining team members with benefits of both enhanced performance and increased job satisfaction."

Aston Moss
Chief People Officer

Our twice yearly team member engagement surveys, continue to gain greater participation (aggregate participation in FY23 was over 80%) and increased engagement scores (up by 0.4 between February and September). Our approach to health, safety and wellbeing includes mental health as well as learning from our team what wellbeing means to them and how we best work to strengthen our impact in this area. Since the release and promotion of our mental health series, over 850 team members across the company have completed all six of our training modules. A number of our team have also completed additional external education and training on mental health and our intention is to integrate this important topic into our core management and leadership development programme.

Diversity, equity and inclusivity are areas in which we continue to invest. We pay particular attention to nurturing and supporting the growth and progression of female leaders in our business. At the end of FY23 our leadership team across retail operations and support office was comprised of 56% female leaders. We are particularly focused on lifting the proportion of females in senior leadership roles in retail operations. In conjunction with this, our FY22 assessment of gender pay equity for our retail leadership team identified less than a 1% gap. We are confident our systems and processes will assist in ensuring equitable rewards, irrespective of gender. Looking forward we plan to perform a similar analysis for ethnicity with the objective of enhancing both our diversity and inclusiveness.

Just under 2,000 hours have been invested in the formal components of our management and leadership programme with many additional hours of pre and post event work contributing to the success of this programme to fuel retail careers.

Briscoe Group has partnered with First Foundation for the past 13 years, and over this period has offered 34 scholarships. We are extremely proud of the individuals we have supported and their positive contributions back into the community.

Future focus areas:

- Continued growth of the proportion of female leaders across the organisation and particularly within retail operations
- Maintaining and growing our pool of capability with particular focus on high potential team members
- Progressing our wellbeing initiatives with team member participation and ensuring mental health and wellbeing is valued and treated in a similar manner to physical injury and illness

Environment

Climate and Waste

We continue to focus on our two major impact areas of our own Greenhouse Gas Emissions (GHG) and Waste to Landfill from our own operations. We have seen some modest reductions in our emissions this year as we continue to roll out energy efficiency programs through our stores and as we electrify our forklift fleet. Our waste to landfill has increased by about 200 tonnes which is mainly due to the post-covid lag with customers being able to conveniently drop in product returns to our stores. We have however made some good gains in our distribution centre with technology improvements reducing plastic wrap and paper use.

With every store refit we have a key focus on sustainability. This includes:

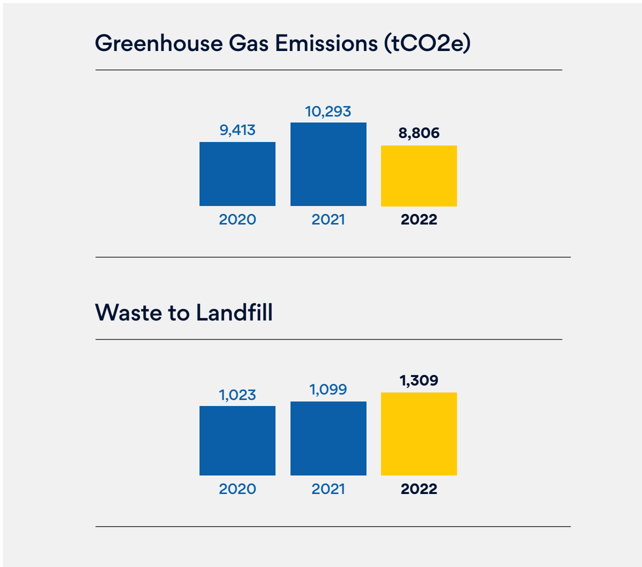
- Working with our suppliers to sustainably and ethically source materials utilised in our store refit environments from fixtures to flooring.
- Focusing on lighting energy efficiency and transitioning to LEDs.
- Refurbishing, recycling or where possible repurposing store fixtures for alternative use across our store network instead of going to landfill.

Reducing our Scope one emissions:

A large portion of our scope one emissions come from the operation of our forklift fleet both in our stores and at our distribution centre. Following a successful trial of electric forklifts, Briscoe Group has committed to an accelerated phase out programme of LPG forklifts, replacing them with electric units within the current national fleet. This programme will replace on average 10 units per year and target completion by 2025.

"I really enjoy the electric forklift. They are much smoother to operate, quieter, and better for the environment."

Megan Black
Store person, Silverdale



Our GHG and waste data is unaudited and currently we are undertaking a third-party review of our baseline including our scope 3 boundary and calculation methodology which we will make public later on in 2023.

Emission figures for years 2020 and 2021 have been revised slightly from previous reports due to more accurate reporting and data analysis.

Future focus areas:

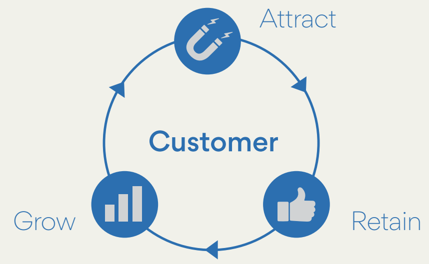
- Have our emission baseline verified by a third party including a suitable methodology for measuring scope three emissions
- Set emission reduction and waste targets supported by detailed roadmaps
- Adopt and integrate appropriate frameworks that support our sustainability program

Strategic Plan

Delivering significant incremental profit

"As we enter the final year of our three year strategic plan great progress has been made in all three areas. Our relentless focus on improving customer experience is now embedded within our culture. The ability of our team to deliver a transformational program whilst navigating COVID is credit to the depth and quality of our team."

Andrew Scott
Chief Operating Officer



Future Supply Chain

New Revenues

2022

Customer
- Step-change in online user experience enhancements
- VIP Club for Briscoes Homeware and Rebel Sport launched successfully
- In-store digital price and promotion labelling pilot live in 8 stores

Future Supply Chain
- Future supply chain network design completed
- Same-day Click and Collect now live in all Briscoes Homeware and Rebel Sport stores
- Significantly increased North and South Island distribution capability

New Revenues
- 50 drop ship suppliers live – including new product categories
- Automated personalisation platform driving increased customer life-time value

Customer Experience

The strategic program has now fully implemented over 40 projects across the Group. Many of these deliver digital tools to drive efficiency improvements in store processes and online fulfilment to e-Receipting.

During the past year we have progressed a number of large-scale projects that will provide a step change in our customers' experience.

The launch of our VIP loyalty clubs for both Briscoes Homeware and Rebel Sport will now provide us with a deeper understanding of our most loyal customers' behaviour. This, coupled with our personalisation tool Emarsys, enables us to increase the frequency of purchase from different groups of customers based on understanding their buying habits.

In-store we have launched an eight store pilot of electronic prices and promotion labelling. Whilst the pilot is in the early stages we have received very positive team and customer feedback from the project.

2023 and Beyond

- New Product Information Management suite launch
- Customer data platform implementation
- Roll out of digital price and promotion labelling to all stores

- Warehouse management system implementation
- North Island Distribution capacity further enhanced
- Premium delivery options embedded for online deliveries and returns

- Accelerated new store concept refurbishment plan
- Target over 100 drop ship suppliers live – including new international suppliers

Supply Chain

Our Supply Chain review is well advanced. Our capability requirements scope is completed and the Auckland Distribution Centre design will be completed by the middle of 2023.

This new facility will be one of the biggest projects delivered in recent years. The state-of-the-art facility will step-change our capability and deliver significant performance benefits.

The facility will be the final enabler to increase our on-shelf product availability. This will complement the initiatives delivered during 2021 & 2022.

New Revenues

Our drive to increase new revenues is now gaining significant momentum. It is delivering not only new incremental sales but also helping to cost-effectively acquire new customers.

Our Direct-To-Customer (dropship) programme has grown from 15 suppliers to 50 suppliers. This is opening up both extended product range in existing categories such as exercise equipment in Rebel Sport and also offering new categories like garden accessories and sheds in Briscoes Homeware.

This initiative will be a major focus for the Group in the coming year and will become one of our biggest drivers of incremental sales growth.


PUMA
PUMA

For the 52 week period ended 29 January 2023

Consolidated Financial Statements

For the period ended 29 January 2023

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 29 January 2023

Table of Contents

Consolidated Financial Statements

Notes to the Consolidated Financial Statements:

Table of Contents

For the 52 week period ended 29 January 2023

Directors' Approval of Consolidated Financial Statements

For the 52 week period ended 29 January 2023

Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Financial Statements on 14 March 2023.

Approval by Directors

The Directors are pleased to present the Consolidated Financial Statements for Briscoe Group Limited for the 52 week period ended 29 January 2023. (Comparative period is for the 52 week period ended 30 January 2022).

Dame Rosanne Meo
CHAIRMAN

Rod Duke
GROUP MANAGING DIRECTOR

14 March 2023

For and on behalf of the Board of Directors

Consolidated Income Statement

For the 52 week period ended 29 January 2023

	Notes	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Sales revenue		**785,854**	744,450
Cost of goods sold		**(439,932)**	(403,808)
Gross profit		**345,922**	340,642
Other operating income	2.2	**3,292**	3,571
Store expenses		**(122,594)**	(116,366)
Administration expenses		**(91,126)**	(91,379)
Earnings before interest and tax		**135,494**	136,468
Finance income		**2,495**	399
Finance cost		**(14,908)**	(14,495)
Net finance cost	5.1	**(12,413)**	(14,096)
Profit before income tax		**123,081**	122,372
Income tax expense	2.3.1	**(34,644)**	(34,463)
Net profit attributable to shareholders		**88,437**	87,909

Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)	2.4	**39.7**	39.5
Diluted earnings per share (cents)	2.4	**39.7**	39.4

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 29 January 2023

	Notes	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Net Profit attributable to shareholders		**88,437**	87,909
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss:			
Change in value of investment in equity securities	4.1	**(13,922)**	2,880
Items that may be subsequently reclassified to profit or loss:			
Fair value (gain)/loss recycled to income statement from cashflow hedge reserve		**(8,983)**	2,912
Fair value gain taken to the cashflow hedge reserve		**3,077**	3,812
Deferred tax on fair value gain/(loss) taken to income statement from cashflow hedge reserve	2.3.2	**2,515**	(816)
Deferred tax on fair value gain taken to cashflow hedge reserve	2.3.2	**(862)**	(1,067)
Total other comprehensive income/(loss)		**(18,175)**	7,721
Total comprehensive income/(loss) attributable to shareholders		**70,262**	95,630

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

Consolidated Balance Sheet

As at 29 January 2023

	Notes	29 January 2023 $000	30 January 2022 $000
ASSETS			
Current assets			
Cash and cash equivalents	3.1.1	**149,874**	102,481
Trade and other receivables	3.1.2	**6,184**	5,082
Inventories	3.1.3	**117,792**	119,514
Derivative financial instruments	5.2.5	**40**	3,137
Total current assets		**273,890**	230,214
Non-current assets			
Property, plant and equipment	3.2	**130,292**	125,897
Intangible assets	3.3	**1,994**	2,563
Right-of-use assets	3.4.1	**243,701**	250,789
Deferred tax	2.3.2	**16,622**	14,184
Investment in equity securities	4.1	**50,888**	64,810
Total non-current assets		**443,497**	458,243
TOTAL ASSETS		**717,387**	688,457
LIABILITIES			
Current liabilities			
Trade and other payables	3.1.4	**109,181**	80,785
Lease liabilities	3.4.3	**19,791**	19,025
Taxation payable	2.3.2	**11,308**	18,266
Derivative financial instruments	5.2.5	**2,513**	-
Total current liabilities		**142,793**	118,076
Non-current liabilities			
Trade and other payables	3.1.4	**892**	875
Lease liabilities	3.4.3	**265,178**	270,193
Total non-current liabilities		**266,070**	271,068
TOTAL LIABILITIES		**408,863**	389,144
NET ASSETS		**308,524**	299,313
EQUITY			
Share capital	5.3.2	**62,136**	61,992
Cashflow hedge reserve	5.2.5	**(1,869)**	2,384
Equity-based remuneration reserve	6.2.2	**575**	566
Other reserves	5.3.4	**(36,965)**	(23,043)
Retained earnings		**284,647**	257,414
TOTAL EQUITY		**308,524**	299,313

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 29 January 2023

	Notes	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**784,747**	744,320
Rent received		**28**	25
Dividends received		**2,884**	2,407
Interest received		**1,833**	342
Insurance recovery		**154**	135
		789,646	747,229
Cash was applied to			
Payments to suppliers		**(457,553)**	(487,274)
Payments to employees		**(98,366)**	(90,413)
Interest paid		**(14,893)**	(14,495)
Net GST paid		**(31,932)**	(28,683)
Income tax paid		**(42,486)**	(29,868)
		(645,230)	(650,733)
Net cash inflows from operating activities		**144,416**	96,496
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**23**	22
		23	22
Cash was applied to			
Purchase of property, plant and equipment	3.2	**(15,357)**	(18,157)
Purchase of intangible assets		**(1,098)**	(1,740)
Investment in equity securities	4.1	**-**	-
		(16,455)	(19,897)
Net cash outflows from investing activities		**(16,432)**	(19,875)
FINANCING ACTIVITIES			
Cash was provided from			
Issue of new shares	5.3.2	**-**	-
Net proceeds from borrowings		**-**	-
		-	-
Cash was applied to			
Dividends paid	5.3.3	**(61,228)**	(55,639)
Lease liability payments		**(19,065)**	(19,159)
		(80,293)	(74,798)
Net cash outflows from financing activities		**(80,293)**	(74,798)
Net increase in cash and cash equivalents		**47,691**	1,823
Cash and cash equivalents at beginning of period		**102,481**	100,417
Effect of exchange rate changes on cash and cash equivalents		**(298)**	241
Cash and cash equivalents at period end	3.1.1	**149,874**	102,481

Consolidated Statement of Cash Flows (continued)

For the 52 week period ended 29 January 2023

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

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Reported net profit attributable to shareholders	**88,437**	87,909
Items not involving cash flows		
Depreciation and amortisation expense	**34,292**	32,904
Bad debts and movement in doubtful debts	**(91)**	(69)
Inventory adjustments	**16**	4,857
Amortisation of equity-based remuneration	**276**	217
Loss/(gain) on disposal/surrender of assets	**669**	(768)
	35,162	37,141
Impact of changes in working capital items		
Increase in trade and other receivables	**(1,011)**	(1,479)
Decrease (increase) in inventories	**1,706**	(32,898)
(Decrease) increase in taxation payable	**(6,958)**	5,853
Increase (decrease) in trade payables	**27,124**	(6,875)
(Decrease) increase in other payables and accruals	**(44)**	6,845
	20,817	(28,554)
Net cash inflow from operating activities	**144,416**	96,496

NET DEBT RECONCILIATION

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Cash and cash equivalents		
Cash and cash equivalents at beginning of period	**102,481**	100,417
Net increase in cash and cash equivalents	**47,691**	1,823
Effect of exchange rate changes	**(298)**	241
Cash and cash equivalents at period end	**149,874**	102,481
Lease liabilities		
Opening value	**(289,218)**	(292,271)
Cash flows	**19,065**	19,159
Lease acquisitions	**(16,139)**	(19,350)
Lease surrenders	**1,323**	3,244
Total lease liabilities at period end	**(284,969)**	(289,218)
Net debt reconciliation	**(135,095)**	(186,737)

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 29 January 2023

	Notes	Share Capital $000	Cashflow Hedge Reserve $000	Equity-Based Remuneration Reserve $000	Other Reserves $000	Retained Earnings $000	Total Equity $000
Balance at 31 January 2021		61,839	(2,457)	444	(25,923)	225,144	259,047
Net profit attributable to shareholders for the period		-	-	-	-	87,909	87,909
Other comprehensive income:							
Change in value of investment in equity securities	4.1	-	-	-	2,880	-	2,880
Net fair value gain taken through cashflow hedge reserve		-	4,841	-	-	-	4,841
Total comprehensive income for the period		-	4,841	-	2,880	87,909	95,630
Transactions with owners:							
Dividends paid	5.3.3	-	-	-	-	(55,639)	(55,639)
Performance rights charged to income statement	6.2.1	-	-	217	-	-	217
Performance rights vested	5.3.2/6.2	153	-	(153)	-	-	-
Deferred tax on equity-based remuneration	2.3.2/6.2.2	-	-	58	-	-	58
Balance at 30 January 2022		61,992	2,384	566	(23,043)	257,414	299,313
Net profit attributable to shareholders for the period		**-**	**-**	**-**	**-**	**88,437**	**88,437**
Other comprehensive income:							
Change in value of investment in equity securities	4.1	**-**	**-**	**-**	**(13,922)**	**-**	**(13,922)**
Net fair value loss taken through cashflow hedge reserve		**-**	**(4,253)**	**-**	**-**	**-**	**(4,253)**
Total comprehensive (loss)/income for the period		**-**	**(4,253)**	**-**	**(13,922)**	**88,437**	**70,262**
Transactions with owners:							
Dividends paid	5.3.3	**-**	**-**	**-**	**-**	**(61,228)**	**(61,228)**
Performance rights charged to income statement	6.2.1	**-**	**-**	**276**	**-**	**-**	**276**
Performance rights vested	5.3.2/6.2	**144**	**-**	**(144)**	**-**	**-**	**-**
Performance rights forfeited	6.2.2	**-**	**-**	**(24)**	**-**	**24**	**-**
Deferred tax on equity-based remuneration	2.3.2/6.2.2	**-**	**-**	**(99)**	**-**	**-**	**(99)**
Balance at 29 January 2023		**62,136**	**(1,869)**	**575**	**(36,965)**	**284,647**	**308,524**

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

For the 52 week period ended 29 January 2023

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 14 March 2023.

1.2 General Accounting Policies

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

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 principal 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 31 January 2022 to 29 January 2023 and provide a balance sheet as at 29 January 2023. The comparative period is in respect of the 52-week period 1 February 2021 to 30 January 2022. The Group operates on a weekly trading and reporting cycle resulting in 52 weeks for most years with a 53-week period occurring once every 5-6 years.

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

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

1. Basis of Preparation

For the 52 week period ended 29 January 2023

Subsidiaries	Activity	2023 Interest	2022 Interest
Briscoes (New Zealand) Limited	Homeware retail	**100%**	100%
The Sports Authority Limited (trading as Rebel Sport)	Sporting goods retail	**100%**	100%
Rebel Sport Limited	Name protection	**100%**	100%
Living and Giving Limited	Name protection	**100%**	100%

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

Historical cost convention

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

Critical accounting judgements and estimates

In the process of applying the Group's accounting policies and the application of accounting standards, a number of estimates and judgements have been made. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. If outcomes within the next financial period are significantly different from assumptions, this could result in adjustments to carrying amounts of the asset or liability affected. Further explanation as to estimates and assumptions made by the Group can be found in the notes to the financial statements:

Areas of judgement and estimation	Note
Inventories	3.1.3
Leases	3.4

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.

For the 52 week period ended 29 January 2023

2. Performance

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

2.1 Segment Information

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

The Group is organised into two reportable operating segments, namely homeware and sporting goods, reflecting the different retail sectors within which the Group operates. The Company is considered not to be a reportable operating segment. Eliminations and unallocated amounts as shown below are primarily attributable to the Company. There were no inter-segment sales in the period (2022: 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 29 January 2023	Homeware	Sporting goods	Eliminations/ Unallocated	Total Group
	$000	$000	$000	$000
INCOME STATEMENT				
Total sales revenue	487,501	298,353	-	785,854
Gross profit	214,861	131,061	-	345,922
Earnings before interest and tax	75,652	54,032	5,810	135,494
Finance income	482	1,895	118	2,495
Finance costs	(9,913)	(4,945)	(50)	(14,908)
Net finance cost	(9,431)	(3,050)	68	(12,413)
Income tax expense	(18,772)	(14,280)	(1,592)	(34,644)
Net profit after tax	47,449	36,702	4,286	88,437
BALANCE SHEET ITEMS:				
Assets	372,788	276,147	68,452[1.]	717,387
Liabilities	254,474	151,254	3,135	408,863
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	9,474	6,981	-	16,455
Depreciation and amortisation expense	22,352	11,940	-	34,292

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

2. Performance

For the 52 week period ended 29 January 2023

For the period ended 30 January 2022

	Homeware $000	Sporting goods $000	Eliminations/ Unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	460,887	283,563	-	744,450
Gross profit	208,440	132,202	-	340,642
Earnings before interest and tax	73,771	57,687	5,010	136,468
Finance income	96	281	22	399
Finance cost	(9,569)	(4,804)	(122)	(14,495)
Net finance costs	(9,473)	(4,523)	(100)	(14,096)
Income tax expense	(18,171)	(14,889)	(1,403)	(34,463)
Net profit after tax	46,127	38,275	3,507	87,909
BALANCE SHEET ITEMS:				
Assets	385,205	246,514	56,738[1.]	688,457
Liabilities	266,122	141,074	(18,052)	389,144
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	15,019	4,878	-	19,897
Depreciation and amortisation expense	21,170	11,734	-	32,904

	$000
1. Investment in equity securities	*67,593*
Intercompany eliminations	*(27,524)*
Other balances	*16,669*
	56,738

2. Performance

For the 52 week period ended 29 January 2023

2.2 Income and Expenses

Revenue recognition

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

Sales of goods - retail

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

Rental income

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

Interest income

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

Dividend income

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

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

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Income		
Rental income	**28**	25
Dividends received	**2,884**	2,407
Insurance recovery	**154**	135
Gain on lease surrender	**226**	1,005
Expenses		
Depreciation of property, plant and equipment	**10,540**	9,398
Amortisation of software costs	**1,622**	1,334
Depreciation of right-of-use assets	**22,130**	22,172
Interest on leases	**14,859**	14,218
Operating lease rental expense	**190**	129
Wages, salaries and other short-term benefits	**94,828**	93,069
Equity-based remuneration (refer also Note 6.2)	**276**	217
Amounts paid to auditors:		
Statutory Audit	**143**	134
Half year review	**47**	33
Other services	**-**	-

2. Performance

For the 52 week period ended 29 January 2023

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 29 January 2023 $000	Period ended 30 January 2022 $000
(a) Income tax expense		
Current tax expense:		
Current tax	**34,585**	34,669
Adjustments for prior periods	**943**	1,052
	35,528	35,721
Deferred tax expense:		
Decrease in future tax benefit current period	**67**	(205)
Adjustments for prior periods	**(951)**	(1,053)
	(884)	(1,258)
Total income tax expense	**34,644**	34,463

2. Performance

For the 52 week period ended 29 January 2023

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
(b) Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	**123,081**	122,372
Tax at the corporate rate of 28% (2022: 28%)	**34,463**	34,264
Tax effect of amounts which are either non-deductible or non-assessable in calculating taxable income	**189**	200
Prior period adjustments	**(8)**	(1)
Total income tax expense	**34,644**	34,463

The Group has no tax losses (2022: Nil) and no unrecognised temporary differences (2022: 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	Net lease liability $000	Total $000
At 31 January 2021	90	3,506	956	10,198	14,750
Recognised in the income statement	94	602	-	562	1,258
Recognised in equity	-	58	-	-	58
Recognised in other comprehensive income	-	-	(1,882)[1.]	-	(1,882)
At 30 January 2022	184	4,166	(926)	10,760	14,184
Credited to the income statement	**7**	**82**	**-**	**795**	**884**
Credited to equity	**-**	**(99)**	**-**	**-**	**(99)**
Net credited to other comprehensive income	**-**	**-**	**1,653**[1.]	**-**	**1,653**
At 29 January 2023	**191**	**4,149**	**727**	**11,555**	**16,622**

1. Net credited to other comprehensive income comprises deferred tax on fair value gain taken to income statement of $2,515,053 (2022: deferred tax on fair value loss of $815,392) and deferred tax on fair value gain taken to cash flow hedge reserve of $861,599 (2022: deferred tax on fair value gain of $1,067,056).

2. Performance

For the 52 week period ended 29 January 2023

(b) Taxation payable

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

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Movements:		
Balance at beginning of period	**(18,266)**	(12,413)
Current tax	**(35,528)**	(35,721)
Tax paid	**42,072**	29,488
Foreign investor tax credit (FITC)	**414**	380
Balance at end of period	**(11,308)**	(18,266)

2.3.3 Imputation credits

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Imputation credits available for use in subsequent accounting periods:	**138,029**	123,557

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

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

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

2. Performance

For the 52 week period ended 29 January 2023

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 29 January 2023	Period ended 30 January 2022
Net profit attributable to shareholders $000	**88,437**	87,909
Basic		
Weighted average number of ordinary shares on issue (thousands)	**222,638**	222,549
Basic earnings per share	**39.7 cents**	39.5 cents
Diluted		
Weighted average number of ordinary shares on issue adjusted for performance rights issued but not exercised (thousands)	**222,931**	223,837
Diluted earnings per share	**39.7 cents**	39.4 cents

For the 52 week period ended 29 January 2023

3. Operating Assets and Liabilities

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

3.1 Working Capital

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

3.1.1 Cash and cash equivalents

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

	Period ended 29 January 2023 $000	**Period ended 30 January 2022 $000**
Cash at bank or on hand	**149,874**	102,481

As at 29 January 2023 the Group held foreign currency equivalent to NZ$1.692 million (2022: NZ$2.541 million) which is included in the table above. The foreign currency in which the Group deals primarily is the US Dollar.

3.1.2 Trade and other receivables

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

	Period ended 29 January 2023 $000	**Period ended 30 January 2022 $000**
Trade receivables	**1,573**	426
Prepayments	**2,177**	2,520
Other receivables	**2,434**	2,136
Total trade and other receivables	**6,184**	5,082

No interest is charged on trade receivables.

3. Operating Assets and Liabilities

For the 52 week period ended 29 January 2023

3.1.3 Inventories

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

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

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Finished goods	**123,045**	125,109
Inventory provisions and adjustments	**(5,253)**	(5,595)
Net inventories	**117,792**	119,514

During the period the Group recognised $431.0 million (2022: $394.4 million) of inventory as an expense within cost of goods sold.

3.1.4 Trade and other payables

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

Trade payables

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

Employee entitlements

Wages and salaries, annual leave and sick leave

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

Bonus plans

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

3. Operating Assets and Liabilities

For the 52 week period ended 29 January 2023

Long service leave

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

Provisions

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

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

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Trade payables	**70,709**	43,585
Employee entitlements	**14,928**	18,465
Other payables and accruals	**24,326**	19,458
Provisions	**110**	152
Total trade and other payables	**110,073**	81,660
Shown in balance sheet as:		
Current liabilities	**109,181**	80,785
Non-current liabilities	**892**	875
Total trade and other payables	**110,073**	81,660

3. Operating Assets and Liabilities

For the 52 week period ended 29 January 2023

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 29 January 2023

	Land and buildings $000	Plant and equipment $000	Total $000
At 31 January 2021			
Cost	96,010	89,175	185,185
Accumulated depreciation	(6,951)	(60,837)	(67,788)
Net book value	89,059	28,338	117,397
Period ended 30 January 2022			
Opening net book value	89,059	28,338	117,397
Additions	9,658	8,499	18,157
Disposals	-	(259)	(259)
Depreciation charge	(2,324)	(7,074)	(9,398)
Closing net book value	96,393	29,504	125,897
At 30 January 2022			
Cost	105,668	91,268	196,936
Accumulated depreciation	(9,275)	(61,764)	(71,039)
Net book value	96,393	29,504	125,897
Period ended 29 January 2023			
Opening net book value	**96,393**	**29,504**	**125,897**
Additions	**215**	**15,142**	**15,357**
Disposals	**-**	**(422)**	**(422)**
Depreciation charge	**(2,886)**	**(7,654)**	**(10,540)**
Closing net book value	**93,722**	**36,570**	**130,292**
At 29 January 2023			
Cost	**105,883**	**97,515**	**203,398**
Accumulated depreciation	**(12,161)**	**(60,945)**	**(73,106)**
Net book value	**93,722**	**36,570**	**130,292**

Capital commitments	**Period ended 29 January 2023 $000**	**Period ended 30 January 2022 $000**
Capital commitments in relation to property, plant and equipment at balance date not provided for in the financial statements	**2,370**	3,913

3. Operating Assets and Liabilities

For the 52 week period ended 29 January 2023

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.

3.4 Leases

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

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

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

Extension options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operation. Extension options held are exercisable only by the Group and not by the respective lessor. During the period the Group recognised all extension options (2022: all recognised).

3. Operating Assets and Liabilities

For the 52 week period ended 29 January 2023

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 30 January 2022	
Opening carrying amount	255,850
Additions	19,350
Surrender	(2,239)
Depreciation for the period	(22,172)
Closing carrying amount	250,789
At 30 January 2022	
Cost	313,602
Accumulated depreciation	(62,813)
Carrying amount	250,789
Period ended 29 January 2023	
Opening carrying amount	**250,789**
Additions	**16,139**
Surrender	**(1,097)**
Depreciation for the period	**(22,130)**
Closing carrying amount	**243,701**
At 29 January 2023	
Cost	**328,643**
Accumulated depreciation	**(84,942)**
Carrying amount	**243,701**

3.4.2 Lease liabilities:

	As at 29 January 2023 $000	As at 30 January 2022 $000
Opening value	**289,218**	292,271
Additions	**16,139**	19,350
Surrender	**(1,323)**	(3,244)
Interest for the period	**14,859**	14,218
Lease payments made	**(33,924)**	(33,377)
Total lease liabilities	**284,969**	289,218

3. Operating Assets and Liabilities

For the 52 week period ended 29 January 2023

3.4.3 Lease liabilities maturity analysis:

	Minimum lease payments $000	Interest $000	Present Value $000
Within one year	**34,123**	**(14,332)**	**19,791**
One to five years	**128,614**	**(47,390)**	**81,224**
Beyond five years	**239,668**	**(55,714)**	**183,954**
Total	**402,405**	**(117,436)**	**284,969**
Current			**19,791**
Non-current			**265,178**
Total			**284,969**

3.4.4 Lease related expenses included in the income statement:

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Depreciation	**22,130**	22,172
Short-term leases	**190**	129
Interest on leases	**14,859**	14,218
Total	**37,179**	36,519

3.4.5 Lease payments included in the cashflow statement:

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Total cash outflow in relation to leases	**33,924**	33,377

For the 52 week period ended 29 January 2023

4. Investments

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

4.1 Investment in Equity Securities

During 2015, 2018 and 2019 Briscoe Group Limited acquired a total of 48,007,465 shares in KMD Brands Limited (formerly Kathmandu Holdings Limited) for a cost of $87,853,048. This holding represented a 6.75% ownership in KMD Brands Limited as at 29 January 2023.

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 29 January 2023[1].

	$000
At 31 January 2021	61,930
Additions	-
Change in fair value credited to other reserves	2,880
At 30 January 2022	64,810
Additions	**-**
Change in fair value credited to other reserves	**(13,922)**
At 29 January 2023	**50,888**

1. Fair value determined to be $1.06 per share as per NZX closing price of KMD Brands Limited as at 27 January 2023 (2022: $1.35) (Level 1 in the fair value hierarchy).

For the 52 week period ended 29 January 2023

5. Financing and Capital Structure

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

5.1 Interest Bearing Liabilities

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

There were no interest bearing liabilities as at 29 January 2023 (2022: Nil). The unsecured facility with the Bank of New Zealand for $30 million in place at the last year-end balance date of 30 January 2022, was determined to be surplus to business requirements and was terminated on 8 June 2022.

Net finance costs	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Interest income	**2,495**	399
Interest expense - leases	**(14,859)**	(14,218)
Interest expense – other	**-**	(155)
Other finance costs	**(49)**	(122)
Net finance cost	**(12,413)**	(14,096)

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.

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

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

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

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

5.2.2 Credit risk

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

5.2.3 Interest rate risk

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

5.2.4 Liquidity risk

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

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

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

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

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

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

As at 29 January 2023

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

As at 30 January 2022

	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	(60,085)	-	-	-	(60,085)	(60,085)
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	(16,564)	(14,507)	(9,165)	(760)	(40,996)	
- inflow	17,855	15,601	9,912	765	44,133	
- Net	1,291	1,094	747	5	3,137	3,137

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

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

5.2.5 Market risk

Equity price risk

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

Foreign exchange risk

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

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

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

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

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Current assets		
Forward foreign exchange contracts	**40**	3,137
Total current derivative financial instrument assets	**40**	3,137
Current liabilities		
Forward foreign exchange contracts	**2,513**	-
Total current derivative financial instrument liabilities	**2,513**	-

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

Forward foreign exchange contracts – cash flow hedges

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

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

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

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

At balance date these contracts are represented by assets of $40,140 (2022: $3,137,409) and liabilities of $2,513,078 (2022: $429) and together are included in equity as part of the cash flow hedge reserve, net of deferred tax, as a net loss of $1,780,515 (2022: net gain $2,258,626). The cash flow hedge reserve also consists of gains and losses, net of deferred tax, from foreign currencies used as hedges, as a net loss of $88,964 (2022: net gain of $125,434). The total of these net gains and losses amount to a net loss of $1,869,479 (2022: net gain $2,384,060).

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 (2022: Nil).

5.2.6 Sensitivity analysis

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

- A shift of -10% / +10% (2022: -10% / +10%) in the NZD against the USD, from the period-end rate of 0.6506 (2022: 0.6576),
- A shift of -0.25% / +0.75% (2022: -0.25% / +1.25%) in market interest rates from the period-end weighted average deposit rate of 4.54% (2022: 1.13%),
- A shift of -10% / +20% (2022: -10% / +20%) in the NZX share price of KMD Brands Limited (formerly Kathmandu Holdings Ltd) from the period-end closing share price of $1.06 (2022: $1.35).

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 29 January 2023

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

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

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

As at 30 January 2022

		Interest rate				Foreign exchange rate		Equity price	
	Carrying	-0.25%		+1.25%		-10%	+10%	-10%	+20%
	amount	Profit	Equity	Profit	Equity	Equity	Equity	Equity	Equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000
Financial Assets:									
Cash and cash equivalents[1.]	102,481	(180)	(180)	899	899	203	(166)	-	-
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	3,137	-	-	-	-	3,486	(2,842)	-	-
Investment in equity securities[3.]	64,810	-	-	-	-	-	-	(6,481)	12,962
Financial Liabilities:									
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	-	-	-	-	-	31	(25)	-	-
Total increase / (decrease)		(180)	(180)	899	899	3,720	(3,033)	(6,481)	12,962

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

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

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

5.3 Equity

5.3.1 Capital risk management

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

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

5.3.2 Share capital

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

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

Contributed equity – ordinary shares

	No. of authorised shares		Share capital	
	Period ended 29 January 2023	Period ended 30 January 2022	Period ended 29 January 2023	Period ended 30 January 2022
	Shares	Shares	$000	$000
Opening ordinary shares	**222,556,300**	222,466,000	**61,992**	61,839
Issue of ordinary shares arising from the vesting of performance rights	**89,286**	90,300	**144**[1.]	153[1.]
Balance at end of period	**222,645,586**	222,556,300	**62,136**	61,992

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 89,286 shares issued during the period ended 29 January 2023 was $143,969 (2022: $153,376 for the 90,300 shares issued).*

5. Financing and Capital Structure

For the 52 week period ended 29 January 2023

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 29 January 2023 Cents per share	Period ended 30 January 2022 Cents per share	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Interim dividend for the period ended 29 January 2023	**12.00**	-	**26,718**	-
Final dividend for the period ended 30 January 2022	**15.50**	-	**34,510**	-
Interim dividend for the period ended 30 January 2022	**-**	11.50	**-**	25,594
Final dividend for the period ended 31 January 2021	**-**	13.50	**-**	30,045
	27.50	25.00	**61,228**	55,639

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 $413,716 (2022: $380,308) were provided to shareholders not tax resident in New Zealand, for which the Group received a Foreign Investor Tax Credit entitlement.

On 14 March 2023 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 29 January 2023. The dividend will be paid at a rate of 16.0 cents per share for all shares on issue as at 23 March 2023, 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).

For the 52 week period ended 29 January 2023

6. Other Notes

6.1 Related Party Transactions

6.1.1 Parent and ultimate controlling party

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

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

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

- The RA Duke Trust, of which RA Duke is a trustee, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments (net of rental relief) of $674,884 (2022: $597,226) 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 0.2 years (2022: 1.2 years) with a payment commitment of $112,481 (2022: $787,365).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments (net of rental relief) of $596,803 (2022: $501,999) as owner of the Briscoes Homeware premises at Wairau Park, Auckland, under an agreement to lease premises to Briscoes (NZ) Limited. The remaining non-cancellable term of this lease is 9.6 years (2022: 0.1 years) with a payment commitment of $6,234,564 (2022: $47,273).
- The RA Duke Trust (including RA Duke Limited) received dividends of $47,180,755 (2022: $42,891,596).
- P Duke, spouse of RA Duke, received payments of $65,000 (2022: $65,000) in relation to her employment as an overseas buying specialist with Briscoe Group Limited, and rental payments (net of rental relief) of $956,982 (2022: $816,254) 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 8.3 years (2022: 9.3 years) with a payment commitment of $8,280,775 (2022: $9,237,756).

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 29 January 2023 $000	Period ended 30 January 2022 $000
Salaries and other short-term employee benefits	**3,810**	4,199
Equity-based remuneration	**183**	128
Directors' fees	**400**	391
Total benefits	**4,393**	4,718

Key management did not receive any termination benefits during the period (2022: Nil).

Key management did not receive and are not entitled to receive any post-employment or long-term benefits (2022: Nil).

Executives (excluding directors) included in key management received dividends of $282,486 (2022: $250,195) in relation to Briscoe Group shares held.

6. Other Notes

For the 52 week period ended 29 January 2023

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 29 January 2023		Period ended 30 January 2022	
	Directors' fees	Dividends	Directors' fees	Dividends
	$000	$000	$000	$000
Executive Director				
RA Duke	-	-	-	-
Non-Executive Directors				
RPO'L Meo	154	-	148	-
AD Batterton	82	-	82	-
RAB Coupe	87	3	85	3
HJM Callaghan	77	-	76	-
	400	3	391	3

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

	Period ended 29 January 2023	Period ended 30 January 2022
	$000	$000
Executive Director		
RA Duke	47,181	42,892
Non-Executive Directors		
RPO'L Meo	28	25
AD Batterton	6	5
RAB Coupe	-	-
HJM Callaghan	-	-

6. Other Notes

For the 52 week period ended 29 January 2023

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 is transferred to share capital. There is no exercise price for these performance rights and there is no right to dividends during the vesting periods.

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

Performance rights granted are summarised below:

Tranche	Grant Date	Balance at start of period (number)	Granted during the period (number)	Vested during the period (number)	Lapsed/forfeited during the period (number)	Balance at the end of period (number)
1	15 Apr 2019	-	-	-	-	-
2	26 Jun 2019	89,286	-	(89,286)	-	-
3	30 Jul 2020	136,218	-	-	(16,026)	120,192
4	15 Jun 2021	83,334	-	-	(8,772)	74,562
5	5 Aug 2022	-	137,842	-	(11,865)	125,977
		308,838	137,842	(89,286)	(36,663)	320,731

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

Tranche	Grant Date	TSR Weighting	EPS Weighting
3	30 Jul 2020	50%	50%
4	15 Jun 2021	50%	50%
5	5 Aug 2022	50%	50%

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

% Vesting	Tranche 3	Tranche 4	Tranche 5
0%	< 12.4% CAGR	< 5.0% CAGR	< 5.7% CAGR
50%	= 12.4% CAGR	= 5.0% CAGR	= 5.7% CAGR
51% - 99% (Straight-line prorata)	> 12.4%, < 16.0% CAGR	> 5.0%, < 5.5% CAGR	> 5.7%, < 6.7% CAGR
100%	=> 16.0% CAGR	=> 5.5% CAGR	=> 6.7% CAGR

6. Other Notes

For the 52 week period ended 29 January 2023

The TSR performance is calculated across the following periods:

Tranche	Performance Period
3	Announcement date of FY 2019/20 Result to announcement date of FY 2022/23 Result
4	Announcement date of FY 2020/21 Result to announcement date of FY 2023/24 Result
5	Announcement date of FY 2021/22 Result to announcement date of FY 2024/25 Result

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 3	Tranche 4	Tranche 5
Fair value of TSR performance rights	$47,200	$97,501	$143,287
Current price at grant date	$3.37	$5.75	$5.56
Risk free interest rate	0.30%	0.60%	3.54%
Expected life (years)	2.63	2.75	2.75
Expected share volatility[1.]	24%[1.]	24%[2.]	24%[3.]

1. *Volatility represents the volatility of the Briscoe Group (BGP) NZD share price over a five-year period to July 2020.*
2. *Volatility represents the volatility of the Briscoe Group (BGP) NZD share price based on the average 90 day volatility for the past 3 years (measured on a daily basis).*
3. *Volatility represents the volatility of the Briscoe Group (BGP) NZD share price based on the average weekly volatility over the last year (weekly data).*

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

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

% Vesting	Tranche 3	Tranche 4	Tranche 5
0%	< 1.8% CAGR	< 2.5% CAGR	< 1.1% CAGR
50%	= 1.8% CAGR	= 2.5% CAGR	= 1.1% CAGR
51% - 99% (Straight-line prorata)	> 1.8%, < 4.6% CAGR	> 2.5%, < 4.6% CAGR	> 1.1%, < 2.6% CAGR
100%	=> 4.6% CAGR	=> 4.6% CAGR	=> 2.6% CAGR

The EPS performance is calculated across the following periods:

Tranche	Performance Period
3	FY 2022/23 EPS relative to FY 2019/20 EPS
4	FY 2023/24 EPS relative to FY 2020/21 EPS
5	FY 2024/25 EPS relative to FY 2021/22 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 $2.76, $5.17 and $4.89 for tranche 3, tranche 4 and tranche 5, 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 $275,642 (2022: $217,148) in relation to performance rights.

6. Other Notes

For the 52 week period ended 29 January 2023

6.2.2 Equity-based remuneration reserve

	Period ended 29 January 2023 $000	Period ended 30 January 2022 $000
Balance at beginning of period	**566**	444
Current period amortisation	**276**	217
Performance rights vested transferred to share capital	**(144)**	(153)
Performance rights forfeited and amortised in previous years	**(24)**	-
Deferred tax on performance rights	**(99)**	58
Balance at end of period	**575**	566

6.3 Contingent Liabilities

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

6.4 Climate Related Risks

As part of its risk management framework the Group continues to monitor its exposure to risk, including climate related risk and related regulatory reporting requirements. Briscoe Group is reviewing and will report on exposure to climate related risk in line with the Aotearoa New Zealand Climate Standards released 15 December 2022. Assessment of the financial impacts of climate related risks and opportunities has not yet been completed but as at the date of these financial statements we have not identified any material impacts to disclose. The Group is exposed to physical risks such as damage to store network and disruption to supply and distribution channels, caused by extreme weather events. The Group's monitoring of these risks has not identified anything material to date. Emissions measurement systems are currently being implemented with a view to commence reporting for the financial year ended January 2024.

6.5 Events After Balance Date

On 14 March 2023 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 29 January 2023. The dividend will be paid at a rate of 16.0 cents per share for all shares on issue as at 23 March 2023, with full imputation credits attached (Note 5.3.3).

6.6 New Accounting Standards

There were no new standards applied during the period.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 29 January 2023 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Independent auditor's report

To the shareholders of Briscoe Group Limited

Our opinion

In our opinion, the accompanying consolidated financial statements of Briscoe Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 29 January 2023, 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 (IFRS).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 29 January 2023;
- the consolidated income statement for the 52-week period then ended;
- the consolidated statement of comprehensive income for the 52-week period then ended;
- the consolidated statement of changes in equity for the 52-week period then ended;
- the consolidated statement of cash flows for the 52-week period then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

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

Key audit matters

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

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Description of the key audit matter	How our audit addressed the key audit matter
Inventory existence and valuation	
At 29 January 2023, the Group held inventories of $117.8 million. Given the value of inventories relative to the total assets of the Group, and the judgments applied in provisioning against inventory shrinkage, slow moving and obsolete inventory, this has been considered 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 sophisticated 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, and 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 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; • corroborating specific elements of our understanding of the inventory provisioning process with merchandising personnel outside of the finance function; • testing that period-end inventory is carried at lower of cost and net realisable value by testing a sample of inventory items to the most recent retail price less costs to sell; • on a sample basis, testing unearned rebate income to supplier contracts; • assessing the shrinkage provision by testing 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; and • performing analytical procedures over material inventory provisions to assess adequacy.

Description of the key audit matter	How our audit addressed the key audit matter
Contingent liabilities As disclosed in Note 6.3 of the consolidated financial statements, proceedings were served on 10 February 2023 against the Group by a former supplier in relation to representations allegedly made by the Group concerning their trading relationship, which the supplier claims contravened the Fair Trading Act 1986 and the Contract and Commercial Law Act 2017. The outcome of the matter remains uncertain and the damages sought by the former supplier have not been quantified. The Group has considered the claim and disclosed the matter as a contingent liability in the consolidated financial statements. Due to the proceedings being at an early stage and therefore, the judgements and uncertainties involved, we have determined that this is a key audit matter.	Our audit procedures included: • reading the statement of claim that has been served against the Group; • discussing the matter with key management and those charged with governance; • reading the management paper on the matter; • discussing the matter with the Group's external legal advisors; • evaluating the Group's assessment of the matter as a contingent liability against the criteria outlined in NZ IAS 37 *Provisions, contingent liabilities and contingent assets;* and • assessing the appropriateness of the associated disclosure in the consolidated financial statements.

Our audit approach

Overview

Overall group materiality: $6,150,000, which represents approximately 5% of profit before tax.

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

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

As reported above, we have two key audit matters, being:

- Inventory existence and valuation
- Contingent liabilities

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

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

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

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

Other information

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

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

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

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

Responsibilities of the Directors for the consolidated financial statements

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

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

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

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

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

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

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants

14 March 2023

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 on Briscoe Group's website. The Code of Conduct is reviewed annually and was last reviewed in May 2022. All Directors and employees must provide acknowledgement that they have read and understood the content. To ensure that our expectations are known and understood, both training and reinforcement are delivered via our online learning platform as part of initial and ongoing training.

Trading in Company Securities Policy

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

The Trading in Company Securities Policy sets out Briscoe Group's requirements and expectations for all Directors and employees in relation to trading Briscoe Group shares. The policy is available 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. The policy was updated during the year to include provision for the use of fixed trading plans by certain executives upon application and approval by the Board.

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 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

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

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

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

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

Directors

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

The Board currently comprises five Directors; four independent and one Executive Director. The Board has considered which of its Directors are deemed to be independent for the purposes of the NZX Listing Rules and has determined that as at 29 January 2023, four Directors are independent Directors, including the Chair (Dame Rosanne Meo) and the Chair of the Audit and Risk Committee (Tony Batterton). As at the date of this Annual Report, the Directors are:

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

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

A profile of the qualifications and experience for each Director is available on Briscoe Group's website.

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

Directors disclosed the following relevant interests in shares as at 29 January 2023:

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

Diversity

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

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

Historically, information gathered through our recruitment processes was limited in terms of data collected for purposes of assessing diversity and progress in this area. We recognise 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. To that end, 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. The information itself is available for use in reporting but is protected so as to avoid bias in appointment decisions. In 2023 the last stage of this project – to collect this information from existing employees, with their knowledge and consent, will be managed through our Employee Self-Service platform. As a consequence of the work we have performed we now have ethnicity information for 46.9% of our team. Expansion of gender identification options has enabled a number of our team to communicate that they identify as a different gender than they previously nominated.

We have previously acknowledged the retail sector has had high representation of women in its operations and yet has seen underrepresentation in senior management roles. Last year we noted that 37% of our high potential talent in our organisation were female. 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. The ongoing restrictions on new migrants being able to enter New Zealand for employment opportunities has meant little change in the past couple of years and with government policy settings we see this as unlikely to change in the near future.

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 albeit their studies being disrupted due to the ongoing impacts of Covid. Briscoe Group recognises that support for these studies is vital. We assist our managers with a combination of contribution to fees as well as paid time out of the workplace for study and exam purposes.

The Board and management recognise that diversity without inclusiveness does not result in the balanced workforce desired in the business. Briscoe Group has in place policies and procedures to encourage and support equitable treatment for all employees and includes consideration of internal applicants for jobs with the Group. We do however agree with a recent Institute of Directors commentary which stated that diversity should be approached through the lens of demonstrated competence.

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:

	29 January 2023		30 January 2022	
	Female	**Male**	**Female**	**Male**
Directors	**1**	**4**	1	4
Officers[1.,2.]	**-**	**3**	-	3
Other Senior Management[3.]	**1**	**3**	2	2

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 engaging a bi-annual external evaluation of the performance of Directors, the Board as a whole, and of the Board committees against the Board and committee charters, including seeking Directors' views relating to Board and committee process, efficiency and effectiveness. The Chair of the Board also engages with individual Directors to evaluate and discuss performance and professional development.

Independent Directors

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

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

Separation of Board Chair and CEO

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

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

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

Principle 3 – Board Committees

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

Audit and Risk Committee

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

The Audit and Risk Committee operates under a written Charter, and this is available on Briscoe Group's website. The Audit and Risk Committee currently comprises Tony Batterton (Chair), Dame Rosanne Meo and Andy Coupe, whose qualifications and experience are available on the Briscoe Group website. The Audit and Risk Committee met two times during the year. In addition to these two meetings the Management Risk Committee met four times during the year to review, assess and update the Company's risk matrix. The changes made to risk matrix were shared with the Board at the half year and full year Board meetings. 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.

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 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 and Mark Callaghan. It met five times during the year. It assists the Board in discharging its responsibilities with respect to the remuneration and performance of the Group Managing Director and other senior executives, remuneration of Directors and human resources policy and strategy. The Human Resources Committee operates under the Human Resources Committee Charter, and this is available 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 considered whether any other standing Board committees are appropriate and has determined they are not.

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 29 January 2023

	Board	Audit and Risk	Human Resources
Number of meetings held	**14**[1.]	**2**	**5**
	Attended	**Attended**	**Attended**
Dame Rosanne Meo	**14**	**2**	**5**
Rod Duke	**14**	**2**	**5**
Tony Batterton	**14**	**2**	**-**
Andy Coupe	**13**	**2**	**5**
Mark Callaghan	**14**	**2**	**5**

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 NZX and ASX, financial statements and dividends.*

Takeover Protocols

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

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

Principle 4 – Reporting and Disclosure

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

Continuous Disclosure

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

As a listed company, there is an imperative to ensure the market is informed, and the listed securities are being fairly valued by the market. In addition to statutory disclosures, the company provides ongoing updates of its operations. This material is made publicly available through releases to the NZX and ASX, in accordance with the relevant Listing Rules. Briscoe Group has a Continuous Disclosure Policy, and this is available 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 to view on Briscoe Group's website.

Financial and Non-Financial Reporting

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

Financial Reporting

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

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

Non-Financial Reporting - Sustainability

Briscoe Group regularly assesses its exposure to environmental, economic and social sustainability as part of the overall framework for managing risk (see Principle 6 – Risk Management).

Being one of New Zealand's leading retailers we are committed to improving sustainability performance across our key impact areas of Community, Our People, Environment and Ethical Sourcing and Supply Chain.

Briscoe Group is a Climate Reporting Entity and will be publicly reporting for its period ending 28 January 2024, the Group's climate related risks and opportunities in accordance with Aotearoa New Zealand Climate Standards released on 15 December 2022.

For more details refer to pages 14-19 of this report.

Principle 5 – Remuneration

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

Directors' Remuneration

Recommendation 5.1: "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."

In accordance with the Constitution, Shareholder approval is sought for any increase in the pool available to pay Directors' fees. Approval was last sought in 2021, when the pool limit was set at $400,000 per annum. No additional increase to the pool will be sought during 2023.

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

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

Remuneration of Directors in the reporting period is tabulated below:

	Board Fee	Audit and Risk Committee	Human Resources Committee	Total Fees	Other Payments/ Benefits	Total Remuneration
Dame Rosanne Meo	$140,000	$7,000	$7,000	**$154,000**	-	**$154,000**
Rod Duke[1.]	-	-	-	**-**	$1,817,368	**$1,817,368**
Tony Batterton	$70,000	$12,000	-	**$82,000**	-	**$82,000**
Andy Coupe	$70,000	$7,000	$10,000	**$87,000**	-	**$87,000**
Mark Callaghan	$70,000	-	$7,000	**$77,000**		**$77,000**
Total	**$350,000**	**$26,000**	**$24,000**	**$400,000**	**$1,817,368**	**$2,217,368**

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

Remuneration Policy

Recommendation 5.2: "An issuer should have a Remuneration Policy for remuneration of directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria."

Briscoe 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, is available 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 the creation of Shareholder value. Under Briscoe Group's remuneration framework, job size relative to the relevant competitive market for talent as well as individual performance against defined key performance objectives are key considerations in all remuneration-based decisions, balanced by the organisational context. Remuneration for senior management includes a mix of fixed and variable components. Criteria for performance payments which comprise short, medium and long-term incentives are regularly appraised to ensure they incorporate changing market conditions as well as the Company's performance in relation to strategic initiatives that are deemed by the Board to be most relevant in driving Shareholder value.

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

In 2019, the Board introduced the Briscoe Group Senior Executive Incentive Plan to grant performance rights to key senior management personnel as a long-term incentive (LTI) programme. Vesting is dependent upon achievement of Earnings per Share (EPS) and Absolute Total Shareholder Return (aTSR) growth targets at the end of a three-year term. Five tranches of performance rights have been issued under this programme.

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

Periodically the Human Resources Committee, on behalf of the Board, seeks independent external advice to ensure that remuneration for senior executives is appropriate and fulfils the objectives of attraction, retention and motivation. This exercise was repeated in 2022 for the roles included as part of the senior management team. The scope of this exercise incorporated structures, proportions and quantums on a role-by-role basis.

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

Employee Remuneration

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 29 January 2023 is set out in the table below:

Remuneration	Number of Employees	Remuneration	Number of Employees
$100,000 - $109,999	17	$250,000 - $259,999	2
$110,000 - $119,999	6	$260,000 - $269,999	1
$120,000 - $129,999	5	$270,000 - $279,999	1
$130,000 - $139,999	5	$290,000 - $299,999	1
$140,000 - $149,999	8	$300,000 - $309,999	1
$150,000 - $159,999	4	$330,000 - $339,999	1
$160,000 - $169,999	7	$390,000 - $399,999	1
$170,000 - $179,999	5	$500,000 - $509,999	1
$180,000 - $189,999	3	$520,000 - $529,999	1
$190,000 - $199,999	7	$530,000 - $539,999	1
$200,000 - $209,999	3	$770,000 - $779,999	1
$210,000 - $219,999	1	$860,000 - $869,999	1
$220,000 - $229,999	2	$1,810,000 - $1,819,999	1

The table above includes individuals who were employees during the 52-week period ending 29 January 2023 and who received remuneration and benefits above $100,000 during that period.

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 29 January 2023 was:

	Period Ended 29 January 2023
Base Salary	$1,235,243
Other Benefits	$136,960
STI	$445,165
Subtotal	**$1,817,368**
LTI (refer below)	-
Total Remuneration	**$1,817,368**

The remuneration of the Managing Director comprises fixed and performance payments. Fixed remuneration includes a base salary and other benefits comprising; contributions to superannuation, life insurance, health insurance and a fuel card. The Managing Director received a short-term incentive (STI) of $445,165 for the year ended 29 January 2023. The target value of a STI payment is recommended by the Human Resources Committee, approved by the Board and linked strongly to company financial performance and performance against strategic initiatives. The Managing Director does not participate in the MTI Scheme and given his shareholding in the Company, nor does he participate in any equity-based Long Term Incentive Scheme.

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

Senior Management

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

Short Term Incentive Payments

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

Medium Term Incentive Payments

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

Long Term Incentive Payments

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

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

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

Health and Safety

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

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

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 mental wellness 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 (TMP's), 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, an area in which we are working with expert external resource to identify ways to reduce or eliminate these types of injuries.

We have continued the extensive work already underway 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 this as a priority in order to protect both the physical and mental wellbeing of our team. The work in this area includes but is not limited to the training provided to our team with consideration for different role types, equipment provided to our Loss Prevention Specialists and management teams, systems and processes used to identify and monitor undesirable behaviour and systems and tools used to protect both product and property. We are determined that our team know and believe that nothing, including loss of product, is more important than the safety of them, their fellow team members and other visitors to our sites.

The Covid pandemic continued to have an impact as new strains emerged in the community. In 2022 we also saw seasonal flu have an impact, likely a result of diminished immune systems. As a company we maintained our commitment to income support for team members affected by Covid, without deduction from their annual sick leave balances. This was paired with continued communication and information activities as well as physical and mental health and wellbeing programmes. We use a range of indicators including usage of our Employee Assistance Programme to ensure our actions are targeting known needs as well as identifying new issues or concerns. Our Employee Engagement platform provides additional information from our team on health and safety as well as other matters relating to general wellbeing.

Both senior management and the Board receive regular updates on our health and safety performance. Complementing our regular reviews, our annual deep dive with the Board continues to ensure we challenge ourselves to improve on prior performance through reductions in health and safety incidents, injury frequency and severity.

Despite the combination of a continuing Covid related workload and the increases in anti-social and violent behaviour, we are pleased with the advances we have made in maintaining a healthy and safe place to work.

Principle 7 – Auditors

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

External Audit

Recommendation 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 on Briscoe Group's website. The External Auditor Independence policy implements the procedures set out in the NZX Code. Regular rotation of the Company's external audit firm is not mandated however, the Engagement and Quality Review partners of the Company's external auditors are required to rotate every five years and are subject to a two-year cooling-off period.

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

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

The external auditor has historically attended 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 29 January 2023 were $142,750 (2022: 134,000). Total fees paid to PricewaterhouseCoopers for other professional services for the period ended 29 January 2023 were $47,500 (2022: $33,000). The other service fees comprise a half yearly review.

Internal Audit

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

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

The Internal Audit Manager reports functionally to the Audit and Risk Committee and administratively to the Chief Financial Officer. The Internal Audit Manager provides regular reporting to management as well as directly to the Board and Audit and Risk Committee.

Principle 8 – Shareholder Rights and Relations

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

Information for Shareholders

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

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

This is done through a range of communication methods including periodic and continuous disclosures to NZX and ASX, half year and annual reports and the Annual Shareholders' Meeting. Briscoe Group's website provides 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 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.

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.

General Disclosures

Board of Directors

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

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

Tony Batterton, BCom, C.A: Director (Non-Executive)
Partner and Executive Director of Evergreen Partners Ltd. Non-Executive Director of Direct Capital Investments Ltd, Direct Capital IV Investments Ltd, Direct Capital IV Management Ltd, Direct Capital IV Partners Ltd, Direct Capital IV GP Ltd, Siplow Nominees Ltd, Direct Capital Partners Ltd, NZ Fine Touring Group and Evergreen Partners GP Ltd.

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

Mark Callaghan, BCA (Hons): Director (Non-Executive)
Chairman of OPD Holdings Ltd, Office Products Depot Ltd, 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 29 January 2023, 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 80).

The persons who held office as Directors of subsidiary companies at 29 January 2023 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 17 March 2023 Number of shares
RAB Coupe	10,000

Non-Beneficially Held	As at 17 March 2023 Number of shares
RA Duke as Trustee of the RA Duke Trust	171,566,383
RPO'L Meo	100,000
AD Batterton	20,000

For further details refer to Substantial Product Holders information (page 87).

B. Share dealings

During the 52 week period ended 29 January 2023 no director acquired shares in the Company.

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

C. Directors' Insurance

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

D. Interests in contracts

During the 52-week period ended 29 January 2023 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 $674,884 (2022: $597,226), 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 $596,803 (2022: $501,999), under an agreement to lease premises to Briscoes (NZ) Limited. (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 17 March 2023

	No. Investors	Total Holdings	%
1 – 1000	1,207	747,706	0.34
1,001 – 5,000	1,805	5,133,483	2.30
5,001 – 10,000	610	4,757,040	2.14
10,001 – 100,000	493	11,707,191	5.25
100,001 and over	32	200,420,358	89.97
Total	**4,147**	**222,765,778**	**100%**

Substantial Product Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 29 January 2023, 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 29 January 2023[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 29 January 2023 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 29 January 2023 was 222,645,586.

Top 20 Shareholders

As at 17 March 2023

Rank	Holder's Name*	Total	%
1	JB Were (NZ) Nominees Limited **	173,645,243	77.95
2=	Gerald Harvey	5,250,000	2.36
2=	Harvey Norman Properties (NZ) Ltd	5,250,000	2.36
4	Custodial Services Limited	2,009,593	0.90
5	Accident Compensation Corporation	1,728,217	0.78
6	FNZ Custodians Limited	1,259,656	0.57
7=	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
7=	Stuart Hamilton Johnstone and Lorraine Rose Johnstone	1,000,000	0.45
9	HSBC Nominees (New Zealand) Limited	919,262	0.41
10	New Zealand Depository Nominee	745,900	0.33
11	Public Trust	698,713	0.31
12	Forsyth Barr Custodians Limited	694,380	0.31
13	Manhattan Trustee Limited	683,000	0.31
14	Peter William Burilin	540,839	0.24
15	Shu Wen Chiang	534,861	0.24
16	Hobson Wealth Custodian Limited	377,342	0.17
17	Carla Ingrid Brockman	336,300	0.15
18	Gemscott Limited	335,000	0.15
19	Shih Ting Huang	306,719	0.14
20	Geoffrey Peter Scowcroft	302,107	0.14

** 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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www.rebelsport.co.nz

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Simpson Grierson

Bankers

Bank of New Zealand

Auditors

PwC

Share Registrar

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