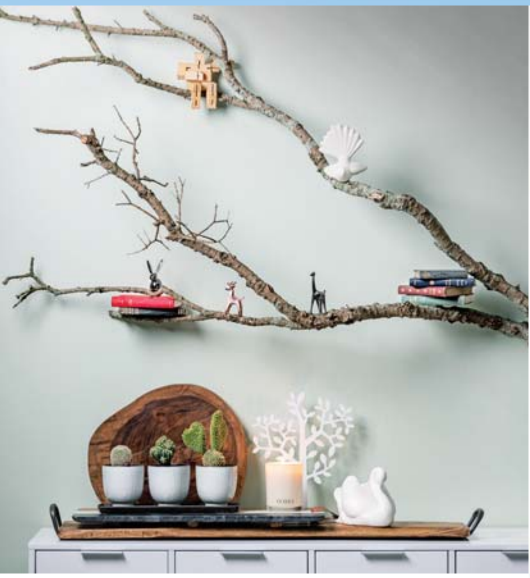
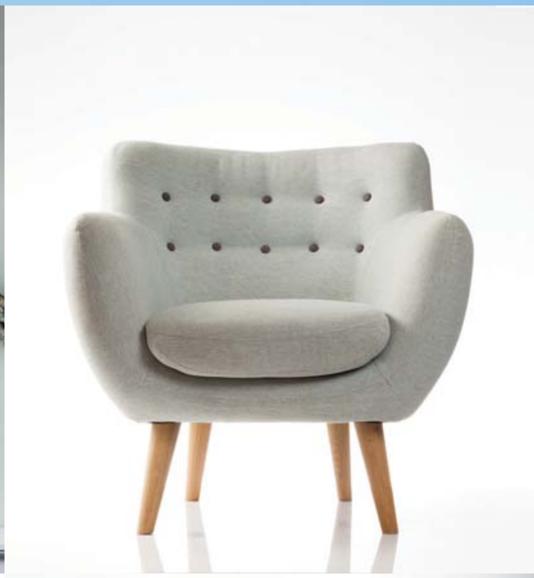
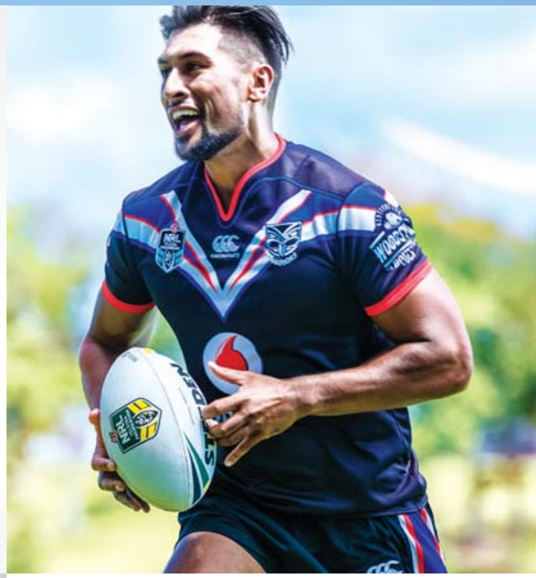
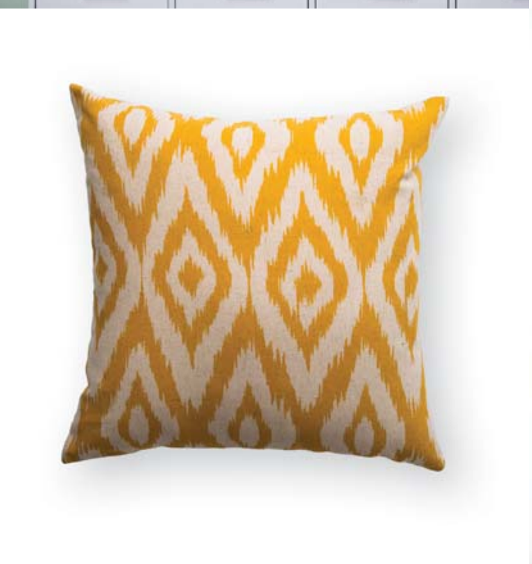
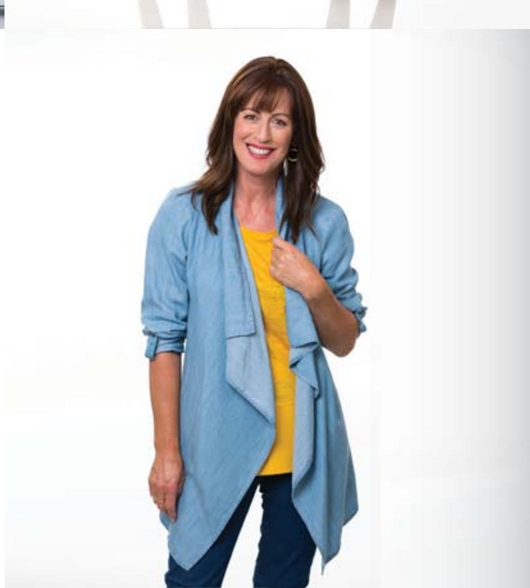
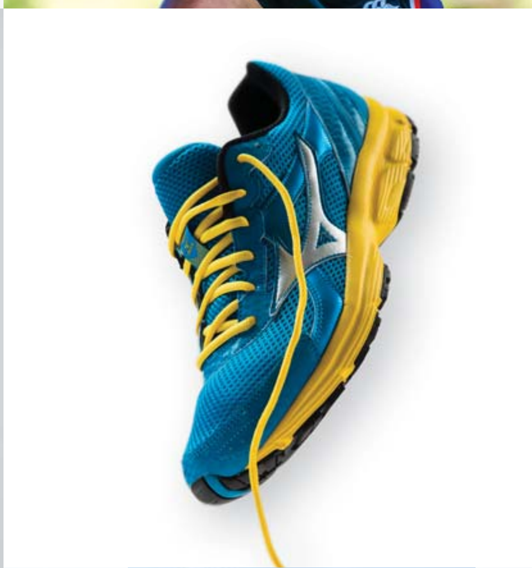
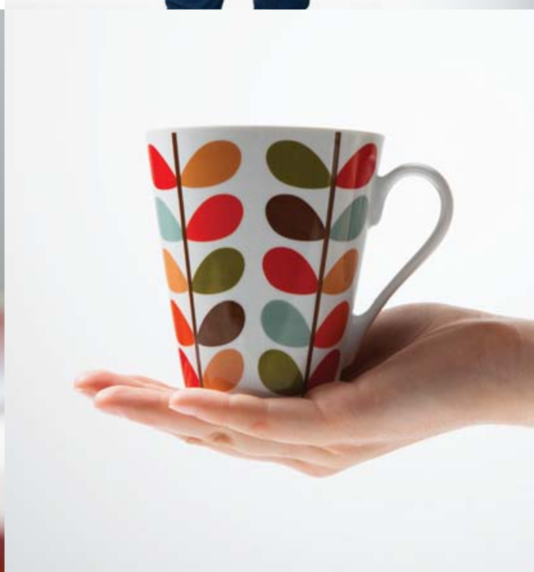
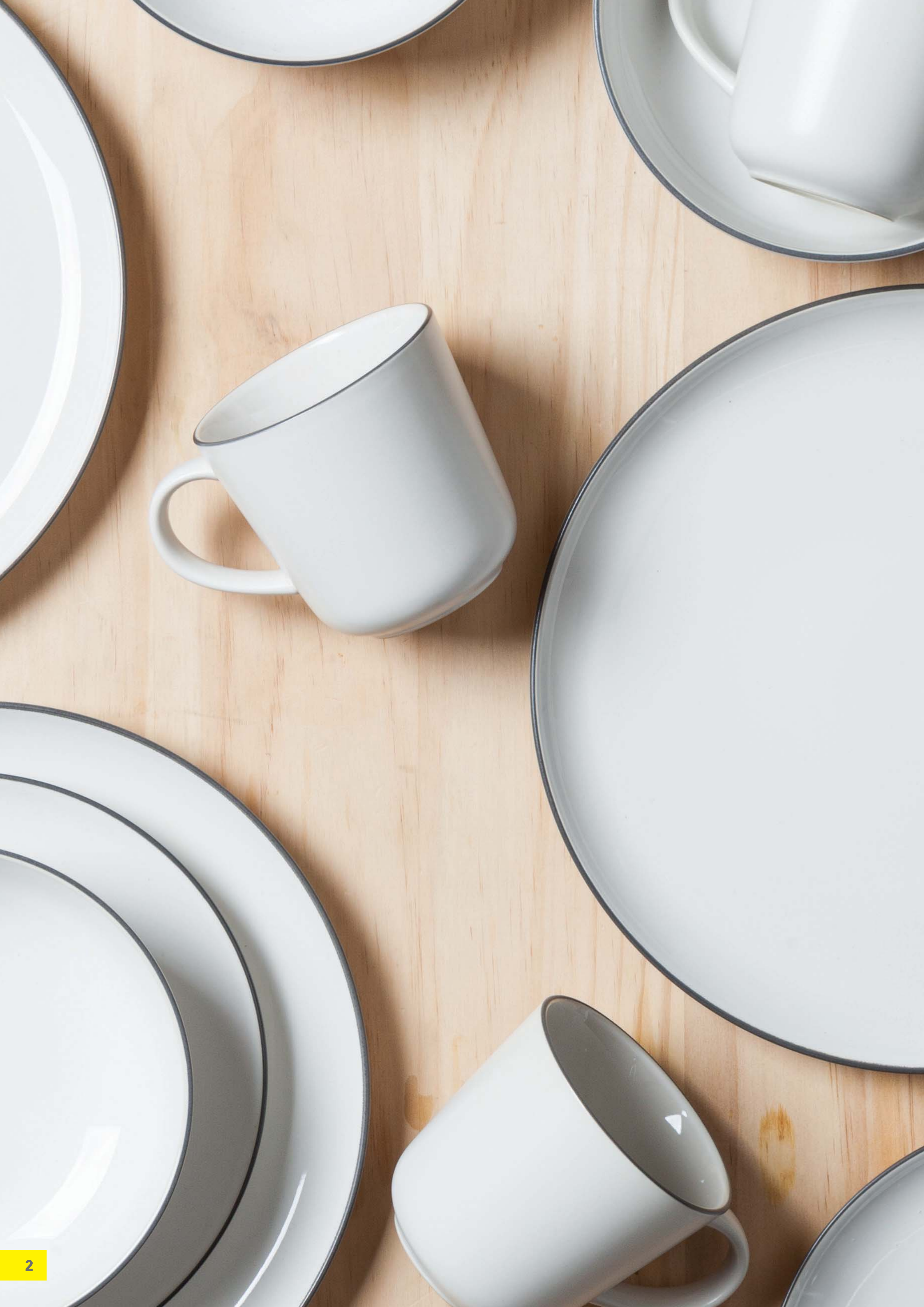
BRISCOE
GROUP LIMITED

ANNUAL REPORT
for the period ended 31 January 2016




REBEL SPORT | BRISCOES HOMEWARE | Living & Giving



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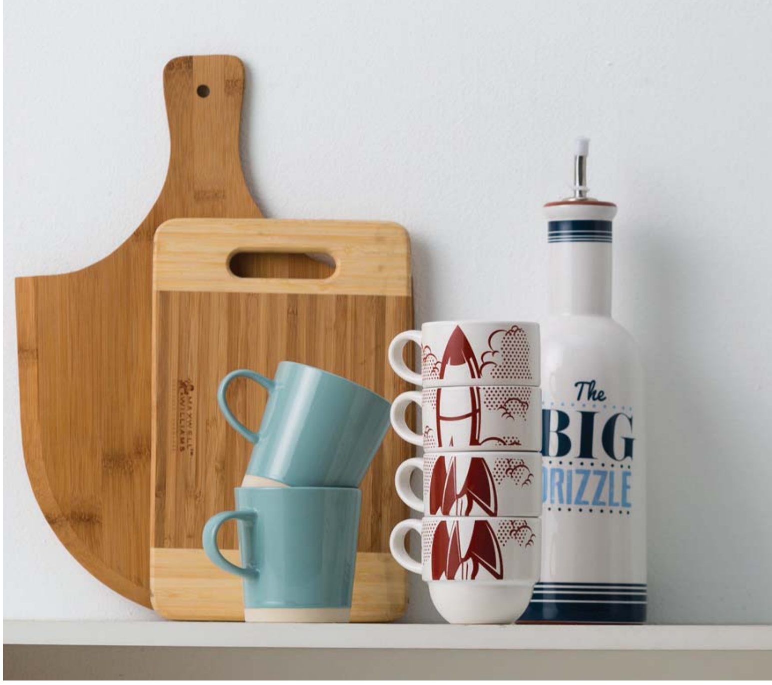
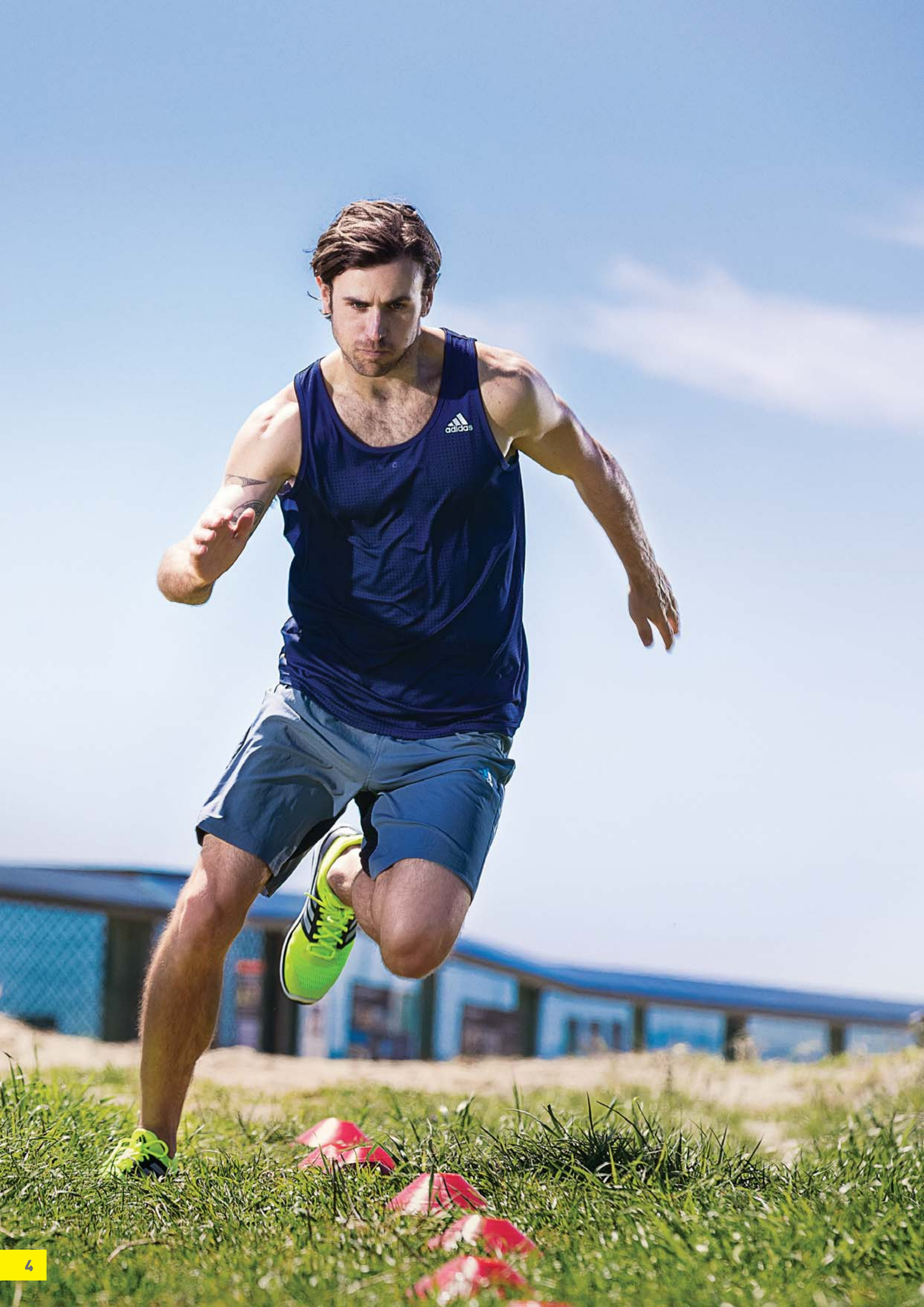
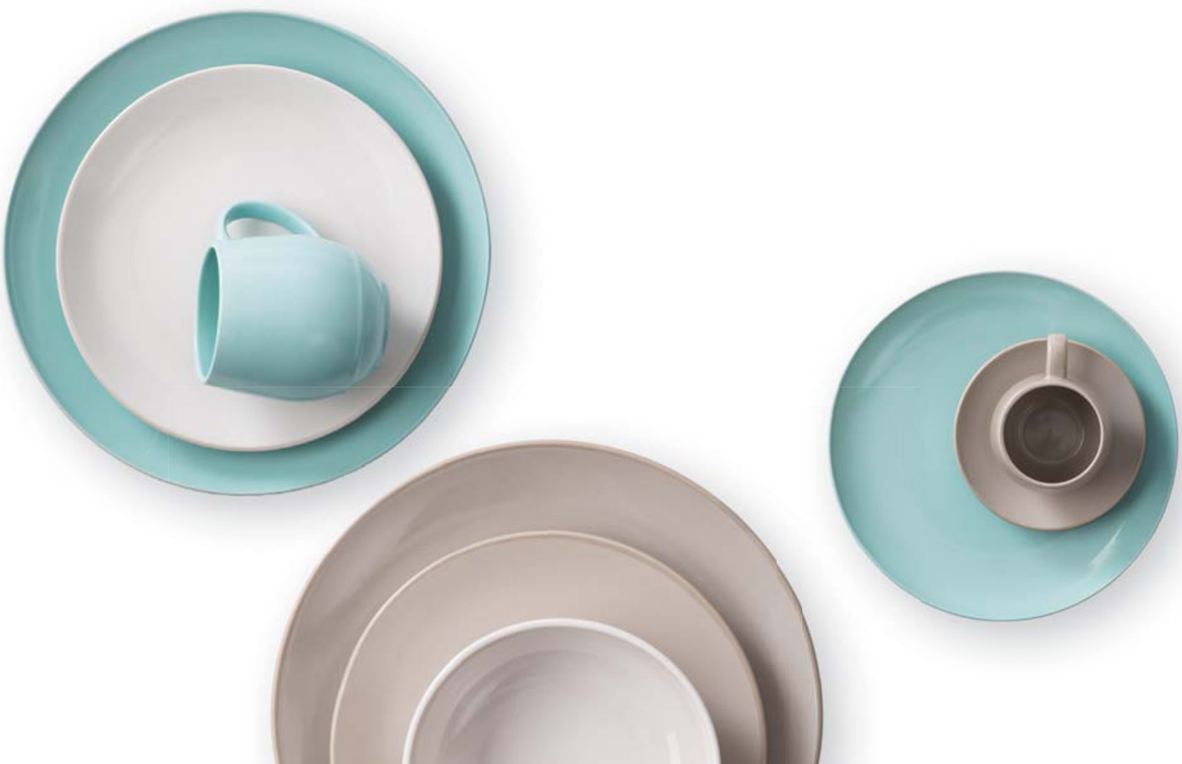


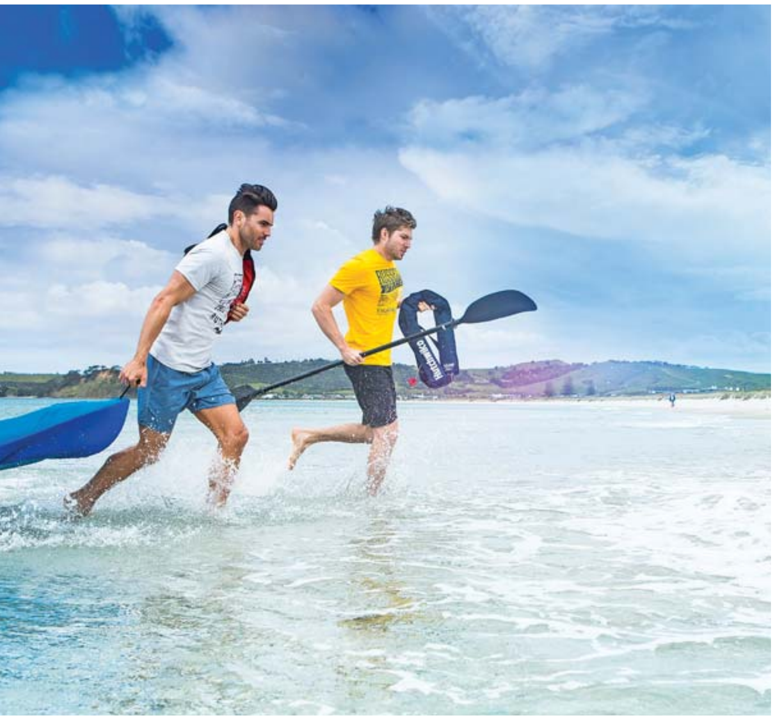


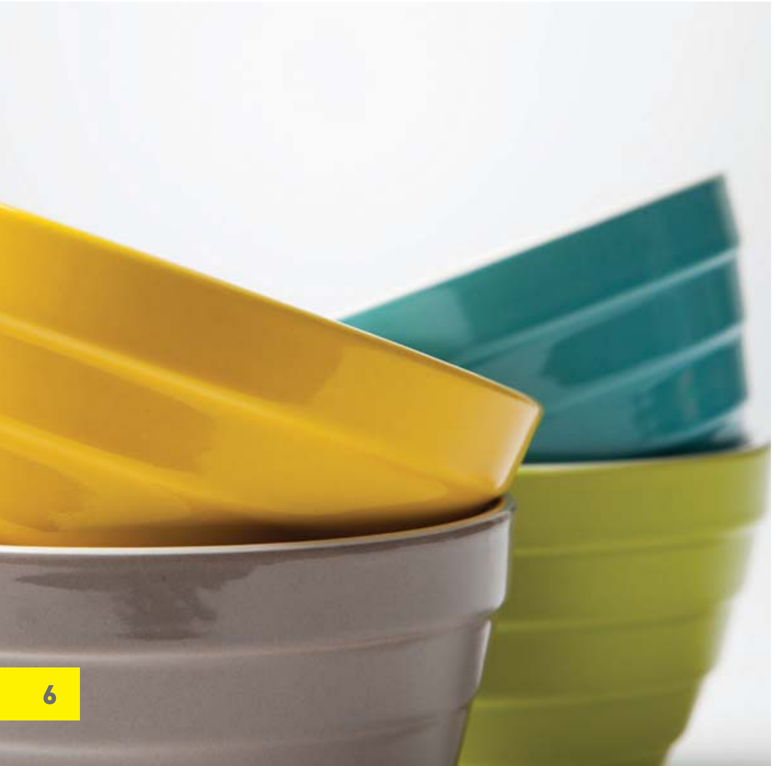
Key Facts

	Audited period ending 31 January 2016 $000	Audited period ending 25 January 2015 $000	Audited period ending 26 January 2014 $000	Audited period ending 27 January 2013 $000	Audited period ending 29 January 2012 $000
Trading Results					
Sales Revenue	**552,892**	507,063	483,566	452,702	438,037
Gross profit margin	**40.5%**	38.9%	38.5%	38.9%	38.5%
Earnings before interest and tax (EBIT)[1.]	**65,935**	53,122	45,222	40,970	36,666
Net profit after tax (NPAT)	**47,137**	39,302	33,575	30,468	27,529
Net cash flows from operating activities	**39,898**	45,051	46,092	31,406	42,030
Financial Position and Statistics					
Shareholders' funds	**164,424**	155,559	140,648	128,581	141,212
Total assets	**235,418**	234,754	215,384	191,831	207,305
EBIT per share	**30.3c**	24.5c	21.0c	19.2c	17.2c
NPAT per share	**21.7c**	18.2c	15.6c	14.3c	12.9c
Operating cashflow per share	**18.3c**	20.8c	21.4c	14.7c	19.7c
Current ratio	**1.5:1**	2.2:1	2.1:1	2.3:1	2.4:1
Shareholders' funds to total assets	**69.8%**	66.3%	65.3%	67.0%	68.1%
Store Numbers					
Homeware	**47**	46	46	48	47
Sporting Goods	**35**	33	32	32	32
Briscoe Group	**82**	79	78	80	79
Total Store Area (m2)					
Homeware	**100,085**	95,787	94,402	93,014	90,615
Sporting Goods	**56,394**	53,993	51,884	51,884	51,417
Briscoe Group	**156,479**	149,780	146,286	144,898	142,032

1. *Earnings before interest and tax (EBIT) is a non-GAAP measure. Refer to the Consolidated Income Statement on Page 15.*







Chairman's Review

We are pleased to present the Directors' Reports on the financial and operational performance of Briscoe Group Limited for the 53 week period ended 31 January 2016. The result incorporates an additional week's trading in comparison to the 52 week period last year. The additional week is necessary because the Group operates on a weekly trading and reporting cycle of 52 weeks for most years with a 53 week year required once every five to six years to realign the financial and calendar year-ends.

During March we were delighted to announce another year of significant growth and record profit for the Group. The compound growth in net profit after tax (NPAT) generated over the last five years amounts to 16.9% per annum; a performance we are very proud of given the challenging competitive environments encountered.

Central to our success has been the drive to continually improve all aspects of our business from initiatives to improve the efficiency and accuracy of receipting inventory in-store, to the on-going refinement of local and international product ranges, to the subtle promotional changes introduced to surprise and delight customers, to the store development program which ensures the necessary level of store rejuvenation, and to the IT and finance projects driven 'behind-the-scenes' to deliver competitive advantage through process and system improvements. The Board would like to acknowledge the significant contribution from all employees who have once again produced these outstanding results.

The continued strength in Rebel Sport is particularly pleasing to report, delivering a 36% increase in earnings before interest and tax (EBIT) over the previous year. This outstanding performance built further on the 45% and 22% increases already produced for the years ended January 2015 and January 2014, respectively. The merchandise, operations and marketing teams have combined well to capitalise on the alignment of fashion with sport across the footwear and apparel categories as well as leveraging high profile sporting events such as the Rugby World Cup and the Cricket World Cup. Rebel Sport now contributes 35% of the Group's total sales and 38% of the Group's EBIT, compared to five years ago when it contributed 32% and 22% respectively, for the year ended January 2011.

Briscoes Homeware also produced EBIT growth in excess of 20% and continues to provide an extensive range of quality brands with pricing and promotions which, customer research tells us, make us the ultimate one-stop shop for homewares.

Sales growth in excess of 40% was achieved from our online business and 4.5% of Group sales for the year was attributable to online activity. Strong growth is anticipated for the foreseeable future and we remain committed to the continual improvement of the overall shopping experience.

During the year $68.68 million of capital investment was made by the Group to purchase a 19.9% shareholding in Kathmandu Holdings Limited ("Kathmandu"). The Group's takeover offer for the remaining shares in Kathmandu closed on 17 September 2015 with insufficient acceptances to satisfy the minimum acceptance condition and thus lapsed in accordance with its terms. We were disappointed that our offer was unsuccessful as we believe there would be significant benefits for the shareholders of both companies from merging the two businesses. As Kathmandu's largest single shareholder, we continue to watch its performance closely and remain open to the idea of progressing this at some stage in the future.

The Group remains in a strong financial position with a cash balance of $17.6 million reported at year-end and no interest-bearing liabilities. This compares to $89.7 million for the previous year; the reduction being primarily a result of the acquisition of shares in Kathmandu.

We actively pursue and evaluate opportunities to generate increased future returns via property acquisition, business acquisition or store rollout. These opportunities are evaluated on the basis of their potential to add value to Briscoe Group and its shareholders.

Financial performance

Sales revenue increased by 9.04% to $552.89 million, compared with $507.06 million previously. On a same store basis, sales increased for the year by 5.44%.

The Group's gross profit margin for the year increased from 38.90% to 40.49%, reflecting the constant focus on inventory and promotion management with benefits accruing from initiatives such as the stock-receipting (via scanning) project implemented during 2014, the continued refinement of local and international product ranges, prudent foreign exchange cover put in place prior to the commencement of the financial year, and increased sophistication around the construct, delivery and analysis of promotions.

NPAT was $47.14 million compared to the $39.30 million for last year, an improvement of 19.94%.

The results were for the 53 week period from 26 January 2015 to 31 January 2016 compared to the 52 week period last year from 27 January 2014 to 25 January 2015.

Inventories totaled $80.20 million at year-end, being $6.70 million higher than the $73.51 million reported for last year, reflecting the three additional stores opened by the Group during the year, increased stock holdings to satisfy the significant increases experienced in online sales and increased levels of product imported directly by the Group.

In addition to the purchase of shares in Kathmandu, other capital expenditure of $13.18 million was made during the year. The main areas of this expenditure were for the settlement of property transactions, the fit-out of three new stores, the relocation of two stores, three store refurbishments and enhancements to systems software and the online web platform.

Dividend

The directors resolved to pay a final dividend of 9.50 cents per share (cps), fully imputed. When added to the interim dividend of 6.00 cps, the total dividend for the year is 15.50cps, representing 72% of the Group's tax paid earnings. During the last four years the Group has paid out 76% of tax paid earnings in normal dividends and 90% when the special dividend paid in June 2012 is included.

The share register closed to determine entitlements to the final dividend at 5pm on 24 March 2016, and the dividend was paid on 31 March 2016.

Executive Share Option Plan

The Board is of the view that all shareholders benefit from the issue to key senior executives of long-term, appropriately-priced share options that crystallise only on delivery of increased shareholder value. In 2003 the Group established an Executive Share Option Plan to issue options to selected senior executives and, subject to shareholder approval, to Executive Directors. The Board intends to issue up to a further 1,700,000 options in the current 2016-17 financial year. This will result in the total number of share options issued under the scheme since its inception and still exercisable being equivalent to 3.5% percent of the current issued share capital.

The eight tranches of options issued between 2003 and 2010 have now lapsed with 4,017,500 options being exercised. The ninth tranche expired on the 21 October 2015 with 1,250,000 being exercised from the original 1,437,000 options issued. The tenth tranche became exercisable at a price of $1.55 each from 31 October 2015. Of the 1,437,000 options issued in that tranche, 875,000 are still exercisable at the time of writing this report. The holders have until 31 October 2016 to exercise them. The necessary disclosures will continue to be made in relation to the share options issued by the Group as and when options are exercised or lapse.

Further details of the Executive Share Options Plan can be found in Note 6.2 (page 45) of the financial statements contained within this Annual Report.

Community Sponsorship

At Briscoe Group we pride ourselves on being a responsible and socially aware corporate citizen.

We are proud to have been a key partner of Cure Kids since 2004 and believe it is important to put our support and resources behind a cause that fits our values. Through our commitment to fundraising for Cure Kids we are continually improving staff engagement and the overall team culture. Together, our team, customers and suppliers raised in excess of $700,000 for Cure Kids in the year just past. We will continue to play a major role in providing funding for leading-edge research to enhance the quality of life for thousands of our Kiwi children and their families. Since 2004 we have raised in excess of $4.9 million for Cure Kids.

In addition to our support for Cure Kids we provide significant funding to the Westpac Rescue Helicopter and the NZME Special Children's Christmas Parties as well as a wide variety of local community-based charities, sports clubs and other initiatives by donating product to support fundraising efforts.

Briscoe Group Scholarship

It is our vision that the Briscoe Group Scholarship will continue the strong tradition Briscoes has in supporting community causes by encouraging employees and their children to up-skill and fulfil their education ambitions - a helping hand to make an amazing difference to someone's impact on themselves, their family, their community and wider society.

In 2013 the Group partnered with the First Foundation, an organisation very experienced in managing scholarships. The Foundation brings together mentors, schools, and the scholars themselves to create a proven and holistic four year programme that includes paid work experience, networks, financial support and advice and guidance from personal mentors allowing recipients to pursue and achieve their goals and aspirations.

Eight scholarships have been awarded to date; all to regional store team members. In addition to these scholarships we have also assisted a number of our support staff to complete their Graduate Certificate in Retail through Auckland University of Technology.

It is our intention to continue to support our staff who are commited to enhancing their business skills. We have established relationships with Massey University and Auckland University of Technology to provide a pathway for staff to study for a Bachelor of Retail and Business Management. We recognise the benefits derived from encouraging team members from all parts of the organisation to participate in these programmes and in conjunction with the RA Duke Trust we are looking to extend support to selected employees to develop or extend their tertiary education.

Directors, Management and Staff

In addition to participating in formal monthly Board meetings throughout the year, the directors attended other meetings of directors and regular meetings of the Board's Audit and Human Resources Committees.

As previously announced, Independent Non-Executive Director, Stuart Johnstone has advised the Board of his intention to retire as a director effective from 31 May 2016. Stuart has been a most valuable Board member since being appointed in May 2001 just prior to the Company being listed on the Stock Exchange. His contribution to the Company's growth and development, including in his role as Chairman of the Audit Committee, has been very significant. Stuart's previous investment banking experience has brought an important skillset which has been beneficial to directors, management and shareholders. We thank him immensely for his outstanding contribution over the past 15 years.

We have begun our search for an appropriately talented director to replace Stuart and will provide any updates as early as possible.

On behalf of my fellow directors, I wish to acknowledge the enormous contributions of all employees to the Group's performance during the year. Their contributions are sincerely appreciated.

Rosanne Meo

Dame Rosanne Meo
Chairman

Managing Director's Review of Operations

Introduction

The team at Briscoe Group has continued to focus on offering our customers the best products we can source at the best prices in the market. Our focus has remained firmly on continuing to develop the impressive collection of brands we hold to ensure our customers have true choice across a wide range of product.

Rebel Sport has undoubtedly benefited from the continued alignment of sport with fashion and we are proud of the way our team has worked with our supply partners to bring this product to market. Briscoes Homeware continued to expand its range of brands and has optimised the width of the offer from the most successful brands.

Customers continued to respond positively to our product and promotional strategy and we believe that we can make further improvements to the shopping experience through better availability of product both in-store and online.

Presenting new and innovative ranges remains a key part of our strategy and the merchandise team has continued to look for opportunities to surprise and delight our customers.

We are acutely aware of the gradual fragmentation of media and have continued to develop the mix of media we employ to reach and connect with our customer base.

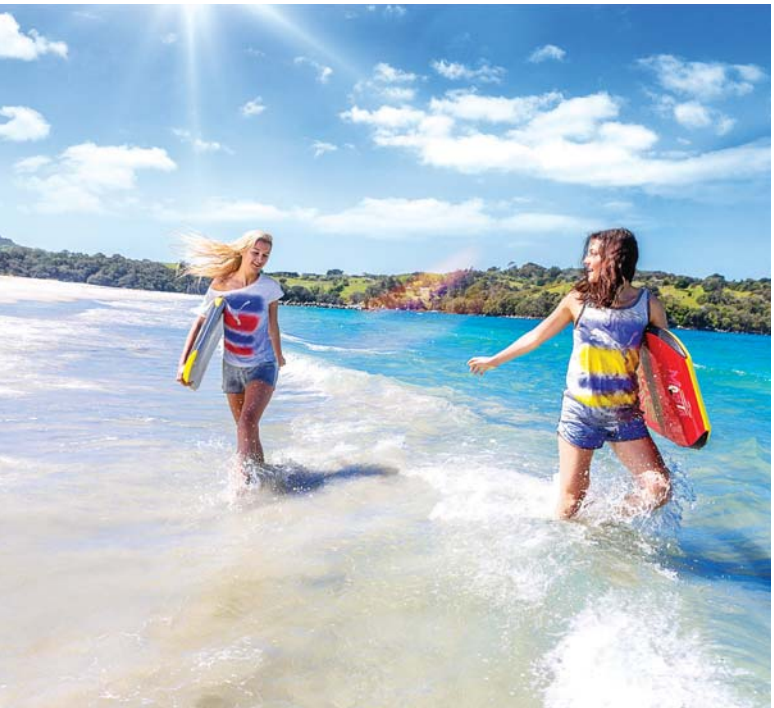
Maintaining and improving the quality of service in-store and online has also been a priority for us. We are pleased with the improvements made to the speed and accuracy of online fulfilment and have plans in place to further expand the number and geographical spread of our fulfilment stores to support the continued growth of this channel. While we have made some progress in the service levels offered in our bricks and mortar stores we believe there is more we can do in the coming year.

The team driving the store development program has delivered a large number of projects which have seen Briscoe Group stores enter new regions and improve the quality of many existing stores.

The record profit result for the financial year was a result of a combination of initiatives driven during a year when many retailers struggled to achieve acceptable growth. As in previous years, there will be rewards additional to base pay for many store and support management teams. Once again we have made a discretionary bonus payment to all full-time and part-time employees not already part of a formal bonus scheme, to recognise the part every team member plays in improving performance.

It will be imperative for retailers to focus on protecting gross margin percentage as we start to experience the effects of a weaker New Zealand dollar against the US dollar. To date our prudent currency hedging policies, determined negotiation with supply partners and careful management and analysis of pricing and promotions have continued to provide customers with the products they want at prices they can afford. It is inevitable that importers' margins will be adversely affected over time as foreign exchange cover taken at higher levels matures.

Our online business continued to grow significantly with additional fulfilment capacity established during the year to meet the increased demand. Search functionality has also been improved to make it easier for customers to find what they are looking for. During the coming year we will continue to invest in the online channel to improve the functionality and attractiveness of our websites while increasing the speed and quality of the fulfilment process. We intend to continue to build the infrastructure required to support both the continued profitable growth we expect from the online business as well as the improvement to the experience of bricks and mortar customers who use our websites for researching potential purchases.



Homeware

Our focus on making Briscoes Homeware the first choice for customers seeking to buy homewares has continued throughout the year.

Recent research we have undertaken with global market research company, IPSOS, confirms that customers like the range and quality of the brands we stock, the pricing and promotions we offer and see us as the ultimate one-stop shop for homewares. While customers are happy overall with the offer there are opportunities for us to further improve the shopping experience through increased staff engagement, clearer directional signage and improved store standards. The coming year will see the team firmly focused on driving improvements in these areas to ensure Briscoes Homeware continues to be first choice for homewares.

The retail market during the coming year is likely to remain tough due to low forecast dairy pay-outs, the slowdown in the Christchurch rebuild, low inflation and additional pressure on disposable income in Auckland due to higher house prices and rents. Against this background our strong product and price messaging supported by range, quality and solution-based communications will continue to offer our customers the value they desire.

During the year the store development team completed a number of major property developments for Briscoes Homeware. In February the final stages of the extension and refurbishment were completed at the Invercargill store. The outcome is a state-of-the-art store with extended retail and storage space. During April we relocated the Taupo store to a modern larger location which offers customers more space and improved car parking while also expanding the amount of storage space. The new store has been extremely well received and has given us capacity for future growth. In May we relocated our store in Hamilton to a new site adjacent to the existing one. Store refurbishments were completed at Gisborne in July and Tauranga in August with Dunedin also benefiting from minor reconfiguration in August. All of these projects resulted in improved shopping environments for our customers.

In October we opened a Briscoes Homeware store in Queenstown. The opening was extremely successful with positive customer feedback as to the eagerly anticipated opening. Since opening the store has outperformed expectations.

Sporting Goods

Rebel Sport continued to deliver very strong growth throughout the year. All categories performed well benefiting from an increasing alignment of sport with fashion as well as from high profile sporting events such as the Rugby World Cup and the Cricket World Cup.

Our merchandise team has worked closely with our supply partners to select appealing ranges, the marketing team has continued to keep Rebel Sport front of mind for customers looking to purchase sporting goods and our operations team has managed stock efficiently, improving the speed from backdoor to shop floor.

Following the success of the Under Armour concept area trialled in the Manukau store last year we added the same concept area to six of our top performing Rebel Sport stores between March and September. The Under Armour brand continues to grow in importance driven by style and technical innovation and it fits well with the Rebel Sport brand.

The Gisborne store was refurbished in July with the footwear department extended and switched from full service to self-selection. In August we reconfigured our store in Tauranga and extended the footwear department. Tauranga is one of our top performing stores and has responded positively to the improvements made from this project. In September improved fixtures were used to increase the retail area dedicated to footwear in the Albany and Lyall Bay stores without impacting on other departments within the stores. In October our new store opened in Queenstown. The customers were very positive about the store and have supported it exceptionally well since opening.

Priorities and Outlook for 2016/17

We will continue to drive positive change through a number of initiatives during the coming year.

In October last year, following the retirement of Lynda Webb, Aston Moss was appointed to the position of General Manager Human Resources. Aston and the HR team are working closely with all sectors of the business to help the Group lift further the level of staff engagement. We know that our people are key to our success and by improving practices around recruitment, talent management and training we are confident we can improve performance in every function and in turn offer better service to our customers.

In February we launched 'Smart Feedback', a web-based customer feedback tool which allows real-time customer feedback and reporting. This tool will help our Business Managers stay focused on the key issues, both positive and negative, being experienced by our customers. The reporting suite gives store and support teams the opportunity to access customer feedback by store, brand or by company and there is a facility for customers to request a follow up call if desired. Initial uptake by our customers has been encouraging and as the volume of feedback builds we will have a 'net promoter score' which we can use to compare our performance with other organisations.

The schedule for the store development team for the coming year is a mix of both major and minor projects. Over the course of the year we will upgrade the security camera systems in fourteen stores, which will result in significantly improved effectiveness. Prior to Easter we will open new Briscoes Homeware and Rebel Sport stores at the Westgate development, northwest of Auckland. As well as providing additional fulfilment capacity for our online operations, these new stores will serve a growing catchment and will be the first new stores opened in the greater Auckland region since we opened our Pukekohe stores just over eight years ago

Counter realignments will be undertaken during March and April at Rebel Sport stores at Riccarton and Atrium and at Briscoes Homeware in Timaru. While these smaller projects may seem less exciting than the bigger projects, they generate significant benefits for our customers and result in improved profitability.

In May we plan to extend the retail and storage area at the Briscoes Homeware store in Dunedin as well as establishing additional online fulfilment facilities. A lease for an adjoining building has been secured which will provide the extra space required.

In July we plan to extend the storage capacity at Briscoes Homeware Te Rapa. This store is one of our top performers and has seen growth constrained by limited storage capacity.

During September and October we expect to extend and refurbish the Briscoes Homeware store at Taranaki Street, Wellington. This project will see the central Wellington store increase retail area by approximately 20% and will provide significant improvements to car parking and storeroom facilities.

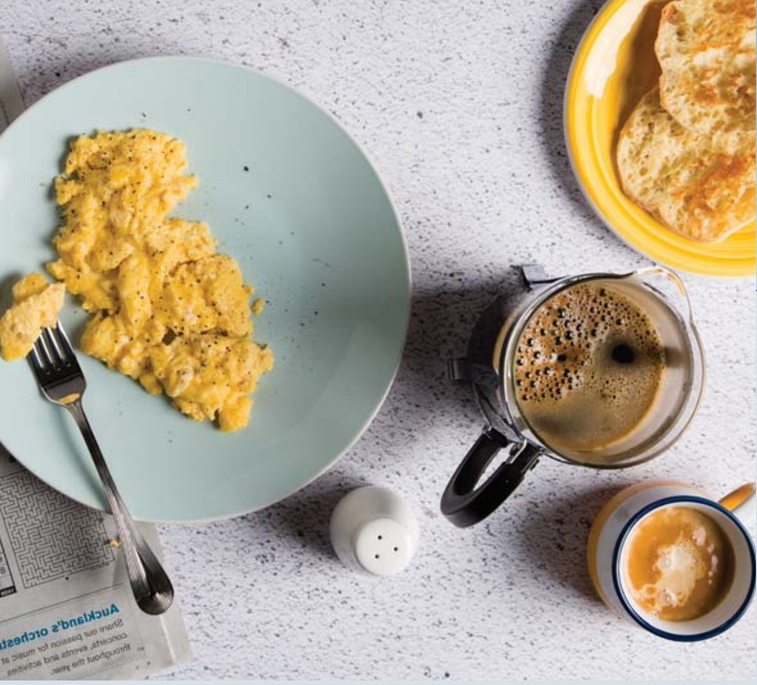
The merchandise and marketing teams will continue to focus on the protection of gross profit margin percentage. As retailers adjust to the lower New Zealand dollar environment it will be critical that the team continues to offer customers the best possible value while maintaining gross margins.

During the latter part of 2015 we identified the potential to improve the speed and accuracy of our product allocation process. These improvements have been prioritised and will be implemented progressively throughout 2016. With stock management being central to what we do, this project will drive benefits in merchandise and in stores with the key goal being a significant improvement in the availability of stock for customers.

The world economy continues to be unstable with analysts finding it difficult to forecast trends accurately against a back drop of many major influences including; fluctuating growth in China, increasing numbers of refugees seeking asylum in Europe, low oil prices and the uncertainty of the North American elections. Similarly in New Zealand, dairy prices and forecast returns remain low, property prices in Auckland and a number of other regions continue to increase and competition in the retail landscape remains fierce.

Notwithstanding the uncertainties and challenges, we intend to continue to focus on the things we can control and improve and to continue to offer our customers the best ranges of products at the best possible prices.

Rod Duke
Group Managing Director



Group Financial Statements Introduction

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

Note disclosures are grouped into the following 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 are shown in shaded areas and in italics for easier identification.

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Directors' Approval of Consolidated Financial Statements

Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Financial Statements on 10 March 2016.

Approval by Directors

The directors are pleased to present the Consolidated Financial Statements for Briscoe Group Limited for the 53 week period ended 31 January 2016. (Comparative period is for the 52 week period ended 25 January 2015).

Dame Rosanne Meo
CHAIRMAN

Stuart Johnstone
DIRECTOR

10 March 2016
For and on behalf of the Board of Directors

Consolidated Income Statement

For the 53 week period ended 31 January 2016

	Notes	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Sales revenue		**552,892**	507,063
Cost of goods sold		**(329,021)**	(309,816)
Gross profit		**223,871**	197,247
Other operating income		**2,881**	2,336
Store expenses		**(94,758)**	(86,968)
Administration expenses		**(66,059)**	(59,493)
Earnings before interest and tax		**65,935**	53,122
Finance Income		**1,007**	1,773
Finance costs		**(650)**	(6)
Net finance income	5.1	**357**	1,767
Profit before income tax		**66,292**	54,889
Income tax expense	2.3.1	**(19,155)**	(15,587)
Net profit attributable to shareholders		**47,137**	39,302
Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)	2.4	**21.7**	18.2
Diluted earnings per share (cents)	2.4	**21.2**	17.8

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

Consolidated Statement of Comprehensive Income

For the 53 week period ended 31 January 2016

	Notes	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Net Profit attributable to shareholders		**47,137**	39,302
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Change in value of available-for-sale financial asset	4.1	**(7,738)**	-
Fair value gain recycled to income statement		**(14,950)**	(22)
Fair value gain taken to the cashflow hedge reserve		**13,480**	3,901
Deferred tax on fair value gain taken to income statement	2.3.2	**4,186**	6
Deferred tax on fair value gain taken to cashflow hedge reserve	2.3.2	**(3,775)**	(1,092)
Total other comprehensive income		**(8,797)**	2,793
Total comprehensive income attributable to shareholders		**38,340**	42,095

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

Consolidated Balance Sheet

As at 31 January 2016

	Notes	31 January 2016 $000	25 January 2015 $000
ASSETS			
Current assets			
Cash and cash equivalents	3.1.1	**17,554**	89,690
Trade and other receivables	3.1.2	**2,334**	3,819
Inventories	3.1.3	**80,204**	73,507
Held-for-sale assets	3.2	**5,375**	-
Derivative financial instruments	5.2.5	**2,620**	3,736
Total current assets		**108,087**	170,752
Non-current assets			
Property, plant and equipment	3.3	**63,527**	61,621
Intangible assets		**1,538**	1,452
Deferred tax	2.3.2	**1,321**	929
Available-for-sale financial assets	4.1	**60,945**	-
Total non-current assets		**127,331**	64,002
TOTAL ASSETS		**235,418**	234,754
LIABILITIES			
Current liabilities			
Trade and other payables	3.1.4	**63,261**	74,324
Taxation payable	2.3.2	**6,810**	4,142
Derivative financial instruments	5.2.5	**210**	1
Total current liabilities		**70,281**	78,467
Non-current liabilities			
Trade and other payables	3.1.4	**713**	728
Total non-current liabilities		**713**	728
TOTAL LIABILITIES		**70,994**	79,195
Net assets		**164,424**	155,559
EQUITY			
Share capital	5.3.2	**48,242**	46,550
Cashflow hedge reserve	3.1.1,5.2.5	**1,811**	2,870
Share options reserve	6.2	**1,291**	1,058
Other reserves		**(7,738)**	-
Retained earnings		**120,818**	105,081
TOTAL EQUITY		**164,424**	155,559

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

Consolidated Statement of Cash Flows

For the 53 week period ended 31 January 2016

	Notes	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**553,839**	507,115
Rent received		**874**	995
Dividends received		**2,008**	4
Interest received		**1,349**	1,635
Insurance recovery		**-**	1,337
Net GST received		**-**	-
		558,070	511,086
Cash was applied to			
Payments to suppliers		**(419,479)**	(378,190)
Payments to employees		**(59,685)**	(55,297)
Interest paid		**(683)**	(6)
Net GST paid		**(21,857)**	(17,002)
Income tax paid		**(16,468)**	(15,540)
		(518,172)	(466,035)
Net cash inflows from operating activities		**39,898**	45,051
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**28**	10
		28	10
Cash was applied to			
Purchase of property, plant and equipment	3.3	**(12,097)**	(11,630)
Purchase of intangible assets		**(1,080)**	(1,057)
Purchase of available-for-sale financial assets	4.1	**(68,683)**	-
		(81,860)	(12,687)
Net cash outflows from investing activities		**(81,832)**	(12,677)
FINANCING ACTIVITIES			
Cash was provided from			
Net proceeds from borrowings	5.1	**-**	-
Issue of new shares	5.3.2	**1,418**	1,410
		1,418	1,410
Cash was applied to			
Dividends paid	5.3.3	**(31,475)**	(29,167)
		(31,475)	(29,167)
Net cash outflows from financing activities		**(30,057)**	(27,757)
Net (decrease)/increase in cash and cash equivalents		**(71,991)**	4,617
Cash and cash equivalents at beginning of period		**89,690**	84,762
Foreign cash balance cash flow hedge adjustment		**(145)**	311
Cash and cash equivalents at period end	3.1.1	**17,554**	89,690

Consolidated Statement of Cash Flows

For the 53 week period ended 31 January 2016

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO REPORTED NET PROFIT		
Reported net profit attributable to shareholders	**47,137**	39,302
Items not involving cash flows		
Depreciation and amortisation expense	**5,665**	5,529
Adjustment for fixed increase leases	**255**	30
Bad debts and movement in doubtful debts	**108**	73
Inventory adjustments	**2,152**	852
Amortisation of executive share options cost	**582**	573
Loss on disposal of assets	**116**	120
	8,878	7,177
Impact of changes in working capital items		
Decrease (increase) in trade and other receivables	**1,377**	(268)
Decrease (increase) in inventories	**(8,849)**	(5,047)
Increase (decrease) in taxation payable	**2,668**	793
Increase (decrease) in trade payables	**(10,713)**	3,402
Increase (decrease) in other payables and accruals	**(600)**	(308)
	(16,117)	(1,428)
Net cash inflows from operating activities	**39,898**	45,051

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

Consolidated Statement of Changes in Equity

For the 53 week period ended 31 January 2016

	Notes	Share Capital $000	Cashflow Hedge Reserve $000	Share Options Reserve $000	Other Reserves $000	Retained Earnings $000	Total Equity $000
Balance at 26 January 2014		44,878	77	785	-	94,908	140,648
Net profit attributable to shareholders for the period		-	-	-	-	39,302	39,302
Other comprehensive income:							
Fair value gain recycled to income statement		-	(22)	-	-	-	(22)
Fair value gain taken to cashflow hedge reserve		-	3,901	-	-	-	3,901
Deferred tax on fair value gain taken to income statement	2.3.2	-	6	-	-	-	6
Deferred tax on fair value gain to cashflow hedge reserve	2.3.2	-	(1,092)	-	-	-	(1,092)
Total comprehensive income for the period		-	2,793	-	-	39,302	42,095
Transactions with owners:							
Dividends paid	5.3.3	-	-	-	-	(29,167)	(29,167)
Share options charged to income statement	6.2	-	-	573	-	-	573
Share options exercised	5.3.2,6.2	1,672	-	(262)	-	-	1,410
Transfer for share options lapsed and forfeited	6.2	-	-	(38)	-	38	-
Balance at 25 January 2015		46,550	2,870	1,058	-	105,081	155,559
Net profit attributable to shareholders for the period		-	**-**	**-**	**-**	**47,137**	**47,137**
Other comprehensive income:							
Change in value of available-for-sale financial assets	4.1	**-**	**-**	**-**	**(7,738)**	**-**	**(7,738)**
Fair value gain recycled to income statement		**-**	**(14,950)**	**-**	**-**	**-**	**(14,950)**
Fair value gain taken to cashflow hedge reserve		**-**	**13,480**	**-**	**-**	**-**	**13,480**
Deferred tax on fair value gain taken to income statement	2.3.2	**-**	**4,186**	**-**	**-**	**-**	**4,186**
Deferred tax on fair value gain to cashflow hedge reserve	2.3.2	**-**	**(3,775)**	**-**	**-**	**-**	**(3,775)**
Total comprehensive income for the period		**-**	**(1,059)**	**-**	**(7,738)**	**47,137**	**38,340**
Transactions with owners:							
Dividends paid	5.3.3	**-**	**-**	**-**	**-**	**(31,475)**	**(31,475)**
Share options charged to income statement	6.2	**-**	**-**	**582**	**-**	**-**	**582**
Share options exercised	5.3.2,6.2	**1,692**	**-**	**(274)**	**-**	**-**	**1,418**
Transfer for share options lapsed and forfeited	6.2	**-**	**-**	**(75)**	**-**	**75**	**-**
Balance at 31 January 2016		**48,242**	**1,811**	**1,291**	**(7,738)**	**120,818**	**164,424**

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

1. Basis of Preparation

For the 53 week period ended 31 January 2016

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. 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 36 Taylors Road, Morningside, Auckland. The Company is listed on the New Zealand Stock Exchange (NZX).

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 Listing Rules. In accordance with the Financial Markets Conduct Act 2013 because group financial statements are prepared and presented for Briscoe Group Limited and its subsidiaries, separate financial statements for Briscoe Group Limited are not required to be prepared and presented.

These audited consolidated financial statements have been approved for issue by the Board of Directors on 10 March 2016.

1.2 General Accounting Policies

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

The 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 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 profit-oriented entity for financial reporting purposes.

Reporting period

These financial statements are in respect of the 53 week period 26 January 2015 to 31 January 2016 and provide a balance sheet as at 31 January 2016. The comparative period is in respect of the 52 week period 27 January 2014 to 25 January 2015. The Group operates on a weekly trading and reporting cycle resulting in 52 weeks for most years with a 53 week year occurring once every 5-6 years.

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 Group. 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 53 week period ended 31 January 2016

Subsidiaries	Activity	**2016 Interest**	2015 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 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 year 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 Estimation	**Note**
Inventory	*3.1.3*
Available-for-sale financial assets	*4.1*
Executive share options	*6.2*

Foreign currency translation

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

2. Performance

For the 53 week period ended 31 January 2016

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 and Chief Financial 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 (2015: 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 (NZ) Limited and The Sports Authority Limited (trading as Rebel Sport). Earnings before interest and tax (EBIT) is a non-GAAP measure.

For the period ended 31 January 2016	Homeware	Sporting goods	Eliminations/ Unallocated	Total Group
	$000	$000	$000	$000
INCOME STATEMENT				
Total sales revenue	**357,875**	**195,017**	**-**	**552,892**
Gross profit	**144,065**	**79,806**	**-**	**223,871**
Earnings before interest and tax	**40,449**	**24,962**	**524**	**65,935**
Net finance income	**(3)**	**304**	**56**	**357**
Income tax expense	**(11,387)**	**(7,077)**	**(691)**	**(19,155)**
Net profit after tax	**29,059**	**18,189**	**(111)**	**47,137**
BALANCE SHEET ITEMS:				
Assets	**124,011**	**65,621**	**45,786**[1.]	**235,418**
Liabilities	**40,391**	**27,302**	**3,301**	**70,994**
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	**11,342**	**1,835**	**68,683**	**81,860**
Depreciation and amortisation expense	**3,844**	**1,822**	**-**	**5,666**

1. Investment in Kathmandu Holdings Ltd	*60,945*
Intercompany eliminations	*(17,625)*
Other balances	*2,466*
Total	*45,786*

2. Performance

For the 53 week period ended 31 January 2016

For the period ended 25 January 2015

	Homeware	Sporting goods	Eliminations/ Unallocated	Total Group
	$000	$000	$000	$000
INCOME STATEMENT				
Total sales revenue	337,190	169,873	-	507,063
Gross profit	129,305	67,942	-	197,247
Earnings before interest and tax	33,169	18,362	1,591	53,122
Net finance income	-	503	1,264	1,767
Income tax expense	(9,335)	(5,285)	(967)	(15,587)
Net profit after tax	23,834	13,580	1,888	39,302
BALANCE SHEET ITEMS:				
Assets	124,617	61,056	49,081[1.]	234,754
Liabilities	46,749	31,712	734	79,195
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	10,624	2,063	-	12,687
Depreciation and amortisation expense	3,774	1,755	-	5,529

1. Cash and bank balances	*56,749*
Intercompany eliminations	*(9,050)*
Other balances	*1,382*
Total	*49,081*

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), rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

Sales of goods - retail

Sales of goods are recognised at point of sale for in-store customers and when product is despatched to the customer for online sales. Retail sales are predominantly by credit card, debit card or in cash.

Rental income

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

Interest income

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

Dividend income

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

Rental and operating leases expense

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases various retail outlets under non-cancellable operating lease agreements. The leases reflect normal commercial arrangements with varying terms, escalation clauses and renewal rights.

The future rental commitments on these leases are as follows:

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Lease commitments expire as follows:		
Within one year	**26,255**	23,731
One to two years	**22,314**	19,012
Two to five years	**42,793**	35,548
Beyond five years	**25,615**	26,902
Total operating lease rental commitments	**116,977**	105,193

2. Performance

For the 53 week period ended 31 January 2016

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

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Income		
Rental income	**874**	995
Dividends received[1.]	**2,008**	4
Insurance recovery	**-**	1,337
Expenses		
Operating lease rental expense	**29,341**	28,515
Wages, salaries and other short term benefits	**61,948**	56,781
Share options expense (refer also note 6.2)	**582**	573
Depreciation of property, plant and equipment	**4,672**	4,489
Amortisation of software costs	**994**	1,040
Kathmandu Holdings Limited takeover expenses[2.]	**1,069**	-
Amounts paid to auditors:		
Statutory Audit	**116**	97
Half year review	**26**	26
Other services[3.]	**21**	-

1. *Includes dividend received from Kathmandu Holdings of $2,004,772 (2015: Nil)*
2. *Takeover expenses above represent those expenses incurred directly by Briscoe Group Limited only. An accrual has also been made for expenses expected to be reimbursed in relation to takeover expenses incurred directly by Kathmandu Holdings Limited. This amount is yet to be agreed by the parties. The accrual is not material to these financial statements.*
3. *Other services relates to general tax advice and remuneration benchmarking services.*

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.

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 31 January 2016 $000	Period ended 25 January 2015 $000
(a) Income tax expense		
Current tax expense:		
Current tax	**18,588**	15,548
Adjustments for prior years	**548**	785
	19,136	16,333
Deferred tax expense:		
Decrease in future tax benefit current year	**571**	47
Adjustments for prior years	**(552)**	(793)
	19	(746)
Total income tax expense	**19,155**	15,587
(b) Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	**66,292**	54,889
Tax at the corporate rate of 28% (2015: 28%)	**18,562**	15,369
Tax effect of amounts which are either non-deductible or non-assessable in calculating taxable income:	**597**	226
Prior period adjustments	**(4)**	(8)
Total income tax expense	**19,155**	15,587

The Group has no tax losses (2015: Nil) and no unrecognised temporary differences (2015: 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 year:

	Depreciation $000	Provisions $000	Derivative financial instruments $000	Total $000
At 26 January 2014	(656)	1,954	(29)	1,269
Credited to the income statement	16	730	-	746
Net charged to other comprehensive income	-	-	(1,086)[1.]	(1,086)
At 25 January 2015	(640)	2,684	(1,115)	929
(Charged) / credited to the income statement	**(30)**	**11**	**-**	**(19)**
Net credited to other comprehensive income	**-**	**-**	**411**[1.]	**411**
At 31 January 2016	**(670)**	**2,695**	**(704)**	**1,321**

1. *Net charged to other comprehensive income comprises deferred tax on fair value gain taken to income statement of $4,186,056 (2015:$6,289) and deferred tax on fair value gain taken to cash flow hedge reserve of $3,774,615 (2015: $1,092,392)*

Certain deferred taxation assets and liabilities have been offset. The following is the analysis of the deferred taxation balances (before offset) for financial reporting purposes:

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Deferred tax assets		
- to be recovered within 12 months	**2,429**	2,473
- to be recovered after more than 12 months	**1,597**	1,616
	4,026	4,089
Deferred tax liabilities		
- to be settled within 12 months	**(888)**	(1,248)
- to be settled after more than 12 months	**(1,817)**	(1,912)
	(2,705)	(3,160)
Deferred tax asset (net)	**1,321**	929

(b) Taxation payable

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

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Movements:		
Balance at beginning of period	**(4,142)**	(3,349)
Current tax	**(19,136)**	(16,333)
Tax paid	**16,241**	15,351
Foreign investor tax credit (FITC)	**227**	189
Balance at end of period	**(6,810)**	(4,142)

2.3.3 Imputation Credits

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Imputation credits available for use in subsequent accounting periods	**59,262**	51,039

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

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

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

2.4 Earnings Per Share

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

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

Diluted EPS adjusts for any commitments the Group has to issue shares in the future that would decrease the Basic EPS. In 2015 and 2016 these were in the form of share options. 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 share options to issue ordinary shares were exercised and converted into shares.

	Period ended 31 January 2016	Period ended 25 January 2015
Net profit attributable to shareholders $000	**47,137**	39,302
Basic		
Weighted average number of ordinary shares on issue (thousands)	**217,233**	216,173
Basic earnings per share	**21.7 cents**	18.2 cents
Diluted		
Weighted average number of ordinary shares on issue adjusted for share options issued but not exercised (thousands)	**222,385**	221,350
Diluted earnings per share	**21.2 cents**	17.8 cents

3. Operating Assets and Liabilities

For the 53 week period ended 31 January 2016

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 31 January 2016 $000	Period ended 25 January 2015 $000
Cash at bank or in hand	**17,554**	89,690

As at 31 January 2016 the Group held foreign currency equivalent to NZ$ 2.752 million (2015: NZ$ 2.812 million) which is included in the table above. The foreign currency in which the Group deals primarily is the US Dollar.

Foreign currency cash – cash flow hedges (cash flow hedge reserve)

In respect of foreign currency balances that 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 year as the inventory for which the hedge exists, is sold.

Foreign currency cash balances are used for hedging committed or highly probable forecast purchases of inventory for the ensuing financial year. The foreign currency purchases are held and allocated by calendar quarter to the highly probable forecast purchases which are timed to mature when major shipments of inventory are scheduled to be dispatched and the liability settled. The cash flows are expected to occur at various dates within one year from balance date.

At balance date foreign currency gains of $106,120 (2015: gains of $250,739) in relation to foreign currency balances, were included in equity as part of the cash flow hedge reserve, net of deferred tax, as a net gain of $76,406 (2015: net gain of $180,532). The cash flow hedge reserve, net of deferred tax, from forward foreign exchange contracts used as hedges, represents a net gain of $1,734,843 (2015: net gain of $2,688,964), refer note 5.2.5. The total of these amount to a net gain of $1,811,249 (2015: net gain of $2,869,496).

In respect of foreign currency balances that are not designated and tested as an effective hedge, the gain or loss as at balance date is recognised in the income statement.

At balance date there are no such balances (2015: Nil).

3. Operating Assets and Liabilities
For the 53 week period ended 31 January 2016

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 and subsequently at the amounts considered recoverable (amortised cost). Trade receivable balances are reviewed on an on-going basis.

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Trade receivables	**517**	1,964
Prepayments	**1,304**	1,198
Other receivables	**513**	657
Total trade and other receivables	**2,334**	3,819

No interest is charged on trade receivables.

3.1.3 Inventories

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

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 since 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 31 January 2016 $000	Period ended 25 January 2015 $000
Finished goods	**84,550**	77,070
Inventory adjustments	**(4,346)**	(3,563)
Net inventories	**80,204**	73,507

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. The carrying value of trade payables is considered to approximate fair value as the amounts are unsecured and are usually paid within 60 days of recognition.

Employee entitlements

Wages and salaries, annual leave and sick leave

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

Bonus plans

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

Long service leave

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

Provisions

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

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

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Trade payables	**36,788**	47,501
Employee entitlements	**11,476**	9,212
Other payables and accruals	**15,556**	18,201
Provisions	**154**	138
Total trade and other payables	**63,974**	75,052
Shown in balance sheet as:		
Current liabilities	**63,261**	74,324
Non-current liabilities	**713**	728
Total trade and other payables	**63,974**	75,052

3.2 Held-for-Sale Assets

Held-for-sale assets are assets that are available for immediate sale in their present condition, subject only to normal sale terms, and for which there is a high probability that they will be offered for sale or sold. The Group measures a held-for-sale asset at the lower of carrying value and fair value less costs to sell.

Held-for-sale assets were:

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Property	**5,375**	-

The only held-for-sale asset at balance date was a property in Hastings subject to a conditional sale and purchase agreement dated 19 November 2015 which became unconditional on 26 February 2016.

3.3 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 53 week period ended 31 January 2016

	Land and Buildings $000	Plant and equipment $000	Total $000
At 26 January 2014			
Cost	42,033	77,054	119,087
Accumulated depreciation	(4,052)	(60,393)	(64,445)
Accumulated impairment	-	(32)	(32)
Net book value	37,981	16,629	54,610
Period ended 25 January 2015			
Opening net book value	37,981	16,629	54,610
Additions	7,615	4,015	11,630
Disposals	-	(130)	(130)
Depreciation charge	(551)	(3,938)	(4,489)
Closing net book value	45,045	16,576	61,621
At 25 January 2015			
Cost	49,648	77,738	127,386
Accumulated depreciation	(4,603)	(61,145)	(65,748)
Accumulated impairment	-	(17)	(17)
Net book value	45,045	16,576	61,621
Period ended 31 January 2016			
Opening net book value	**45,045**	**16,576**	**61,621**
Additions	**6,582**	**5,515**	**12,097**
Disposals	**-**	**(144)**	**(144)**
Reclassified as held-for-sale asset	**(5,375)**	**-**	**(5,375)**
Depreciation charge	**(595)**	**(4,077)**	**(4,672)**
Closing net book value	**45,657**	**17,870**	**63,527**
At 31 January 2016			
Cost	**49,187**	**79,034**	**128,221**
Accumulated depreciation	**(3,530)**	**(61,158)**	**(64,688)**
Accumulated impairment	**-**	**(6)**	**(6)**
Net book value	**45,657**	**17,870**	**63,527**

Sale of property, plant and equipment

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Loss on sale of property, plant and equipment	**116**	120

Capital commitments

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Capital commitments in relation to property, plant and equipment at balance date not provided for in the financial statements	**1,706**	8,607

3.4 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 are capitalised and amortised on a straight-line basis over the estimated useful economic life of 2 to 5 years.

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

4. Investments

For the 53 week period ended 31 January 2016

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

4.1 Available-for-Sale Financial Assets

Available-for-sale financial assets are investments that do not have fixed maturities and fixed or determinable payments, and that are intended to be held for the medium to long-term.

Available-for-sale financial assets are initially recognised at fair value and are also subsequently carried at fair value. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Gains and losses from investment securities'. Dividends on available-for-sale equity instruments are recognised in the income statement as part of 'Other operating income' when the right to receive the payment is established.

Between 17 June 2015 and 30 June 2015 Briscoe Group Limited acquired 40,095,432 shares in Kathmandu Holdings Limited for a value of $68,682,734. The holding represents a 19.9% ownership in Kathmandu Holdings Limited. These shares are equity investments quoted in the active market. As required by NZ IAS 39 they have been classified as available-for-sale financial assets. An adjustment was made at period end to reflect the fair value of these shares as at 31 January 2016.[1.]

To determine if an available-for-sale financial asset is impaired, the Group evaluates the duration and extent to which the fair value of the asset is less than its cost, and the financial health of and short-term outlook for the business (including factors such as industry and sector performance, changes in technology, operational and financing cash flows, public disclosures by the business and published independent external analysis). While the fair value of the Group's available-for-sale financial assets was below acquisition cost as at 31 January 2016, the Group determined that there was no objective evidence of an impairment that would require recognition in the consolidated income statement.

	$000
At 25 January 2015	-
Additions	**68,683**
Change in value credited to other reserves	**(7,738)**
At 31 January 2016	**60,945**

1. *Fair value determined to be $1.52 per share as per NZX closing price of Kathmandu Holdings Limited as at 31 January 2016*

5. Financing and Capital Structure

For the 53 week period ended 31 January 2016

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.

The Group has a facility agreement with the Bank of New Zealand for $100 million. Any drawdowns are repayable in full on expiry date of the facility being 25 June 2016. Interest is payable based on the BKBM rate plus applicable margin. The facility is secured against the assets of the Group and its subsidiaries. The facility is sufficiently flexible that the amounts can be drawn down and repaid to accommodate fluctuations in operating cash flows within overall limits, without the need for prior approval of the bank. The maximum drawdown made under the facility during the period was $52 million.

The covenants entered into by the Group require specified calculations of Group's earnings before interest, tax, depreciation and amortisation (EBITDA) plus lease rental costs to exceed total fixed charges (net interest expense and lease rental costs) at the end of each half during the financial year. Similarly EBITDA must be no less than a specified proportion of total net debt at the end of each half. The Group was in compliance with the covenants throughout the period.

There were no amounts repayable under the facility as at 31 January 2016.

Finance costs

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Interest income	**(1,007)**	(1,773)
Interest expense	**524**	6
Other finance costs	**126**	-
Total finance costs	**(357)**	(1,767)

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 cash flow interest rate 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 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.

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.

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.

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. Surplus funds are placed on call or short-term deposit with high-credit-rated, Board-approved financial institutions.

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 year, being strongest immediately after the end of year trading period. The months leading up to Christmas trading put the greatest strain on Group cash flows due to the build-up of inventory as well as the interim dividend payment. The Group operates well within its available funding facilities.

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

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

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

As at 31 January 2016

	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	**(63,261)**	**-**	**-**	**-**	**(63,261)**	**(63,261)**
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	**(20,016)**	**(14,862)**	**(16,008)**	**(388)**	**(51,274)**	
- inflow	**22,300**	**14,690**	**16,305**	**389**	**53,684**	
- Net	**2,284**	**(172)**	**297**	**1**	**2,410**	**2,410**

As at 25 January 2015

	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	(74,324)	-	-	-	(74,324)	(74,324)
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	(17,898)	(9,790)	(3,495)	(2,108)	(33,291)	
- inflow	19,785	11,142	3,739	2,360	37,026	
- Net	1,887	1,352	244	252	3,735	3,735

5.2.5 Market Risk

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. (Refer also to note 3.1.1).

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 31 January 2016 $000	Period ended 25 January 2015 $000
Current assets		
Forward foreign exchange contracts	**2,620**	3,736
Total current derivative financial instrument assets	**2,620**	3,736
Current liabilities		
Forward foreign exchange contracts	**210**	1
Total current derivative financial instrument liabilities	**210**	1

The contracts are subject to an enforceable master netting arrangement, which allows for net settlement of the relevant assets and liabilities.

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 year 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 market rates at balance date. These derivatives have been determined to be within level 2 (for the purposes on NZ IFRS 13) 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 year. The contracts are timed to mature when major shipments of inventory are scheduled to be dispatched and the liability settled. The cash flows are expected to occur at various dates within one year from balance date.

At balance date these contracts are represented by assets of $2,619,904 (2015: $3,735,872) and liabilities of $210,400 (2015: $1,200) and together are included in equity as part of the cash flow hedge reserve, net of deferred tax, as a net gain of $1,734,843 (2015: net gain $2,688,964). The cash flow hedge reserve also consists of gains and losses, net of deferred tax, from foreign currencies used as hedges, as a net gain of $76,406 (2015: net gain of $180,532), refer note 3.1.1. The total of these net gains and losses amount to a net gain of $1,811,249 (2015: net gain $2,869,496).

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 (2015: 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% (2015:-10% / +10%) in the NZD against the USD, from the year-end rate of 0.6482 (2015: 0.7438),
- A shift of -0.5% / +0.25% (2015: -0.5% / +0.5%) in market interest rates from the year-end weighted average deposit rate of 2.50% (2015: 3.75%).

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

As at 31 January 2016

		Interest rate				Foreign exchange rate			
		-0.5%		+0.25%		-10%		+10%	
	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
Financial assets:									
Cash and cash equivalents[1.]	**17,554**	**(54)**	**(54)**	**27**	**27**	**-**	**97**	**-**	**(79)**
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**2,620**	**-**	**-**	**-**	**-**	**-**	**3,532**	**-**	**(2,557)**
Financial liabilities:									
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**210**	**-**	**-**	**-**	**-**	**-**	**1,061**	**-**	**(766)**
Total increase /(decrease)		**(54)**	**(54)**	**27**	**27**	**-**	**4,690**	**-**	**(3,402)**

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. The sensitivity to a -0.5% / +0.25% movement in interest rates is ($53,667) / $26,834.*
2. *Derivatives designated as cashflow hedges are foreign exchange contracts and foreign currencies used to hedge against the NZD:USD foreign exchange risk arising from foreign denominated future purchases. Based on outputs from a derivative valuation model, a -10% / +10% shift in the NZD:USD foreign exchange rate has an impact of $4,689,964 / ($3,402,413) on derivative and cash valuation. There is no profit and loss sensitivity as the hedges are 100% effective.*

As at 25 January 2015

		Interest rate				Foreign exchange rate			
		-0.5%		+0.5%		-10%		+10%	
	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
Financial assets:									
Cash and cash equivalents[1.]	89,690	(323)	(323)	323	323	-	225	-	(184)
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	3,736	-	-	-	-	-	3,176	-	(2,245)
Financial liabilities:									
Derivatives – designated as. cashflow hedges (Forward foreign exchange contracts)[2.]	1	-	-	-	-	-	31	-	(21)
Total increase /(decrease)		(323)	(323)	323	323	-	3,432	-	(2,450)

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. The sensitivity to a -0.5% / +0.5% movement in interest rates is ($322,884) / $322,884.*
2. *Derivatives designated as cashflow hedges are foreign exchange contracts and foreign currencies used to hedge against the NZD:USD foreign exchange risk arising from foreign denominated future purchases. Based on outputs from a derivative valuation model, a -10% / +10% shift in the NZD:USD foreign exchange rate has an impact of $3,431,838 / ($2,450,321) on derivative and cash valuation. There is no profit and loss sensitivity as the hedges are 100% effective.*

5.3 Equity

5.3.1 Capital Risk Management

Capital is defined by the Group to be Total Equity as shown in the balance sheet.

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

5.3.2 Share Capital

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

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

5. Financing and Capital Structure

For the 53 week period ended 31 January 2016

Contributed equity – ordinary shares

	No. of authorised shares		Share capital	
	Period ended 31 January 2016 Shares	Period ended 25 January 2015 Shares	**Period ended 31 January 2016 $000**	Period ended 25 January 2015 $000
Opening ordinary shares	**216,592,500**	215,534,000	**46,550**	44,878
Issue of ordinary shares arising from the exercise of options	**1,005,000**	1,058,500	**1,692**[1.]	1,672[1.]
Balance at end of period	**217,597,500**	216,592,500	**48,242**	46,550

1. *When options are exercised the amount in the share options reserve relating to those options exercised, together with the exercise price paid by the employee, is transferred to share capital. The amounts transferred for the 1,005,000 shares issued during the period ended 31 January 2016 were $274,000 and $1,417,500 respectively (2015: $261,941 and $1,410,050 respectively for the 1,058,500 shares issued).*

5.3.3 Dividends

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

	Period ended 31 January 2016 Cents per share	Period ended 25 January 2015 Cents per share	**Period ended 31 January 2016 $000**	Period ended 25 January 2015 $000
Interim dividend for the period ended 31 January 2016	**6.00**	-	**13,040**	-
Final dividend for the period ended 25 January 2015	**8.50**	-	**18,435**	-
Interim dividend for the period ended 25 January 2015	**-**	5.50	**-**	11,887
Final dividend for the period ended 26 January 2014	**-**	8.00	**-**	17,280
	14.50	13.50	**31,475**	29,167

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 $227,190 (2015: $188,983) were provided to shareholders not tax resident in New Zealand, for which the Group received a Foreign Investor Tax Credit entitlement.

On 10 March 2016 the directors resolved to provide for a final dividend to be paid in respect of the year ended 31 January 2016. The dividend will be paid at a rate of 9.50 cents per share for all shares on issue as at 24 March 2016, 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 and loss when the associated hedged transaction affects profit and loss. (Refer also to the consolidated statement of changes in equity).

Share options reserve

The share options reserve is used to recognise the fair value of share options granted but not exercised, lapsed or forfeited. Amounts are transferred to share capital when vested share options are exercised by an option holder (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 Kathmandu Holdings Limited which has been classified as available-for-sale financial assets in these financial statements (Refer also to the consolidated statement of changes in equity and note 4.1).

6. Other Notes

For the 53 week period ended 31 January 2016

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. Except for the transactions detailed below to purchase shares from RA Duke Limited and Kein Geld (NZ) Limited (entities associated with RA Duke), all transactions with related parties were in the normal course of business. All transactions were provided on normal commercial terms.

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

- The RA Duke Trust, of which RA Duke and AJ Wall are trustees, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments of $616,000 (2015: $610,000) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport).
- The RA Duke Trust received dividends of $24,593,170 (2015: $22,822,224).
- Of the 40,095,432 shares Briscoe Group Limited acquired in Kathmandu Holdings Limited, 10,053,487 shares were acquired from RA Duke Limited and Kein Geld (NZ) Limited for $14,651,077, including brokerage fees of $43,844. (Six million of those shares were originally acquired by RA Duke Limited and Kein Geld (NZ) Limited in their own right and the remainder were acquired for Briscoe Group Limited by Kein Geld (NZ) Limited as agent and bare trustee for Briscoe Group Limited).
- RA Duke Limited received interest of $89,292 in relation to the amounts advanced to Briscoe Group Limited in relation to the transfer of shares in Kathmandu Holdings Limited.
- P Duke, spouse of the Managing Director, received payments of $65,000 (2015: $65,000) in relation to her employment as an overseas buying specialist with Briscoe Group Limited, and rental payments of $716,500 (2015: $751,622) as owner of the Briscoes Homeware premises at Panmure, Auckland under an agreement to lease premises to Briscoes (NZ) Limited.
- SH Johnstone received a payment of $10,000 (2015: Nil) for services provided to the Group in relation to the Kathmandu takeover offer.

Material amounts outstanding between the Company and subsidiaries at year end were:

- Loan from the Company to Briscoes (NZ) Limited $948,147 (2015: Loan to the Company $7,441,000).
- Loan to the Company from The Sports Authority Limited (trading as Rebel Sport) $15,105,431 (2015: Loan from the Company $506,000)

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 General Manager Human Resources.

Key management compensation was as follows:

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Salaries and other short term employee benefits	**3,100**	3,020
Share options benefit	**140**	143
Directors' fees	**274**	218
Total benefits	**3,514**	3,381

Key management did not receive any termination benefits during the period (2015: Nil). In addition key management did not receive and are not entitled to receive any post-employment or long term benefits (2015: Nil).

6. Other Notes

For the 53 week period ended 31 January 2016

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 31 January 2016		Period ended 25 January 2015	
	Directors' fees $000	**Dividends $000**	Directors' fees $000	Dividends $000
Executive Director				
RA Duke	**-**	**-**	-	-
AJ Wall	**-**	**32**	-	30
Non-Executive Directors				
SH Johnstone	**85**	**146**	65	135
RPO'L Meo	**115**	**-**	95	-
MM Devine	**74**	**4**	58	2
	274	**182**	218	167

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

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Executive Director		
RA Duke[1.]	**24,593**	22,822
AJ Wall[1.,2.]	**24,771**	22,988
Non-Executive Directors		
SH Johnstone	**-**	-
RPO'L Meo	**15**	14
MM Devine	**-**	-

1. The RA Duke Trust, of which RA Duke and AJ Wall are trustees, received dividends of $24,593,170 during the period (2015: $22,822,224)

2. The Tunusa Trust, of which AJ Wall is a trustee, received dividends of $178,350 during the period (2015: $166,050).

6.2 Executive Share Options

Equity-settled, share-based compensation

The Executive Share Option Plan allows Group employees to be granted options to acquire shares of the Company. The fair value of options granted is recognised as an employee expense in the income statement with a corresponding increase in the share options reserve. The fair value is measured at grant date and spread over the vesting periods. The fair value of the options granted is measured using the Black Scholes valuation model, taking into account the terms and conditions upon which the options are granted. When options are exercised the amount in the share options reserve relating to those options, together with the exercise price paid by an employee, is transferred to share capital.

On 25 July 2003 the Board approved an Executive Share Option Plan to issue options to selected senior executives and, subject to shareholder approval, to Executive Directors. Options may be exercised in part or in full by the holder three years after the date of issue, and lapse after four years if not exercised. Each option entitles the holder to one ordinary share in the capital of the Company. The exercise price is determined by the Board but is generally set by reference to the weighted average market price of ordinary shares in the Company for the period of five business days before and five business days after, as the Board in its discretion sees fit, either:

(a) the date on which allocations are decided by the Board; or
(b) the date on which allocations are made.

Payment must be made in full for all options exercised within 5 days of the date they are exercised.

During the financial year the Company issued 1,700,000 options (2015: 1,660,000) to senior executives.

The fair value of these options is estimated at $585,820 (2015: $606,564) under the Black Scholes valuation model using the following inputs and assumptions:

Risk free interest rate	2.72%	(2015: 3.80%)
Expected dividend yield	5.24%	(2015: 5.28%)
Expected life (years)	3.84	(2015: 3.65)
Share price at grant date	$2.86	(2015: $2.70)
Exercise price	$2.75	(2015: $2.64)
Expected share volatility	21.70%	(2015: 23.90%)

The expected share volatility is derived by analysing the historic volatility over a recent historical period similar to the term of the options.

The estimated fair value for each tranche of options issued is amortised over the vesting period of three years, from the grant date. The Company has recognised a compensatory expense in the income statement of $582,298 (2015: $573,440) which represents this amortisation.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Period ended 31 January 2016		Period ended 25 January 2015	
	Average exercise price $ per share	**Options 000**	Average exercise price $ per share	Options 000
Balance at beginning of year	**2.09**	**5,476**	1.74	4,997
Issued	**2.75**	**1,700**	2.64	1,660
Forfeited	**2.24**	**(142)**	1.92	(75)
Exercised	**1.41**	**(1,005)**	1.33	(1,059)
Lapsed	**1.38**	**(102)**	1.30	(47)
Balance at end of year	**2.41**	**5,927**	2.09	5,476

Weighted average share price for options exercised during the period $2.88 (2015: $2.65).
Of the 5,927,000 outstanding options at balance date (2015: 5,476,000), 1,165,000 were exercisable (2015: 927,000).

Share options outstanding at the end of the year have the following expiry dates, exercise dates and exercise prices:

Expiry month		Exercise month		Exercise price	**Period ended 31 January 2016 000**	Period ended 25 January 2015 000
October	2015	October	2014		-	927
October	2016	October	2015	$1.55	**1,165**	1,387
October	2017	October	2016	$2.43	**1,447**	1,502
July	2018	July	2017	$2.64	**1,615**	1,660
November	2019	November	2018	$2.75	**1,700**	-
Total share options outstanding					**5,927**	5,476

The weighted average remaining contractual life of options outstanding at the end of the period was 2.27 years (2015: 2.32)

Share options reserve

	Period ended 31 January 2016 $000	Period ended 25 January 2015 $000
Balance at beginning of year	**1,058**	785
Current year amortisation	**582**	573
Options forfeited and lapsed transferred to retained earnings	**(75)**	(38)
Options exercised transferred to share capital	**(274)**	(262)
Balance at end of year	**1,291**	1,058

Since balance date and up to the date of these financial statements a further 30,000 ordinary shares have been issued under the Executive Share Option Plan as a result of executives exercising share options.

6.3 Contingent Liabilities

There were no contingent liabilities as at 31 January 2016 (2015: Nil).

6.4 Events After Balance Date

On 10 March 2016 the directors resolved to provide for a final dividend to be paid in respect of the year ended 31 January 2016. The dividend will be paid at a rate of 9.50 cents per share for all shares on issue as at 24 March 2016, with full imputation credits attached. (Note 5.3.3)

Since balance date and up to the date of these financial statements a further 30,000 ordinary shares have been issued under the Executive Share Option Plan as a result of executives exercising share options. (Note 6.2)

On 26 February 2016 the sale and purchase agreement for the sale of Group owned property at Hastings became unconditional. This property is classified in these financial statements as held-for-sale assets. Final settlement is expected to be completed by the end of 2016. (Note 3.2)

6.5 New Accounting Standards

There were no new standards or amendments to standards applied during the period.

Certain new standards, amendments and interpretations of existing standards have been published that are mandatory for later periods and which the Group has not early adopted. These will be applied by the Group in the mandatory periods listed below. The key items applicable to the Group are:

- ***NZ IFRS 9: Financial Instruments*** (effective from annual periods beginning on or after 1 January 2018)
  This standard addresses the classification, measurement and recognition of financial assets and liabilities. It replaces the guidance in *NZ IAS 39 Financial Instruments: Recognition and Measurement* that relates to the classification and measurement of financial instruments. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets; amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity are required to be measured at fair value through profit or loss with the irrecoverable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS39.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one actually used for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39.

  The Group intends to apply this standard in the 2018/19 financial year and is yet to assess its full impact.

- ***NZ IFRS 15: Revenue from contracts with customers*** (effective from annual periods beginning on or after 1 January 2017)
  This standard addresses recognition of revenue and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. It replaces the current revenue recognition guidance in *NZ IAS 18 Revenue* and *NZ IAS 11 Construction Contracts*. The standard is not expected to materially impact the Group.

- ***NZ IFRS 16: Leases*** (effective from annual periods beginning on or after 1 January 2019)
  This standard replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts.

  The Group currently intends to adopt NZ IFRS 16 on its effective date and has yet to assess its full impact.

Independent Auditors' Report
to the shareholders of Briscoe Group Limited

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Briscoe Group Limited ("the Company") on pages 15 to 47, which comprise the consolidated balance sheet as at 31 January 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and the notes to the financial statements that include significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 January 2016 during the financial period.

Directors' Responsibility for the Consolidated Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the consolidated financial statements.

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

We are independent of the Group. Our firm carries out other services for the Group from time to time in the areas of taxation advice and remuneration benchmarking services. The provision of these other services has not impaired our independence.

PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand
T: +64 (9) 355 8000, F: +64 (9) 355 8001, www.pwc.com/nz

Independent Auditors' Report

Briscoe Group Limited

Opinion

In our opinion, the consolidated financial statements on pages 15 to 47 present fairly, in all material respects, the financial position of the Group as at 31 January 2016, and its financial performance and cash flows for the period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

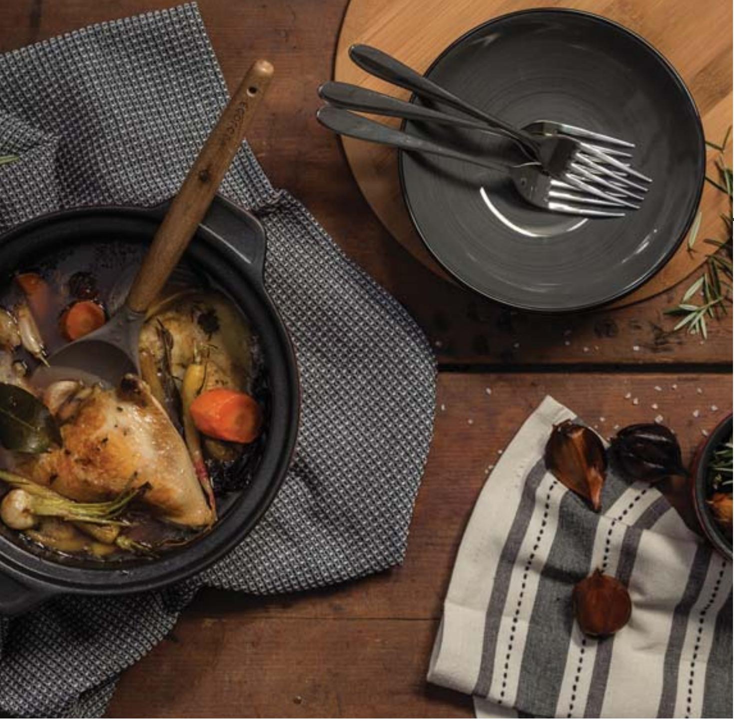
Restriction on Use of our Report

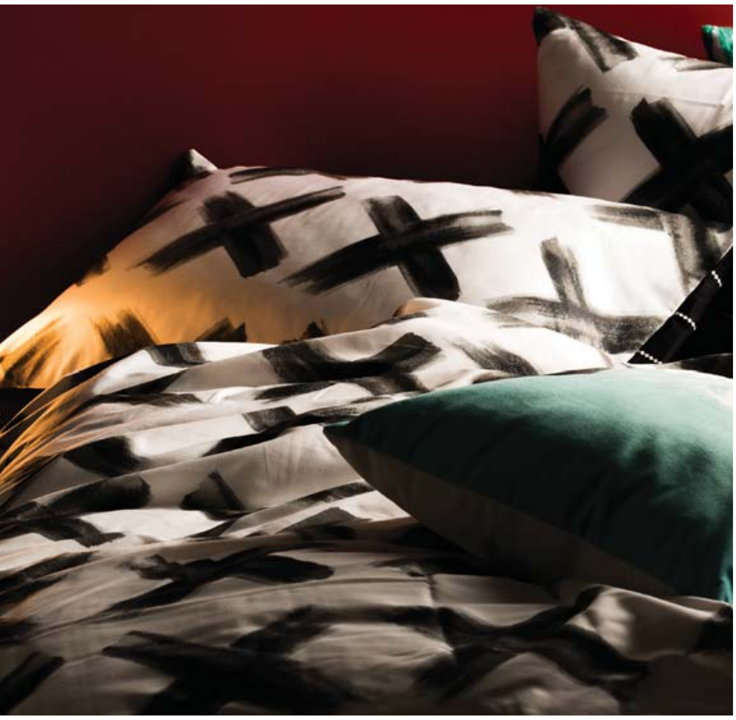
This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted 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.

PricewaterhouseCoopers

Chartered Accountants
10 March 2016

Auckland





Corporate Governance

Corporate Governance

Role of the Board

The Board of Directors ("the Board") of Briscoe Group Limited ("the Company") is elected by shareholders to oversee the management of the Company and its subsidiaries and to direct performance in the long term best interests of the Company and its shareholders. The focus of the Board is the creation of company and shareholder value and ensuring the Company is managed in accordance with best practice. Corporate governance is regularly reviewed and updated in accordance with good business practice.

The principal responsibilities of the Board are to:

- establish the Company's objectives and review the major strategies for achieving these objectives;
- establish an overall policy framework within which the Company conducts its business;
- review the Company's performance including approval of and monitoring against budget;
- ensure that Group financial statements are prepared and presented to give a true and fair view of the Group's financial position, financial performance and cash flows;
- review performance of senior executives against approved objectives and key performance indicators;
- ensure effective policies and procedures are in place to safeguard the integrity of the Company's financial reporting;
- ensure that any significant risks facing the Company are identified and that appropriate risk management programmes are in place to control and report on these risks;
- ensure that the Group operates in accordance with New Zealand laws, regulations, the Rules (including the continuous disclosure regime), professional standards and contractual obligations; and
- report to shareholders and other key stakeholders.

The Board has delegated day-to-day management of the Company to the Group Managing Director and other executives of the Company. Operational and administrative policies relevant to the Company's business are in place and the Company has an internal audit system for monitoring the Company's operational policies and practices.

The Chairman, Managing Director and Deputy Managing Director determine the agenda for Board meetings. On a monthly basis, the Board receives operational reports summarising the Company's activities including key performance indicators. In addition, the Board receives regular briefings from the management team on key strategic and performance issues either as part of regular Board meetings or in specific briefing sessions.

Board Membership

The Company's constitution sets out policies and procedures on the operation of the Board including the appointment and removal of directors. The NZX Main Board Listing Rules (the "Rules") and the Company's constitution provide that a minimum of three directors is required, of whom at least two must be independent. Currently the Board comprises five directors, being an independent Non-Executive Chairman, the Group Managing Director, the Deputy Managing Director and two independent Non-Executive Directors.

The Board acknowledges the importance of independent directors in ensuring an optimal balance between Board members who are able to bring a wide range of business experience and skills and those with direct company knowledge and operational responsibility.

Under the constitution, one third of directors must retire by rotation at the annual meeting each year but, if eligible, may offer themselves for re-election. The Group Managing Director, in his capacity as an Executive Director, is exempt from the requirement to retire by rotation.

Pursuant to Rule 3.3.5, the Company is required to make an announcement to the market advising the closing date for director nominations. That announcement must be no less than 10 business days prior to the closing date and the closing date must be not more than two months prior to the annual meeting.

The Board undertakes to meet at least ten times during the financial year. For the year ending 31 January 2016 the Board met twelve times.

Profiles of the current directors appear on page 54 of this report.

Board Review

The Board annually reviews its performance, and that of Board committees, to ensure that the Board and its committees are performing satisfactorily and meeting their respective objectives. In addition, the performance of individual directors is also subject to review with a particular emphasis on those Board members who are due to retire by rotation and wish to seek re-election. The review process also assists with the process of identifying the training needs, if any, of Board members to ensure that they remain current on how to best perform their duties as a director.

Board Committees

There are two formally constituted committees to provide specific input and guidance to particular areas of corporate governance; the Audit Committee and the Human Resources Committee.

The committees meet as required and operate under specific charters which are reviewed and approved by the Board annually, setting out committees' roles and responsibilities. In order to fulfil its responsibilities, each committee is empowered to seek any information it requires from employees and to obtain such independent legal or other professional advice it may deem necessary. The proceedings of the committees are reported to the Board. These charters are published on our website at www.briscoegroup.co.nz.

Audit Committee

The Audit Committee comprises three independent directors – Stuart Johnstone (Chairman), Dame Rosanne Meo and Mary Devine, as well as the Group Managing Director, Rod Duke. The Committee assists the Board in fulfilling its responsibilities for Company financial statements and external financial reporting. The Group Managing Director is a member of the Committee to provide operational insight to assist the Committee.

The Audit Committee is responsible to the Board for reviewing the Company's accounting policies and financial statements, promoting integrity in financial reporting, reviewing the adequacy and effectiveness of the Company's internal controls and recommending the appointment of, as well as reviewing the performance and recommendations of the external auditors. In turn, the Company's management team makes representations to the Audit Committee and the Board, as to the completeness and accuracy of the Company's financial statements.

The Audit Committee is responsible for determining whether potential engagements of the auditors are appropriate in the context of seeking to prevent audit independence from being impaired (or being seen to be impaired).

The Chief Financial Officer is responsible for the Company's day-to-day relationship with the auditors, including for ensuring that the Company's business divisions provide the auditors with timely and accurate information and full access to the Company's records. In addition, the auditors are able to communicate directly with the chairman of the Audit Committee at any time.

Human Resources Committee

The Human Resources Committee comprises three independent directors – Dame Rosanne Meo (Chairman), Mary Devine and Stuart Johnstone, as well as the Group Managing Director, Rod Duke.

The Human Resources Committee is responsible for ensuring the Company has a sound employment policy framework, that there is an effective and stimulating workplace and that there is an environment within which management talent and potential can be identified, assessed and developed.

Nominations and Governance

Briscoe Group does not have a formally constituted Nominations and Governance Committee. The Board views the responsibilities usually associated with this committee as a collective responsibility and those matters are included as part of its primary role of overseeing the management and performance of the Company. Each director undertakes to ensure they have the necessary time and resources required to enable them to meet the responsibilities associated with their directorship. Specific requirements of governance are addressed at Board meetings during the course of the year. These specific requirements include ensuring the Board contains an appropriate mix of skills and experience, making recommendations to the Board on new directors for nomination, determining the independence of directors, and ensuring the Company maintains a high level of corporate governance. Directors may seek their own independent advice to assist with their responsibilities.

Board Remuneration

Shareholders are asked to approve the level of directors' fees from time to time. In keeping with its views in relation to nominations, rather than have a separate Remuneration Committee (governed by a charter), the Board as a whole takes responsibility for monitoring developments in the New Zealand market and recommending remuneration packages for directors to the Company's shareholders. Fees are established to be in line with those of New Zealand based organisations of a similar scope and size to the Company.

Diversity

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

	31 January 2016		25 January 2015	
	Female	Male	Female	Male
Directors	2	3	2	3
Officers[1,2.]	-	3	1	2

1. *Excludes Managing Director and Deputy 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.*

The Company does not have a formal diversity policy.

Code of Conduct

The Board has adopted a corporate Code of Conduct, available on our website www.briscoegroup.co.nz. The Code of Conduct defines the levels of ethical business practice expected of the Board and within the Company (including employees and contractors). The Company ensures that all new employees are aware of the Code of Conduct and are provided with relevant training. In addition, the Code of Conduct addresses compliance standards and procedures, provides mechanisms for reporting unethical behaviour and ensures that disciplinary measures are available to address any violations. It covers:

- Conflicts of interest;
- Confidentiality;
- Payments, gifts and entertainment;
- Trading in company securities;
- Workplace principles;
- Use of company information and assets;
- Obligations to act honestly and in the best interests of the Company as required by law;
- Delegation of authority;
- Accuracy of records;
- Compliance with any applicable laws, regulations and rules; and
- Fair dealing with customers, employees, suppliers and competitors.

The Board is responsible for reviewing the Code of Conduct and adherence to it.

Risk Management

As an integral part of its role of overseeing the management of the Company and its subsidiaries, the Board approves the Company's risk management policies and receives regular reports to monitor the Company's risk management performance relative to these policies, with particular emphasis on:

- ***Operational Risks:*** risks associated with the Company's normal business operations, including normal day-to-day exposures relating to customers, stores, employees, systems, suppliers and regulatory bodies;

- ***Funding Risks:*** risks associated with the funding of the Company's operations, including exposures relating to investment of surplus cash, and to interest rate and exchange movements;

- ***Environmental Risks:*** risks associated with the environment in which the Company operates that are outside the Company's control, including exposures to natural disasters and to changes in social trends, economic conditions and customer preferences; and

- ***Strategic Risks:*** risks associated with Company initiatives that are outside the normal course of business, including exposures relating to initiatives to expand into new brands, markets, regions and business activities, and to adopt new systems.

Board and Committee Composition as at 31 January 2016

Director	Classification	Committee membership	
		Audit committee	Human Resources committee
Dame Rosanne Meo	Independent (Chair)	Member	Chair
Rod Duke	Executive	Member	Member
Stuart Johnstone	Independent	Chair	Member
Mary Devine	Independent	Member	Member
Alaister Wall	Executive	-	-

Independent Directors

Under Rule 3.3.2, a listed company must identify which of its directors are determined by the Board to be independent.

Rule 10.4.5(l) requires the annual report to include a statement as to which of its directors are Independent Directors and which are not Independent Directors as at the balance date.

The board and committee memberships as at the balance date are detailed above together with the independence classification as determined by the Board, in accordance with the Rules. As a relatively small board, there is a clear understanding of the required roles and expectations of the Independent Directors.

Trading in Briscoe Group Securities

The Company has adopted a formal procedure governing the sale and purchase of the Company's quoted financial products by directors and employees. All directors and employees must act in accordance with this procedure and the requirements of the Financial Markets Conduct Act 2013.

The procedure requires employees to obtain the written consent of a director, or in the case of a director, of the Chairman of the Board, prior to trading in the Company's shares. Generally, this consent will only be given in respect of trading in the 60 day period following the announcement of the Company's half year and annual results.

Effective Communication

The Board places great importance on effective communications to the Company's shareholders and employees and the market generally. The Company has internal procedures in place to ensure that key financial and material information is communicated to the market in a clear and timely manner. In addition to its disclosure obligations under the Rules (including making the required release of annual and half-yearly results), the Company makes quarterly sales releases. This information is made available to the NZX and also to a variety of media, including by means of the Company's website. The Company regularly reviews its practices to ensure it clearly communicates its goals, strategies and performance.

The Board encourages shareholder attendance at the Company's annual meeting and welcomes shareholder debate on all matters of significance affecting the Company and its business.

NZX Corporate Governance Best Practice Code

The Company's corporate governance practices conform with the guidelines set down in the NZX Corporate Governance Best Practice Code in almost all respects. The areas in which the Company's practices depart from that Code are confined to the absence of specific training requirements for directors, the inclusion of the Group Managing Director on the Audit Committee, the lack of a Nominations Committee and a Remuneration Committee, and the absence of director remuneration by means of a performance-based equity remuneration plan. The Board as a whole takes responsibility for monitoring developments in the New Zealand market and recommending remuneration packages for directors to the Company's shareholders rather than delegating this function to a Remuneration Committee pursuant to a written charter.

General Disclosures

Board of Directors

Dame Rosanne Meo, OBE: Chairman (Non-Executive)
Chairman of AMP Staff Superannuation and The Real Estate Institute of New Zealand. Director of Overland Footwear Limited and Rosanne Meo & Associates Limited.

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

Alaister Wall: Deputy Managing Director
Executive of Group since 1982. Director of Kein Geld (NZ) Limited, RA Duke Limited and RD Golf Investments Limited.

Stuart Johnstone: Director (Non-Executive)
Investment banker and company director.

Mary Devine, ONZM, BCom, MBA: Director (Non-Executive)
Professional Non-Executive Director and corporate adviser. Director of Meridian Energy Limited, Meridian LTI Trustee Limited, IAG New Zealand Limited, IAG (NZ) Holdings Limited, Lumley General Insurance (NZ) Limited, AMI Insurance Limited, Crossing CBD Limited, Top Retail Limited and Devine Consultancy (2014) Limited.

Subsidiary Companies

Rod Duke and Alaister Wall are directors of the following subsidiaries: Briscoes (NZ) Limited, The Sports Authority Limited (trading as Rebel Sport), Rebel Sport Limited, Living and Giving Limited. Stuart Johnstone is a director of The Sports Authority Limited.

Financial Statements

The consolidated financial statements of the Group for the 53 week period ended 31 January 2016 are shown on pages 12 to 47 in this report.

Changes in Accounting Policies

In preparing these financial statements the accounting policies outlined in the financial statements have been applied. There were no significant changes in accounting policies during the year.

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.

There were no changes in company structure during the year.

Review of Operations

A. Results for the 53 Week Period Ended 31 January 2016

	$000
Sales Revenue	552,892
Profit Before Income Tax	66,292
Income Tax	(19,155)
Profit After Income Tax	47,137

B. Dividends

Subsequent to balance date, the directors have declared a final dividend of 9.50 cents per share payable 31 March 2016. Non-resident shareholders of the Group will also receive a supplementary dividend of 1.6765 cents per share. Dividends are fully imputed to New Zealand resident shareholders.

Directors

A. Remuneration and all other benefits relating to the 53 week period ending 31 January 2016 ($000)

Non-Executive Directors	
RPO'L Meo	115
SH Johnstone	85
MM Devine	74
Executive Directors	
RA Duke (Managing Director)	972
AJ Wall (Deputy Managing Director)	465

Executive Directors do not receive directors' fees

B. Shareholdings

Beneficially Held	As at 18 March 2016
SH Johnstone	1,005,000
AJ Wall	220,000
MM Devine	30,000

Non-Beneficially Held	As at 18 March 2016
RA Duke and AJ Wall each as Trustees of the RA Duke Trust	169,860,315
AJ Wall*	1,230,000
RPO'L Meo	100,000

** Other than in relation to the RA Duke Trust.*

For further details refer to Substantial Product Holders information on page 56 of this report

C. Share dealings

During the 53 week period ended 31 January 2016 the following directors acquired shares in the Company:

R A Duke and A J Wall each as trustees of the R A Duke Trust:

Date of Transaction	Number of shares acquired	Consideration
7 April 2015	301,000	$842,800
29 April 2015	5,000	$14,150
30 April 2015	24,990	$67,974
1 May 2015	15,000	$42,450
11 November 2015	50,000	$137,500

D. Interests in contracts

During the year 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:

- Payment of rental of $616,000 (2015: $610,000) on the retail property of which the RA Duke Trust is the owner. (Refer to note 6.1.1 of the financial statements).
- Briscoe Group Limited acquired 10,053,487 shares in Kathmandu Holdings Limited from RA Duke Limited and Kein Geld (NZ) Limited (entities associated with RA Duke) for $14,651,077 including brokerage fees of $43,844.
- RA Duke Limited received interest of $89,292 in relation to amounts advanced to Briscoes Group Limited in relation to the transfer of shares in Kathmandu Holdings Limited.
- SH Johnstone received a payment of $10,000 for services provided to Briscoes Group Limited in relation to the Kathmandu takeover offer.

E. 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.

F. 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.

State of Affairs

The directors are of the opinion that the state of affairs of the Group is satisfactory. Details of the period under review are included in the Chairman's Review, the Managing Director's Review of Operations and the audited financial statements.

Employee Remuneration

The number of employees within the Group (other than directors) receiving remuneration and benefits above $100,000, relating to the 53 week period ending 31 January 2016, are indicated in the following table:

	Number of Employees
$100,000 – 109,999	5
$110,000 – 119,999	10
$120,000 – 129,999	8
$130,000 – 139,999	5
$140,000 – 149,999	7
$150,000 – 159,999	5
$160,000 – 169,999	4
$170,000 – 179,999	2
$180,000 – 189,999	4
$190,000 – 199,999	1
$200,000 – 209,999	2
$210,000 – 219,999	3
$220,000 – 229,999	1
$230,000 – 239,999	1
$240,000 – 249,999	1
$250,000 – 259,999	1
$280,000 – 289,999	1
$290,000 – 299,999	1
$300,000 – 309,999	1
$410,000 – 419,999	1
$440,000 – 449,999	1
$450,000 – 459,999	1
$720,000 – 729,999	1
$750,000 – 759,999	1

Remuneration to Auditors

The fee for the audit of the Group and subsidiaries paid to PricewaterhouseCoopers was $116,000 (2015: $97,000).

Fees paid to the auditors for other services provided, including a half yearly review, amounted to $47,000 (2015: $26,000).

Shareholders Information

Holding Range at 18 March 2016

	No. Investors	Total Holdings	%
1-1,000	909	642,837	0.30
1,001-5,000	1,557	4,666,259	2.14
5,001-10,000	544	4,372,266	2.01
10,001-100,000	442	10,852,299	4.99
100,001 and over	35	197,113,839	90.56
	3,487	**217,647,500**	**100%**

Substantial Product Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 31 January 2016, details of the Substantial Product Holders in the company and their relevant interests in the company's shares are as follows:

Substantial Product Holder	Holding as at 26 January 2016 [3]
R A Duke [1]	169,860,315
A J Wall [2]	171,310,315

(1) 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 March 2012, in respect of 166,644,369 shares. As at 31 January 2016 this interest was in respect of 169,860,315 shares.

(2) A J Wall has three relevant interests, which were disclosed in the SSH notice dated 13 March 2012. These were (i) as a trustee of the R A Duke Trust, in respect of 166,644,369 shares; (ii) as a trustee of the Tunusa Trust, in respect of 1,230,000 shares; and (iii) legal and beneficial title, in respect of 220,000 shares. As at 31 January 2016 the relevant interest as a trustee of the R A Duke Trust was in respect of 169,860,315 shares. The other interests remain unchanged.

(3) This information reflects the company's records and disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013.

TOTAL NUMBER OF VOTING SHARES IN THE COMPANY AS AT 31 JANUARY 2016 WAS 217,597,500

Top 20 Holder List

As at 18 March 2016

Rank	Holder's Name	Total	%
1	JB Were (NZ) Nominees Limited (RA Duke Trust)	169,892,315	78.06
2=	Gerald Harvey	5,250,000	2.41
2=	Harvey Norman Properties (NZ) Ltd	5,250,000	2.41
4	New Zealand Central Securities Depository Limited	4,197,931	1.93
5	FNZ Custodians Limited	1,504,322	0.69
6	Alaister John Wall, Beverley Ann Wall and Benedict Douglas Tauber as Trustees of the Tunusa Trust established for the benefit of the family of AJ and BA Wall	1,230,000	0.57
7=	JB Were (NZ) Nominees Limited	1,000,000	0.46
7=	Stuart Hamilton Johnstone and Lorraine Rose Johnstone	1,000,000	0.46
9	Graham John Paull and Owen Brent Ennor	800,000	0.37
10	Manhattan Trustee Limited	683,000	0.31
11	Shu-Wen Chiang	653,631	0.30
12	Investment Custodial Services Limited	589,165	0.27
13	Forsyth Barr Custodians Limited	497,293	0.23
14	Custodial Services Limited	391,619	0.18
15	Keith Arthur William Brunt	365,000	0.17
16	Peter William Burilin	352,163	0.16
17	Carla Zwart Brockman	336,300	0.15
18	Gemscott Limited	283,000	0.13
19	Custodial Services Limited	250,345	0.12
20	Custodial Services Limited	249,823	0.11

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

Notes

Directory

Directors

Dame Rosanne PO'L Meo (Chairman)
Rodney A Duke
Stuart H Johnstone
Alaister J Wall
Mary M Devine

Registered Office

36 Taylors Road Morningside
Auckland
Telephone (09) 815 3737
Facsimile (09) 815 3738

Postal Address

PO Box 884
Auckland Mail Centre
Auckland

Solicitors

Simpson Grierson

Bankers

Bank of New Zealand

Auditors

PricewaterhouseCoopers

Share Registrars

Link Market Services Limited
Deloitte Centre
Level 11
80 Queen Street
Auckland 1010
Telephone +64 9 375 5998

Websites

www.briscoegroup.co.nz
www.briscoes.co.nz
www.rebelsport.co.nz
www.livingandgiving.co.nz
www.briscoes.com.au

Calendar

Annual Balance Date .... January

Preliminary Profit Announcement .... March

Annual Report Published .... April

Final Dividend .... 31 March 2016

Annual Meeting .... 19 May 2016

Half Year Results .... September

Interim Dividend .... October

BRISCOE
GROUP LIMITED