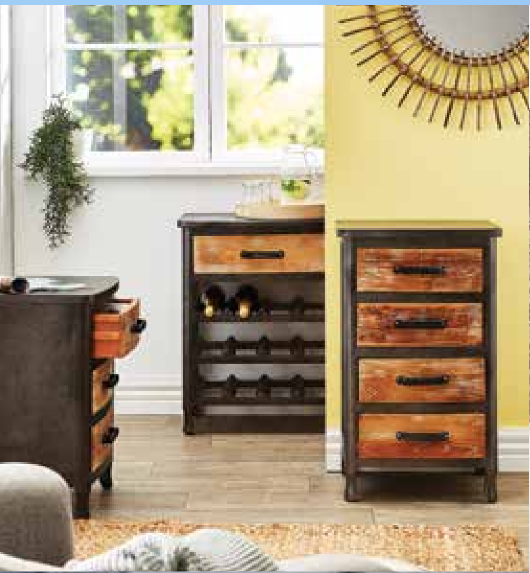
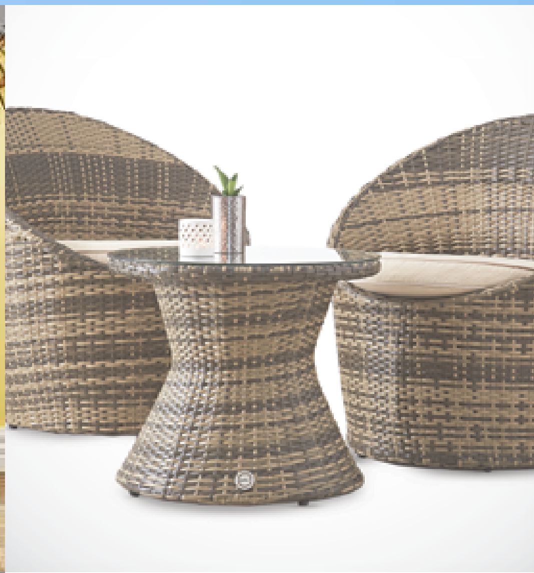
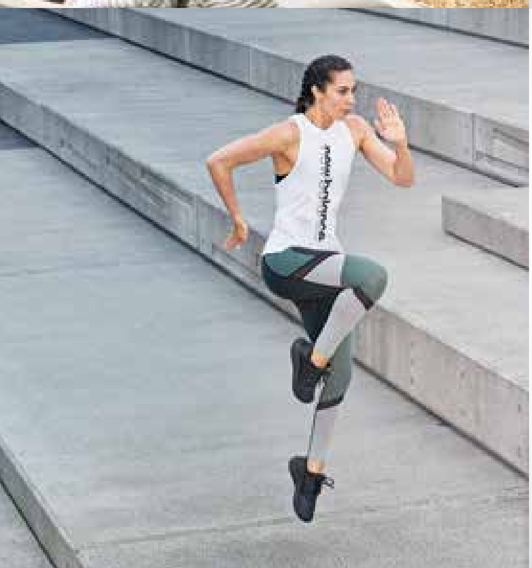
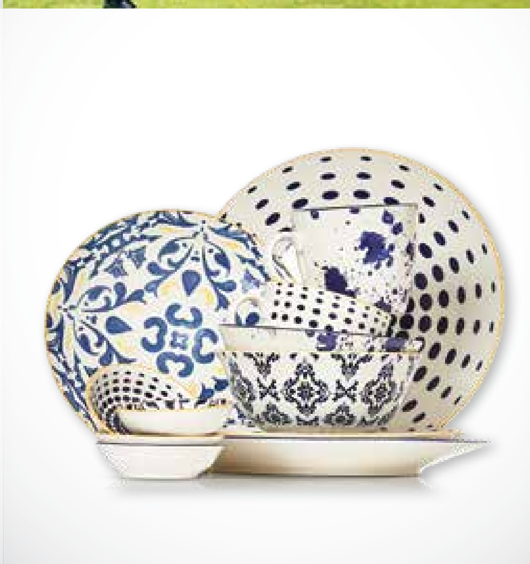
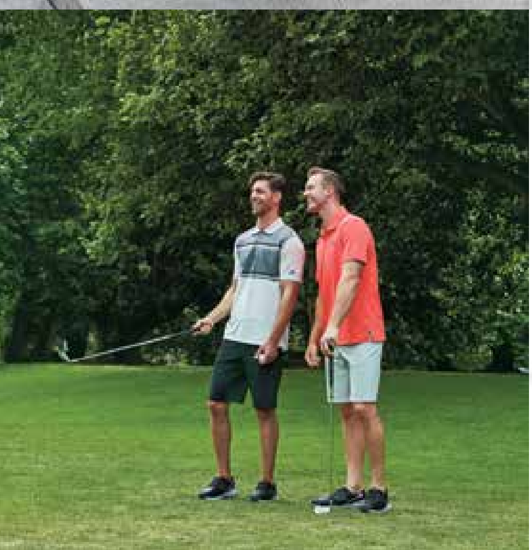
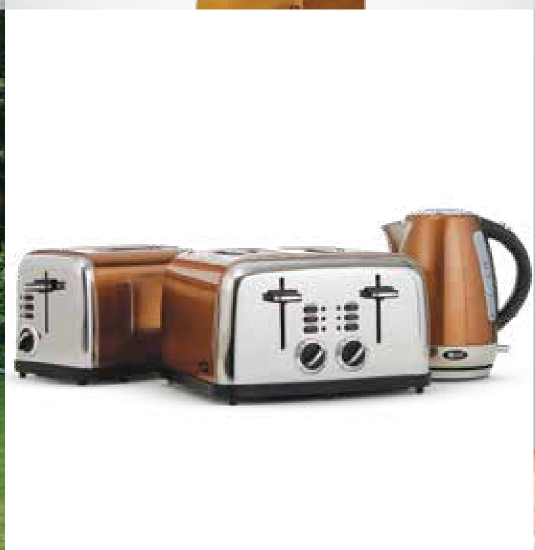
BRISCOE GROUP LIMITED

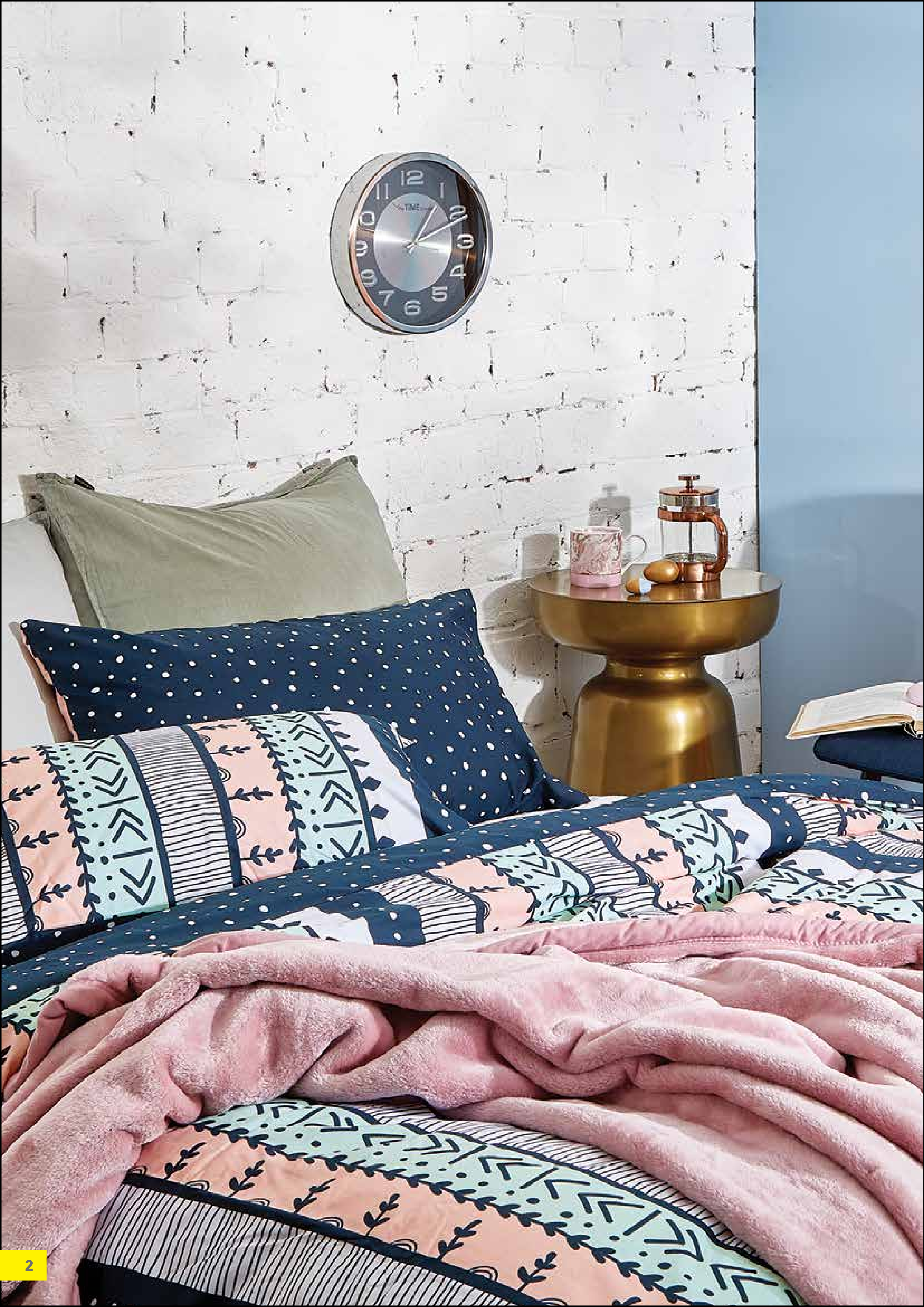
ANNUAL REPORT
for the period ended 27 January 2019




REBEL SPORT BRISCOES HOMEWARE Living & Giving



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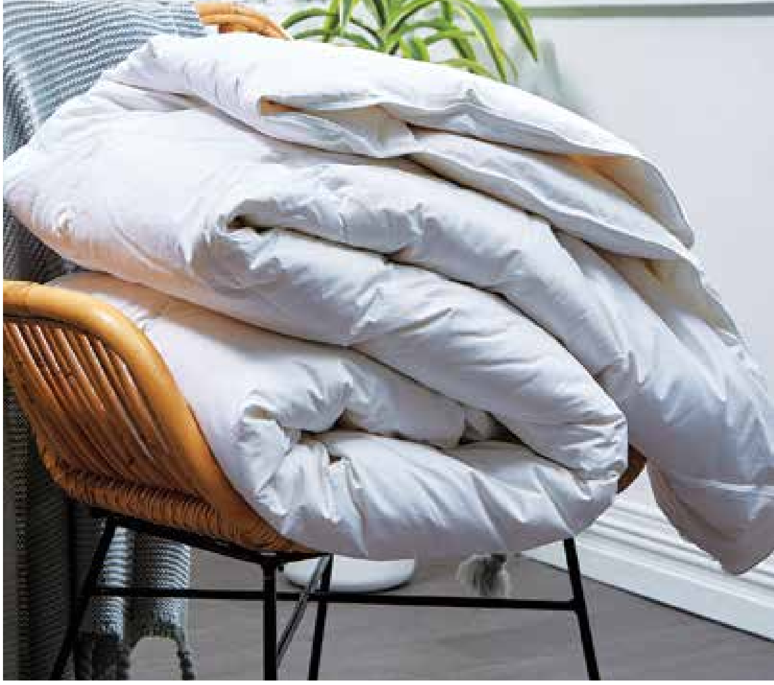
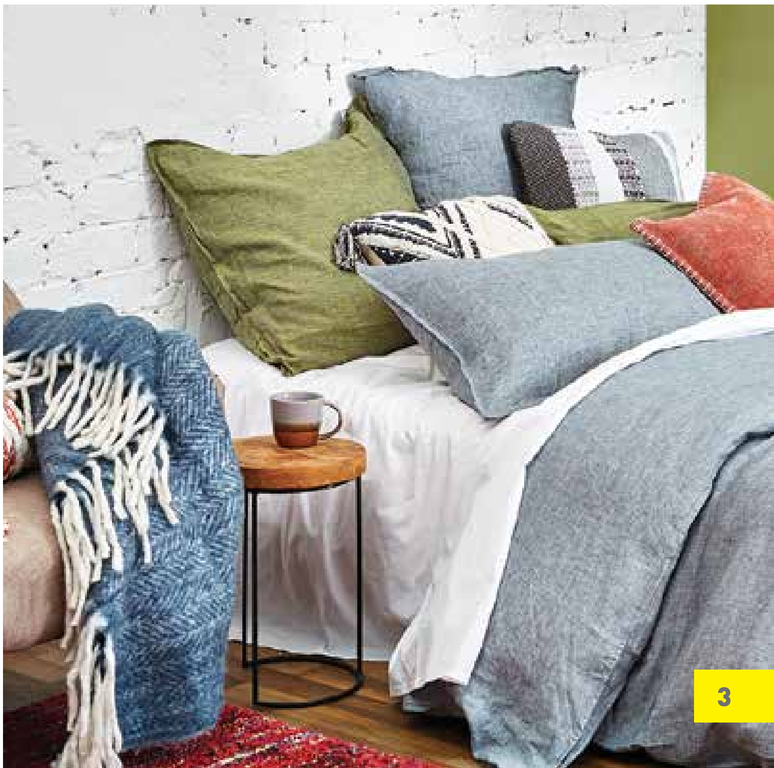
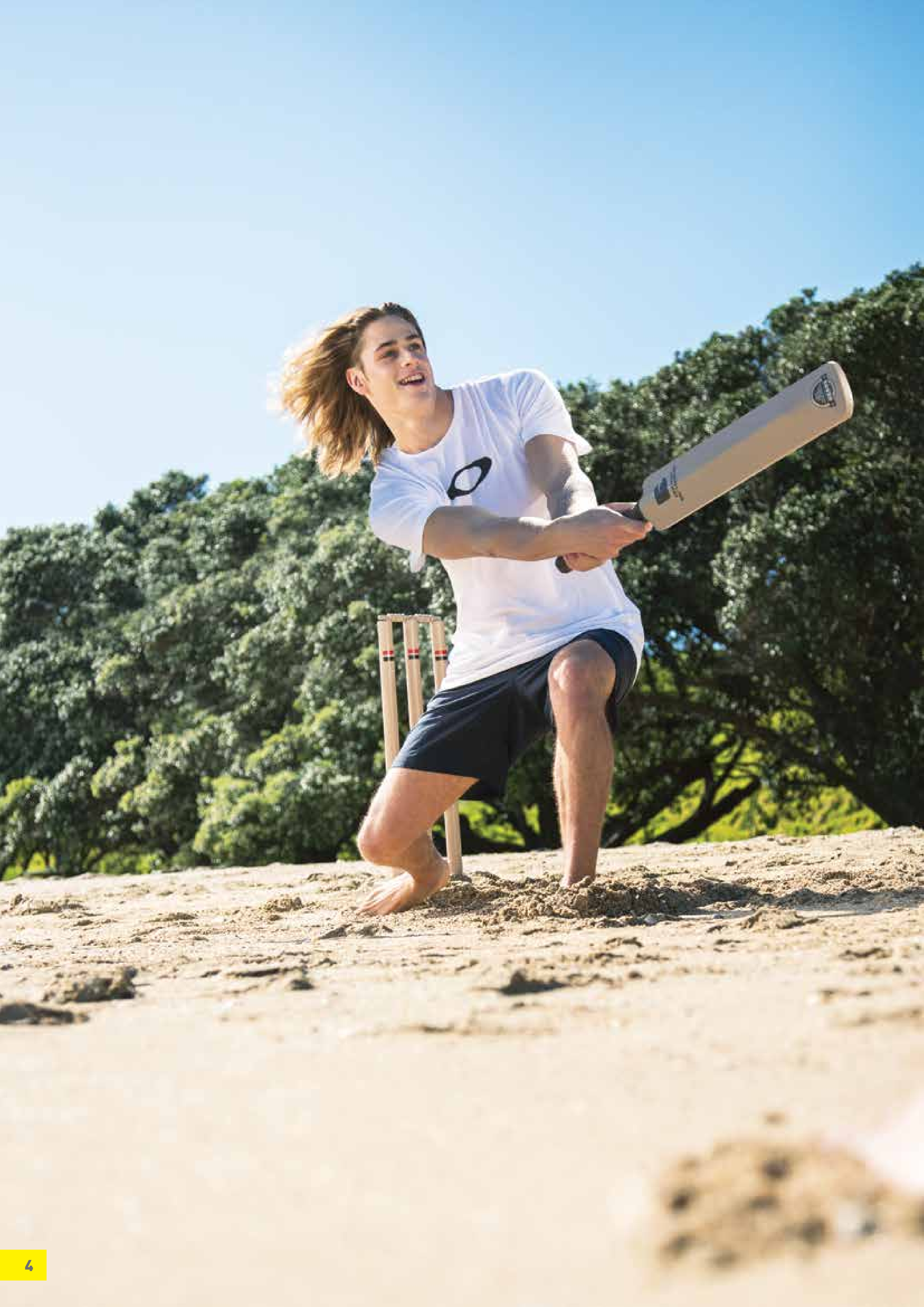


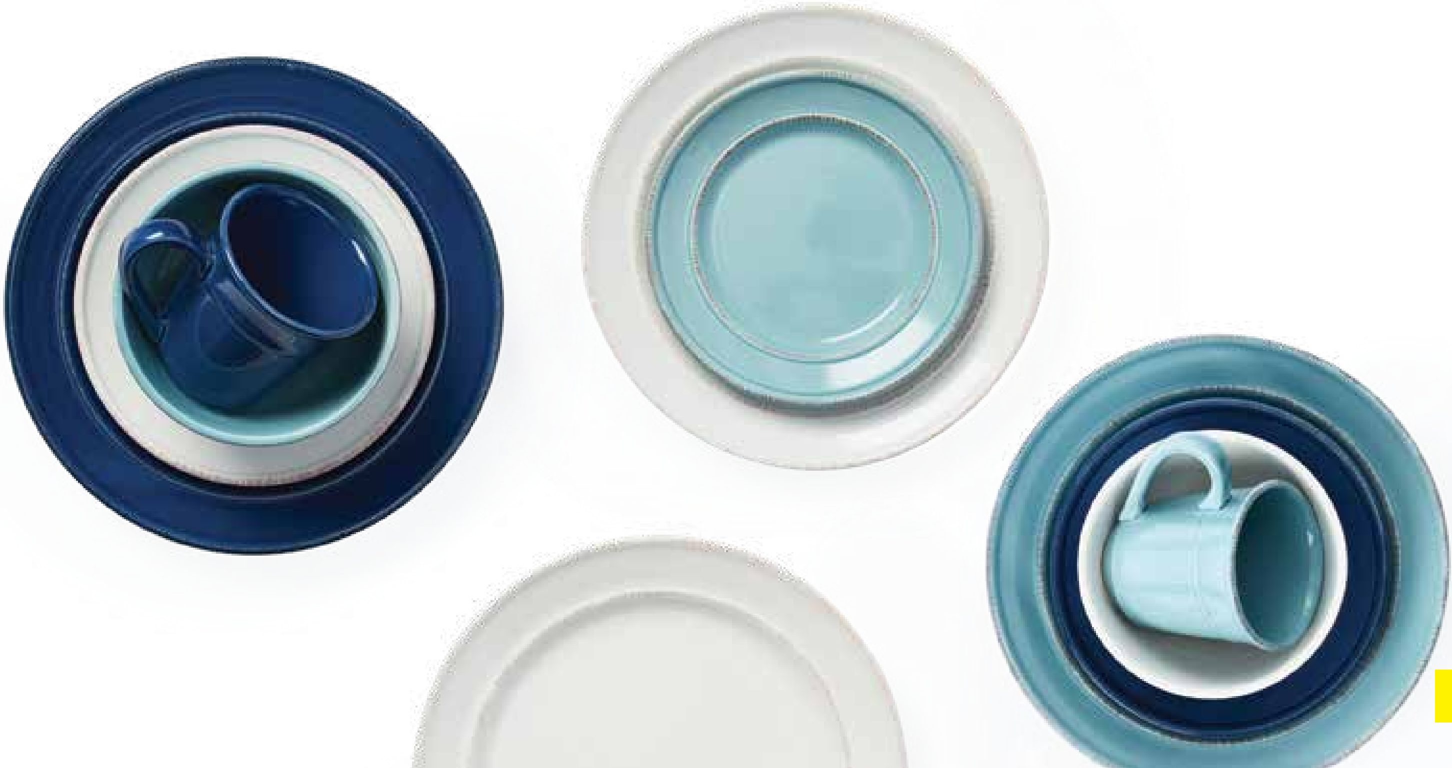


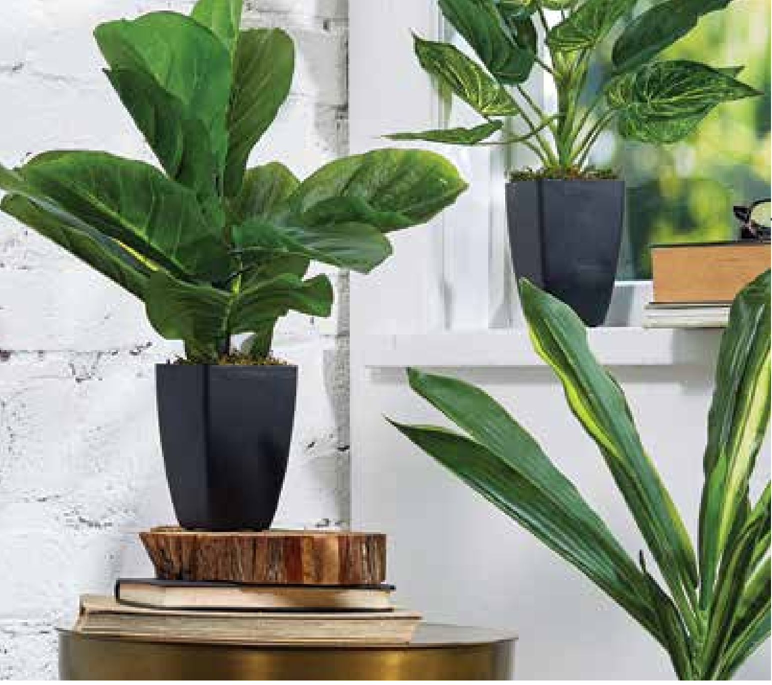


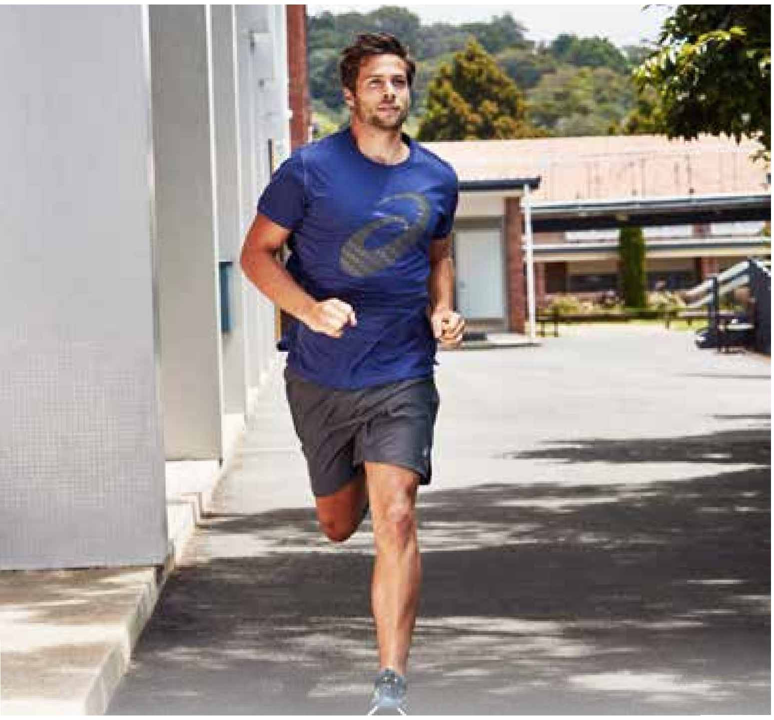
Key Facts

	Audited period ending 27 January 2019 $000	Audited period ending 28 January 2018 $000	Audited period ending 29 January 2017 $000	Audited period ending 31 January 2016 $000	Audited period ending 25 January 2015 $000
Trading Results					
Sales Revenue [1.]	**631,919**	605,136	585,905	555,526	508,736
Gross profit margin [1.]	**40.1%**	40.0%	40.6%	40.1%	38.6%
Earnings before interest and tax (EBIT)[2.]	**85,995**	83,364	79,827	65,935	53,122
Net profit after tax (NPAT)	**63,393**	61,325	59,420	47,137	39,302
Net cash flows from operating activities	**65,720**	69,528	85,984	39,898	45,051
Financial Position and Statistics					
Shareholders' funds	**273,541**	248,428	205,153	164,424	155,559
Total assets	**365,352**	338,571	298,238	235,418	234,754
EBIT per share	**38.8c**	37.8c	36.4c	30.3c	24.5c
NPAT per share	**28.6c**	27.8c	27.1c	21.7c	18.2c
Operating cashflow per share	**29.7c**	31.5c	39.2c	18.3c	20.8c
Current ratio	**1.8:1**	1.7:1	1.5:1	1.5:1	2.2:1
Shareholders' funds to total assets	**74.9%**	73.4%	68.8%	69.8%	66.3%
Store Numbers					
Homeware	**46**	47	47	47	46
Sporting Goods	**38**	36	36	35	33
Briscoe Group	**84**	83	83	82	79
Total Store Area (m2)					
Homeware	**109,241**	108,155	104,122	100,085	95,787
Sporting Goods	**60,084**	57,388	57,490	56,394	53,993
Briscoe Group	**169,325**	165,543	161,612	156,479	149,780

1. *Updated to reflect impact of new accounting standard NZIFRS 15: Revenue from contracts with customers (refer Note. 6.5).*
2. *Earning before interest and tax (EBIT) is a non-GAAP measure. Refer to the Consolidated Income Statement on Page 15.*







Chairman's Review

Overview

On behalf of your Directors' we are pleased to report to you on another successful year with the company's further growth in sales and earnings enabling increased dividends. We have reported to you in recent years of our continued emphasis to adapt and ready ourselves in the ever-changing retail environment and on the imperative for us to build on the already strong foundations in place for future success.

The New Zealand retail sector continues to change, with key trends of increasing competition from overseas specialty and online players and with changes in the traditional patterns of retail demand across the year. We are very conscious of evolving customer demographics and preferences for both our product offerings and technology. These trends have tested even the most seasoned operators.

In 2018-19 the challenges were magnified by factors such as fuel price spikes, Auckland property market easing and industrial action which seemed to take the edge off consumer sentiment and spending. In that context, our increase in sales and earnings was a noteworthy achievement.

It isn't easy to maintain a successful balance between meeting the challenges arising in a relatively difficult year and building for the future. I believe we have managed to do so, enhancing the fundamentals of the business through attention to our people, our systems and processes, our store network and online presence, and the needs of our customers. That reflects the leadership of our senior management team and the support and dedication of employees in every part of the Group. The Board acknowledges all those efforts and wishes to record its appreciation.

The Managing Director's review of operations (below) outlines a range of measures under way in support of our goal to be New Zealand's best listed retailer. We also remain alert to opportunities to expand into new markets and new products.

Our investment in Kathmandu Holdings Limited returned an increased dividend for the latest year. We are comfortable with our position as Kathmandu's largest shareholder and note its continued improvement in operating performance and shareholder returns.

Financial Performance

Briscoe Group's sales revenue grew by 4.43% to $631.92 million in the year ended 27 January 2019. Gross margin dollars increased by 4.74% to $253.36 million, while gross margin percentage rose from 39.97% to 40.09%.

Earnings before interest and taxation (EBIT) were $86.00 million, an increase of 3.16%.

Net profit after tax (NPAT) was $63.39 million, up by 3.37%. NPAT included dividends totalling $6.40 million from our 18.9% shareholding in Kathmandu, compared with $5.21 million for the previous year.

This year's result also includes a $2 million accrual for amounts that will be payable to past and present employees in relation to issues concerning the calculation of employee annual leave entitlements. These issues appear to affect numerous businesses across many sectors and like a number of other companies we are working through the necessary exercises to ensure we align our calculations with the guidance received from the Ministry of Business, Innovation and Employment (MBIE) with whom we are working.

The Group's balance sheet remains strong, with cash and bank balances of $80.78 million and no term debt, compared to $78.19 million as at 28 January 2018. Approximately $26 million of creditor payments included in the trade payables balance were paid subsequently, on 31 January 2019.

Accounting Standards

NZ IFRS 15

The introduction of accounting standard ***NZ IFRS 15: Revenue from contracts with customers*** now means that sales revenue reported by the Group includes delivery fees charged to online customers for the delivery of products purchased directly online. The corresponding cost incurred for delivery of product to customers is included in the total cost of goods sold. These amounts were previously offset and the net cost shown as a store expense.

The reclassification has the effect of increasing sales revenue and cost of goods sold, while decreasing gross profit and store expenses. There is no impact on net profit after tax. Further details can be found in Note 6.5 (page 45) of the financial statements within this Annual Report.

NZ IFRS 16

For several years we have been advising shareholders of the change to the accounting standard in relation to the treatment of leases. These changes take effect for financial periods beginning on or after 1 January 2019, under ***NZ IFRS 16: Leases***. While the accounts presented in this Annual Report are not affected, our accounts for future years will be significantly impacted.

Like a number of other retailers, we lease many of our stores. The new standard requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments.

The new standard will therefore change the presentation of the balance sheet as well as the income statement and the statement of cash flows. Rent expense will be replaced by amortisation and interest expense in the income statement.

It is important to note that the changes have no cash effect to the Group and the change is for financial reporting purposes only.

Further details can be found in Note 6.5 (page 47) of the financial statements within this Annual Report.

Dividend

The directors have resolved to pay a final dividend of 12.00 cents per share (cps), bringing the total dividend for the year to 20.00 cps, compared with 19.00 cps for the previous year. The dividend is fully imputed. The share register will close to determine entitlements to the final dividend at 5 pm on 26 March 2019 and the dividend will be paid on 29 March 2019.

Corporate Governance

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

As a Board there has also been considerable activity in reviewing and refreshing our policies and governance statements. It is important that they are practical and applicable to all employees, executives and directors as well as meeting our NZX and ASX compliance obligations.

We welcomed the Corporate Governance Code (NZX Code) published by the NZX during 2017 and we continue to seek to ensure that our policies and charters are available, and have relevance, to the whole Briscoe Group team. They are wide-ranging in scope, covering issues including ethical behaviour, diversity and risk management. It is important that they reflect today's operating environment, our changed customer and our employee demographics and their, and our, expectations. There is a strong recognition of the diversity of our community and we as a Company need to reflect this. There is also heightened emphasis on risk and performance, associated with our increased reliance on technology and innovation.

There is more detail presented in our Corporate Governance Statement contained in this Annual Report on pages 54-63 and a number of the Group's policies and charters are available on our website, www.briscoegroup.co.nz.

We are a small Board by many companies' standards and we believe it to be effective for the Company. Tony Batterton and Andy Coupe are chairing our Board committees most effectively.

We are most disappointed to be fare welling our long serving and highly competent Director, Mary Devine. There are few directors in New Zealand with Mary's knowledge and experience in retail in particular but also with a broad scope of governance and management skills.

Executive Share Option Plan

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 total number of share options still exercisable would represent 1.0% of the current issued share capital.

Further details of the Executive Share Options Plan can be found in Note 6.2 (page 43) of the financial statements within this Annual Report.

Subsequent to a review conducted with independent external advisors, engaged by the Board, changes have been recommended in relation to the Company's incentive schemes. This has resulted in extensive changes to the long-term incentive (LTI) scheme including a change in vehicle (from options to performance rights), quantum and participation. The first issue of performance rights under the updated LTI scheme will be made during the 2019-20 financial year.

Community Sponsorship

Briscoe Group has been a key partner since 2004 of Cure Kids, a charity set up to find cures and better treatments for serious illnesses and diseases that affect thousands of children in New Zealand.

Our generous customers, staff and suppliers support the Group's efforts to raise funds for this great charity. In our 15 years as a partner, the combined efforts have raised more than $7.2 million, including $620,000 in the past year. The 2018-19 contributions assisted Cure Kids to support 52 projects worth more than $10 million including; mental health research, prevention of late still births and a precision medicine clinical trial for children with difficult to treat cancers.

In supporting Cure Kids' vision of a healthy childhood for everyone, we are also realising our shared values and strengthening our own team culture.

We also provide funding to the Westpac Rescue Helicopter and support the fund-raising activities of a wide variety of local community-based charities, sports clubs and others.

Briscoe Group Scholarship

The Briscoe Group Education Foundation was established to provide employees and their children the opportunity to up-skill and fulfil their education ambitions – a helping hand that can make an amazing difference to their ability to contribute to family, community and the wider society.

In 2013, supported by the generosity of the RA Duke Trust, the Group began its partnership with First Foundation, which brings together sponsors, schools and talented young scholars with limited financial resources in a proven four-year programme that includes paid work experience, financial support and advice, and guidance from personal mentors. The aim is to assist the recipients to achieve their goals and aspirations.

13 scholarships have been awarded to date. The first year 'Fee Free' approach to Tertiary Education introduced by the current government means we can make the funds available go further. It is our intention to work with First Foundation so that we maximise the investment being made in a way that complements the changes to the cost of engaging in tertiary education.

We continue to support our staff engaged in tertiary education. We have established relationships with Massey University and Auckland University of Technology to provide pathways for staff to study at a range of levels, from certificates and diplomas through to degrees and advanced degrees. We are particularly excited that a number of our managers are continuing their studies via enrolment in MBA degrees. It is our belief that this will enhance the skills and capabilities of both the individuals and our organisation.

We recognise the benefits this can provide and we are now looking to extend support for those who wish to participate.

On behalf on my fellow directors, I thank you all for your continued support as shareholders in Briscoe Group.

Rosanne Meo

Dame Rosanne Meo
Chairman

Managing Director's Review of Operations

Introduction

We are pleased to have produced another record profit during a period where challenges were plentiful and some in the retail community have clearly struggled to meet them. The wider Briscoe Group team, both at the Support Office and in stores, continued to focus on the basic disciplines required for us to perform in the modern retail environment…

- Investing in the capability and growth of our people
- Driving productivity gains through constant improvement in systems and processes, with a strong focus on managing inventory
- Optimising our network – the stores, the online platform and the support services that sit behind them – to deliver an enjoyable and rewarding experience to customers
- An unrelenting focus on understanding what our customers want and need from us, and how we can best respond to that understanding.

These serve a strategy that has remained fundamentally consistent over time – to make it easy for our customers to access the best brands at the best prices through their chosen shopping method.

As indicated above, every year brings its challenges and 2018-19 was no different. Despite reasonably sound economic statistics, consumer and business confidence remained patchy for a range of reasons, making consumers more determined than ever to seek true value for money.

The large spike in petrol prices during the year affected consumers nationwide and had a predictably negative affect on retail spending. Petrol prices eased a little in the latter part of the year, but the overall impact was unmistakable; furthermore the imposition of the Auckland regional fuel tax soaked up disposable income in the largest populated area of the country.

Consumer sentiment was also affected by industrial action across a number of sectors, including several highly-publicised strikes. In our judgement, this negated the anticipated benefit to consumer sentiment of the legislated increase to the minimum wage over the years up to 2020.

The timing of shifts in retail spending continued to evolve. Summer trading started very late in comparative terms, with a key feature being a higher than normal concentration of sales into a smaller number of promotional events, including Black Friday and Boxing Day. While sales are always welcome, this change in the trading pattern did put additional pressure on our store teams to maintain store standards and product availability, and to fulfil online orders to our normal service levels. Targeted operational and buying strategies implemented through the year assisted us in dealing with these issues. Along with improved loss prevention programmes that reduced stock loss, they made a significant contribution to the improvement in gross margin for the year in both dollar and percentage terms. By learning from these experiences, and anticipating a similar trading pattern in the coming year, we hope to further improve our future performance.

Our Store Network

Same store sales were up by 3.43% and 2.51% for the homeware and sporting goods segments respectively, yielding a 3.10% improvement across the Group.

Our store development programme progressed well. By the end of the year the homewares sector had 46 bricks and mortar stores including 13 fulfilment hubs, and there were 38 stores in the sporting goods sector including nine fulfilment hubs.

Our focus on adding fulfilment hubs is part of an ongoing drive to optimise our total retail platform – our bricks and mortar store network and our online presence. New fulfilment hubs improve our service level and our cost-to-serve, as the online sales channel grows at a rapid rate. We constantly review the size and location of our fulfilment hubs and stores to ensure that they serve the needs of our customers in the most economical fashion consistent with our overall growth strategy.

The new Briscoes Homeware stores we opened in the 2017-18 financial year at Petone, Rangiora and Glenfield have now had a full year of trade and settled well into the network, as have the additional Rebel Sport stores at Petone and Kerikeri.

The 2018-19 financial year brought some frustrations, with planned projects at Tauranga, Silverdale and Nelson delayed by factors outside our control. Nevertheless, these projects are still alive and will be completed when we are able to do so.

During the year, we completed a full refurbishment of Briscoes Homeware Rotorua, which also established an online fulfilment hub for Briscoes Homeware and Rebel Sport through a joint back-of-house facility created as part of the project.

In Christchurch, Briscoes Homeware Northlands was relocated to a new, purpose-built property in Papanui and a new Rebel Sport store was opened on an adjacent site. This major development added significant retail and stockroom space for Briscoes Homeware and increased the presence of Rebel Sport in the Christchurch catchment. The joint back-of-house area also contains a fulfilment hub for both brands. The joint site opened successfully just prior to the successful Black Friday promotion. This was a busy time to launch new stores and their success is a credit to the set-up team and the local store teams, who worked hard to achieve challenging deadlines. Both stores have been well received by our Christchurch customers and have traded well since launch.

Progress continued at pace to replace the Group's support office in Taylors Road, Auckland. The new building progressed to plan, with relocation scheduled for September 2019.

In addition to planning work for major projects to be undertaken during the 2019-20 financial year, we undertook a large number of minor projects including relays, lighting upgrades and security camera upgrades.

We are targeting to complete the following large projects during the coming year:

- The full refurbishment of Briscoes Homeware and Rebel Sport in New Plymouth
- The opening of a new Rebel Sport store in the redeveloped 277 complex at Newmarket, Auckland
- The refurbishment of a Briscoes Homeware and Rebel Sport site at Tauranga, along with the creation of an enlarged common back-of-house facility
- The relocation of Briscoes Homeware Riccarton to a new site at Bush Inn, Christchurch
- The opening of Briscoes Homeware and Rebel Sport at a new site at Carr Road, Auckland.

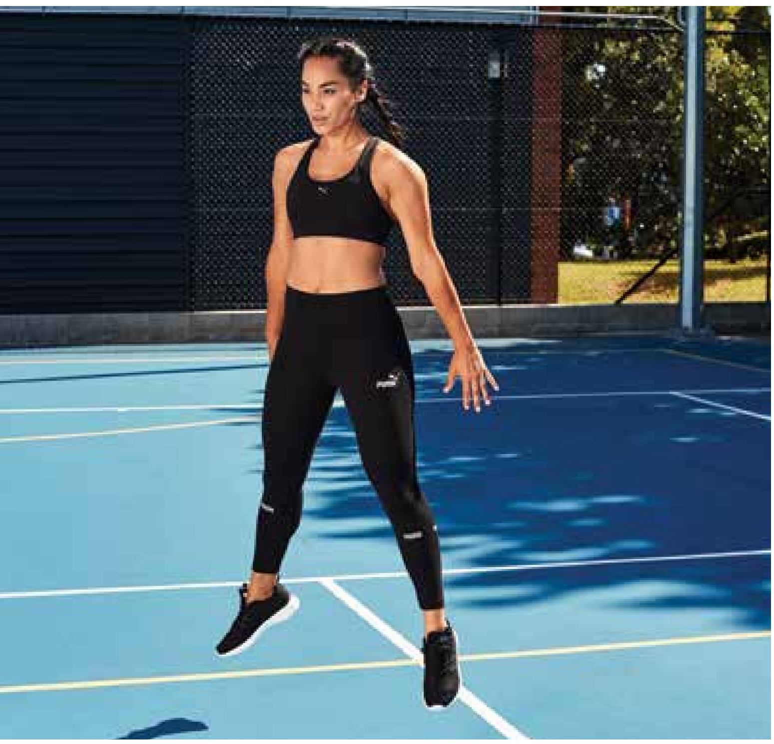
Online Platform

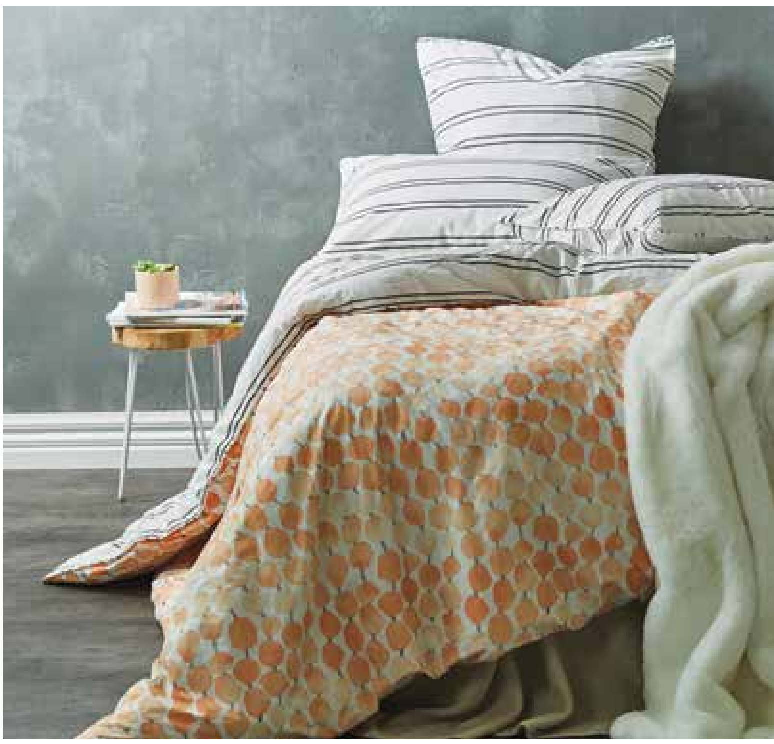
Our online business grew by 27% and now represents around 10% of the Group's total sales revenue.

We are well under way with upgrades to our web platform that will make it easier for people to shop online with us, and we have continued to improve the way we assemble and deliver orders to customers. We anticipate launching the new web platform during the current year, and we will also continue to add new fulfilment hubs to increase our capacity and capability in this area.

Our Click and Collect trial continues to show promise. We are working to improve processes and procedures to support the roll-out of more click and collect stores in the year ahead.

The continued development of our online business reflects our strategy of offering customers the best range of brands at the best prices across whatever channel they prefer, and we believe that this is an effective method to counter competition from overseas websites in this market.





The Year Ahead

As ever, we will continue to focus on improving our physical stores and online offering to give our customers the most appropriate shopping experience.

Our understanding of what our customers want improves as we get better at analysing data and purchasing decisions. We will continue to focus on building this understanding so we can base our strategies on what our customers tell us. We will continue to use the data and associated insights to ensure product offers, promotions, store design and layouts continue to appeal to our customers.

In a market where media consumption is changing rapidly, the continuous review of media and messages to reach our target audiences is critical.

Our trademark promotions resonate with customers more than ever, as evident from the success of our marketing programmes during the lead-up and across the Christmas period. We look forward to a further improvement in performance over the same period in the current year.

We continue to focus on the Auckland market. Our developments at Taylors Road, Carr Road and Newmarket are progressing well. While frustrated with the delays experienced at Silverdale, we will continue to progress the development of this important site in a way that is economically viable.

Managing inventory effectively will remain a priority, building further on the gains made in recent years. We will continue to drive to get products from source to our customers as quickly and efficiently as possible and continued supply chain analysis will help us to identify potential improvements.

We will undertake further investment to improve our distribution processes through our own distribution centres, third party distributors and suppliers.

We continue to pursue a range of programmes to develop and care for our people. Central to this is safety and wellbeing – the ongoing improvement of our Health & Safety practices has been a specific focus. We are pleased with the progress made in this critically important area and have plans in place to continue to drive improvement.

We will also remain strongly focused on training. Use of the online Axonify platform has improved knowledge across the store and support office teams. In the current year we will utilise this popular form of learning to launch and embed some new initiatives around important functions.

We will continue to support the development of key management through appropriate tertiary study and through involvement in other management development initiatives. We recognise that, in a competitive retail market, building a strong talent pipeline is more important than ever.

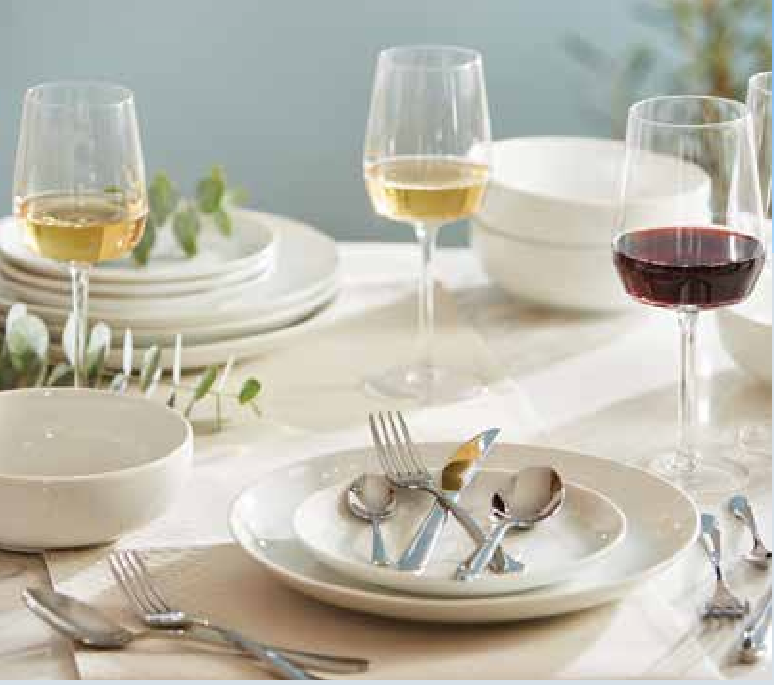
We remain committed to maintaining a positive differential to the minimum wage and have factored the full cost of doing so into our forecasts as the minimum rate increases each year.

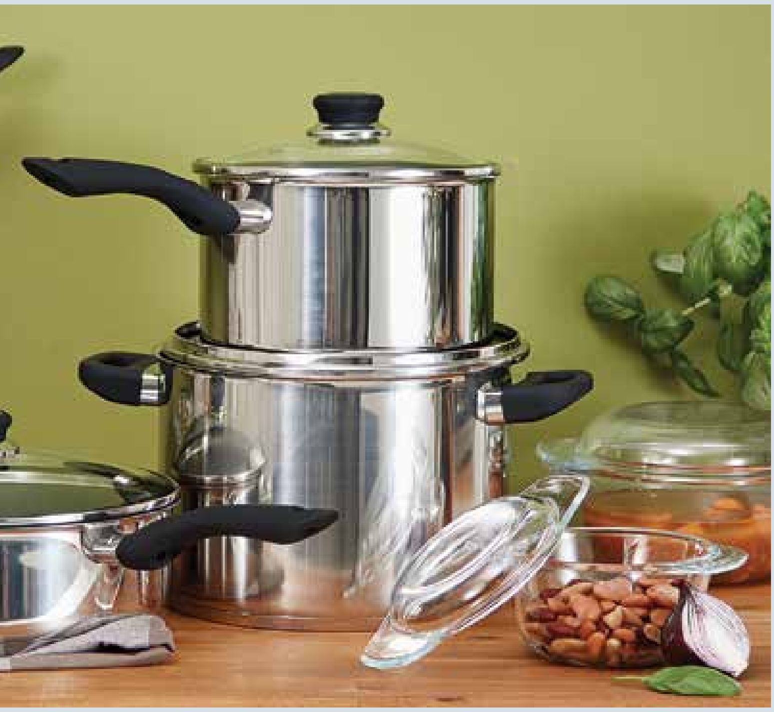
In November, our Chief Operating Officer Pete Burilin made the decision to retire. Pete has been with the business as a key part of our team for more than 20 years. We wish him the best of luck in his retirement and thank him for the part he has played within a strong senior management team.

I commented last year that 'retail is not dead' and I am happy to repeat that sentiment this year. When times are tough, opportunities are created for those who are most determined and best equipped to take on the challenges in a positive manner.

I believe our retail brands, driven by a dedicated team of professionals, will continue to resonate with the New Zealand customer; and this, in turn, will drive further success and profitability for the Group.

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.

We have grouped the note disclosures into six sections:

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

Each section sets out the accounting policies applied to the relevant notes.

The purpose of this format is to provide readers with a clearer understanding of the financial affairs of the Group.

Accounting policies have been shown in shaded areas for easier identification.

Contents Consolidated Financial Statements

Directors' Approval of Consolidated Financial Statements

Authorisation for Issue

The Board of Directors authorised the issue of these Consolidated Financial Statements on 12 March 2019.

Approval by Directors

The Directors are pleased to present the Consolidated Financial Statements for Briscoe Group Limited for the 52 week period ended 27 January 2019. (Comparative period is for the 52 week period ended 28 January 2018).

Rod Duke
GROUP MANAGING DIRECTOR

Dame Rosanne Meo
CHAIRMAN

12 March 2019
For and on behalf of the Board of Directors

Consolidated Income Statement

For the 52 week period ended 27 January 2019

	Notes	**Period ended 27 January 2019 $000**	Restated[1.] Period ended 28 January 2018 $000
Sales revenue		**631,919**	605,136
Cost of goods sold		**(378,564)**	(363,242)
Gross profit		**253,355**	241,894
Other operating income	2.2	**6,994**	6,260
Store expenses		**(103,202)**	(99,485)
Administration expenses		**(71,152)**	(65,305)
Earnings before interest and tax		**85,995**	83,364
Finance income		**754**	567
Finance costs		**(142)**	(136)
Net finance income / (costs)	5.1	**612**	431
Profit before income tax		**86,607**	83,795
Income tax expense	2.3.1	**(23,214)**	(22,470)
Net profit attributable to shareholders		**63,393**	61,325

1. Refer Note 6.5 for details of restatement.

	Notes		
Earnings per share for profit attributable to shareholders:			
Basic earnings per share (cents)	2.4	**28.7**	27.8
Diluted earnings per share (cents)	2.4	**28.3**	27.3

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

Consolidated Statement of Comprehensive Income

For the 52 week period ended 27 January 2019

	Notes	**Period ended 27 January 2019 $000**	Period ended 28 January 2018 $000
Net Profit attributable to shareholders		**63,393**	61,325
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Change in value of investment in equity securities	4.1	**994**	18,845
Fair value (gain)/loss recycled to income statement from cashflow hedge reserve		**(3,904)**	484
Fair value gain/(loss) taken to the cashflow hedge reserve		**5,509**	(621)
Deferred tax on fair value gain/(loss) taken to income statement from cashflow hedge reserve	2.3.2	**1,093**	(136)
Deferred tax on fair value (gain)/loss taken to cashflow hedge reserve	2.3.2	**(1,543)**	174
Total other comprehensive income		**2,149**	18,746
Total comprehensive income attributable to shareholders		**65,542**	80,071

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

Consolidated Balance Sheet

As at 27 January 2019

	Notes	27 January 2019 $000	28 January 2018 $000
ASSETS			
Current assets			
Cash and cash equivalents	3.1.1	**80,777**	78,193
Trade and other receivables	3.1.2	**2,822**	2,737
Inventories	3.1.3	**81,017**	74,494
Derivative financial instruments	5.2.5	**793**	47
Total current assets		**165,409**	155,471
Non-current assets			
Property, plant and equipment	3.2	**92,016**	83,326
Intangible assets	3.3	**2,520**	1,364
Deferred tax	2.3.2	**3,418**	2,983
Investment in equity securities	4.1	**101,989**	95,427
Total non-current assets		**199,943**	183,100
TOTAL ASSETS		**365,352**	338,571
LIABILITIES			
Current liabilities			
Trade and other payables	3.1.4	**83,754**	81,161
Taxation payable	2.3.2	**6,830**	6,980
Derivative financial instruments	5.2.5	**448**	1,276
Total current liabilities		**91,032**	89,417
Non-current liabilities			
Trade and other payables	3.1.4	**779**	726
Total non-current liabilities		**779**	726
TOTAL LIABILITIES		**91,811**	90,143
Net assets		**273,541**	248,428
EQUITY			
Share capital	5.3.2	**58,929**	56,467
Cashflow hedge reserve	5.2.5	**240**	(915)
Share options reserve	6.2	**1,097**	1,045
Other reserves	5.3.4	**27,738**	26,744
Retained earnings		**185,537**	165,087
TOTAL EQUITY		**273,541**	248,428

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

Consolidated Statement of Cash Flows

For the 52 week period ended 27 January 2019

	Notes	**Period ended 27 January 2019 $000**	Restated[1.] Period ended 28 January 2018 $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**631,881**	605,146
Rent received		**589**	801
Dividends received		**6,405**	5,216
Interest received		**748**	472
Insurance recovery		**-**	243
		639,623	611,878
Cash was applied to			
Payments to suppliers		**(458,458)**	(431,567)
Payments to employees		**(70,649)**	(66,532)
Interest paid		**(142)**	(129)
Net GST paid		**(20,405)**	(22,418)
Income tax paid		**(24,249)**	(21,704)
		(573,903)	(542,350)
Net cash inflows from operating activities		**65,720**	69,528
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**4,905**	6
		4,905	6
Cash was applied to			
Purchase of property, plant and equipment	3.2	**(19,632)**	(12,888)
Purchase of intangible assets		**(1,959)**	(1,116)
Investment in equity securities	4.1	**(5,568)**	-
		(27,159)	(14,004)
Net cash outflows from investing activities		**(22,254)**	(13,998)
FINANCING ACTIVITIES			
Cash was provided from			
Net proceeds from borrowings	5.1	**-**	-
Issue of new shares	5.3.2	**2,178**	3,282
		2,178	3,282
Cash was applied to			
Dividends paid	5.3.3	**(43,090)**	(40,710)
		(43,090)	(40,710)
Net cash outflows from financing activities		**(40,912)**	(37,428)
Net increase in cash and cash equivalents		**2,554**	18,102
Cash and cash equivalents at beginning of period		**78,193**	60,066
Effect of exchange rate changes on cash and cash equivalents		**30**	25
Cash and cash equivalents at period end	3.1.1	**80,777**	78,193

1. Refer Note 6.5 for details of restatement.

Consolidated Statement of Cash Flows

For the 52 week period ended 27 January 2019

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO REPORTED NET PROFIT		
Reported net profit attributable to shareholders	**63,393**	61,325
Items not involving cash flows		
Depreciation and amortisation expense	**6,784**	6,233
Adjustment for fixed increase leases / inducements	**13**	29
Bad debts and movement in doubtful debts	**128**	110
Inventory adjustments	**(435)**	(157)
Executive share option expense	**483**	632
Loss on disposal of assets	**56**	116
	7,029	6,963
Impact of changes in working capital items		
Decrease (increase) in trade and other receivables	**(213)**	(288)
Decrease (increase) in inventories	**(6,088)**	4,594
Increase (decrease) in taxation payable	**(150)**	696
Increase (decrease) in trade payables	**(350)**	(41)
Increase (decrease) in other payables and accruals	**2,099**	(3,721)
	(4,702)	1,240
Net cash inflow from operating activities	**65,720**	69,528

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

Consolidated Statement of Changes in Equity

For the 52 week period ended 27 January 2019

	Notes	**Share Capital $000**	**Cashflow Hedge Reserve $000**	**Share Options Reserve $000**	**Other Reserves $000**	**Retained Earnings $000**	**Total Equity $000**
Balance at 29 January 2017		52,756	(816)	957	7,899	144,357	205,153
Net profit attributable to shareholders for the period		-	-	-	-	61,325	61,325
Other comprehensive income:							
Change in value of investment in equity securities	4.1	-	-	-	18,845	-	18,845
Net fair value loss taken through cashflow hedge reserve		-	(99)	-	-	-	(99)
Total comprehensive income for the period		-	(99)	-	18,845	61,325	80,071
Transactions with owners:							
Dividends paid	5.3.3	-	-	-	-	(40,710)	(40,710)
Share options charged to income statement	6.2	-	-	632	-	-	632
Share options exercised	5.3.2,6.2	3,711	-	(429)	-	-	3,282
Transfer for share options lapsed and forfeited	6.2	-	-	(115)	-	115	-
Balance at 28 January 2018		56,467	(915)	1,045	26,744	165,087	248,428
Net profit attributable to shareholders for the period		-	**-**	**-**	**-**	**63,393**	**63,393**
Other comprehensive income:							
Change in value of investment in equity securities	4.1	**-**	-	**-**	**994**	**-**	**994**
Net fair value gain taken through cashflow hedge reserve		**-**	**1,155**	**-**	**-**	**-**	**1,155**
Total comprehensive income for the period		**-**	**1,155**	**-**	**994**	**63,393**	**65,542**
Transactions with owners:							
Dividends paid	5.3.3	**-**	**-**	**-**	**-**	**(43,090)**	**(43,090)**
Share options charged to income statement	6.2	**-**	**-**	**483**	**-**	**-**	**483**
Share options exercised	5.3.2,6.2	**2,462**	**-**	**(284)**	**-**	**-**	**2,178**
Transfer for share options lapsed and forfeited	6.2	**-**	**-**	**(147)**	**-**	**147**	**-**
Balance at 27 January 2019		**58,929**	**240**	**1,097**	**27,738**	**185,537**	**273,541**

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

1. Basis of Preparation

For the 52 week period ended 27 January 2019

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

1.1 General Information

Briscoe Group Limited (the Company) and its subsidiaries (together the Group) is a retailer of homeware and sporting goods. The Company is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange (NZX). Briscoe Group Limited is registered under the Companies Act 1993 and is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013. The address of its registered office is 36 Taylors Road, Morningside, Auckland. The Company is registered in Australia as a foreign company under the name Briscoe Group Australasia Limited and is listed on the Australian Securities Exchange as a foreign exempt entity. (NZX / ASX code: BGP).

The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.
These audited consolidated financial statements have been approved for issue by the Board of Directors on 12 March 2019.

1.2 General Accounting Policies

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

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

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

Entities reporting

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

Reporting period

These consolidated financial statements are in respect of the 52 week period 29 January 2018 to 27 January 2019 and provide a balance sheet as at 27 January 2019. The comparative period is in respect of the 52 week period 30 January 2017 to 28 January 2018. The Group operates on a weekly trading and reporting cycle resulting in 52 weeks for most years with a 53 week period occurring once every 5-6 years.

1. Basis of Preparation

For the 52 week period ended 27 January 2019

Principles of consolidation

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

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

Subsidiaries	**Activity**	**2019 Interest**	2018 Interest
Briscoes (New Zealand) Limited	Homeware retail	**100%**	100%
The Sports Authority Limited (trading as Rebel Sport)	Sporting goods retail	**100%**	100%
Rebel Sport Limited	Name protection	**100%**	100%
Living and Giving Limited	Name protection	**100%**	100%

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

Historical cost convention

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

Critical accounting judgements and estimates

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

Areas of Estimation	**Note**
Inventories	*3.1.3*

Foreign currency translation

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

2. Performance

For the 52 week period ended 27 January 2019

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 (2018: 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 and used by CODM to assess the performance of the operating segments.

For the period ended 27 January 2019

	Homeware $000	Sporting goods $000	Eliminations / Unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	403,159	228,760	-	631,919
Gross profit	162,170	91,185	-	253,355
Earnings before interest and tax	46,689	31,062	8,244	85,995
Finance income	177	537	40	754
Finance costs	-	-	(142)	(142)
Net finance income / (costs)	177	537	(102)	612
Income tax expense	(13,256)	(8,849)	(1,109)	(23,214)
Net profit after tax	33,610	22,750	7,033	63,393
BALANCE SHEET ITEMS:				
Assets	155,031	107,444	102,877[1.]	365,352
Liabilities	56,287	39,399	(3,875)	91,811
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	19,443	2,148	5,568	27,159
Depreciation and amortisation	4,720	2,064	-	6,784

	$000
1. Investment in equity securities	*101,989*
Intercompany eliminations	*(812)*
Other balances	*1,700*
Total	*102,877*

2. Performance

For the 52 week period ended 27 January 2019

For the period ended 28 January 2018

	Restated Homeware $000	Restated Sporting goods $000	Eliminations / Unallocated $000	Restated Total Group $000
INCOME STATEMENT				
Total sales revenue	385,217	219,919	-	605,136
Gross profit	154,087	87,807	-	241,894
Earnings before interest and tax	46,120	30,225	7,019	83,364
Finance income	187	337	43	567
Finance costs	-	-	(136)	(136)
Net finance income / (costs)	187	337	(93)	431
Income tax expense	(13,140)	(8,559)	(771)	(22,470)
Net profit after tax	33,167	22,003	6,155	61,325
BALANCE SHEET ITEMS:				
Assets	148,922	93,218	96,431[1.]	338,571
Liabilities	50,703	39,078	362	90,143
OTHER SEGMENTAL ITEMS:				
Acquisitions of property, plant and equipment, intangibles and investments	11,083	2,923	-	14,006
Depreciation and amortisation	4,269	1,964	-	6,233

		$000
1.	*Investment in equity securities*	*95,427*
	Intercompany eliminations	*(863)*
	Other balances	*1,867*
	Total	*96,431*

2. Performance
For the 52 week period ended 27 January 2019

2.2 Income and Expenses

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

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

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

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

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

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 27 January 2019 $000	Period ended 28 January 2018 $000
Lease commitments expire as follows:		
Within one year	**28,604**	28,483
One to two years	**25,938**	23,307
Two to five years	**48,295**	44,097
Beyond five years	**38,558**	29,807
Total operating lease rental commitments	**141,395**	125,694

2. Performance

For the 52 week period ended 27 January 2019

Profit before income tax includes the following specific income and expenses:	**Period ended 27 January 2019 $000**	Period ended 28 January 2018 $000
Income		
Rental income	**589**	801
Dividends received	**6,405**	5,216
Insurance recovery	**-**	243
Expenses		
Operating lease expense	**33,624**	31,299
Wages, salaries and other short term benefits	**72,905**	64,611
Share options expense (refer also Note 6.2)	**483**	632
Depreciation of property, plant and equipment	**5,981**	5,521
Amortisation of software costs	**803**	712
Amounts paid to auditors:		
Statutory Audit[1.]	**128**	115
Half year review	**26**	26
Other services[2.]	**134**	-

1. Statutory Audit includes audit work performed in relation to new accounting standards.

2. Other services provided relates to financial and taxation due diligence services in relation to a possible acquisition ($93,000) and executive remuneration review and advice ($41,000).

2.3 Taxation

Current and deferred income tax

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

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

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

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

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

Goods and Services Tax (GST)

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

2.3.1 Taxation – Income statement

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

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
(a) Income tax expense		
Current tax expense:		
Current tax	**23,376**	21,539
Adjustments for prior periods	**723**	861
	24,099	22,400
Deferred tax expense:		
Decrease in future tax benefit current period	**(142)**	882
Adjustments for prior periods	**(743)**	(812)
	(885)	70
Total income tax expense	**23,214**	22,470
(b) Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	**86,607**	83,795
Tax at the corporate rate of 28% (2018: 28%)	**24,250**	23,463
Tax effect of amounts which are either non-deductible or non-assessable in calculating taxable income:	**(1,016)**	(1,042)
Tax effect of disposal of buildings	**-**	-
Prior period adjustments	**(20)**	49
Total income tax expense	**23,214**	22,470

The Group has no tax losses (2018: Nil) and no unrecognised temporary differences (2018: Nil).

2.3.2 Taxation – Balance sheet

(a) Deferred Taxation

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

	Depreciation $000	Provisions $000	Derivative financial instruments $000	Total $000
At 29 January 2017	103	2,594	318	3,015
Credited / (charged) to the income statement	(297)	227	-	(70)
Net credited to other comprehensive income	-	-	38[1.]	38
At 28 January 2018	(194)	2,821	356	2,983
Credited to income statement	**32**	**853**		**885**
Net charged to other comprehensive income	**-**	**-**	**(450)**[1.]	**(450)**
At 27 January 2019	**(162)**	**3,674**	**(94)**	**3,418**

1. Net credited to other comprehensive income comprises deferred tax on fair value gain taken to income statement of $1,093,249 (2018: deferred tax on fair value loss of $135,519) and deferred tax on fair value gain taken to cash flow hedge reserve of $1,542,469 (2018: deferred tax on fair value loss of $173,830).

(b) Taxation payable

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

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Movements:		
Balance at beginning of period	**(6,980)**	(6,284)
Current tax	**(24,099)**	(22,400)
Tax paid	**23,932**	21,412
Foreign investor tax credit (FITC)	**317**	292
Balance at end of period	**(6,830)**	(6,980)

2.3.3 Imputation credits

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Imputation credits available for use in subsequent accounting periods	**85,445**	77,128

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

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

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

2.4 Earnings per share

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

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

Diluted EPS adjusts for any commitments the Group has to issue shares in the future that would decrease the Basic EPS. These are in the form of 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 27 January 2019 $000	Period ended 28 January 2018 $000
Net profit attributable to shareholders	**63,393**	61,325
Basic		
Weighted average number of ordinary shares on issue (thousands)	**221,130**	220,227
Basic earnings per share	**28.7 cents**	27.8 cents
Diluted		
Weighted average number of ordinary shares on issue adjusted for share options issued but not exercised (thousands)	**224,207**	224,452
Diluted earnings per share	**28.3 cents**	27.3 cents

3. Operating Assets and Liabilities

For the 52 week period ended 27 January 2019

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 27 January 2019 $000	Period ended 28 January 2018 $000
Cash at bank or in hand	**80,777**	78,193

As at 27 January 2019 the Group held foreign currency equivalent to NZ$1.820 million (2018: NZ$1.725 million) which is included in the table above. The foreign currency in which the Group deals primarily is the US Dollar.

3.1.2 Trade and other receivables

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

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Trade receivables	**513**	571
Prepayments	**1,612**	1,451
Other receivables	**697**	715
Total trade and other receivables	**2,822**	2,737

No interest is charged on trade receivables.

3. Operating Assets and Liabilities

For the 52 week period ended 27 January 2019

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 between the date of the last applicable stocktake and balance date. In recognising the provision for inventory, judgement has been applied by considering a range of factors including historical results, current trends and specific product information from buyers.

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Finished goods	**84,816**	78,894
Inventory provisions and adjustments	**(3,799)**	(4,400)
Net inventories	**81,017**	74,494

3.1.4 Trade and other payables

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

Trade payables

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

Employee entitlements

Wages and salaries, annual leave and sick leave

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

Bonus plans

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

Long service leave

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

Provisions

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

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

3. Operating Assets and Liabilities

For the 52 week period ended 27 January 2019

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Trade payables	**57,509**	57,859
Employee entitlements[1.]	**12,344**	10,089
Other payables and accruals	**14,562**	13,838
Provisions	**118**	101
Total trade and other payables	**84,533**	81,887
Shown in balance sheet as:		
Current liabilities	**83,754**	81,161
Non-current liabilities	**779**	726
Total trade and other payables	**84,533**	81,887

1. Includes accrual for annual leave entitlements in relation to Ministry of Business, Innovation and Employment (MBIE) audit $2.05 million (2018: Nil).

3.2 Property, Plant and Equipment

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

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

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

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

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

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

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

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

3. Operating Assets and Liabilities

For the 52 week period ended 27 January 2019

	Land and buildings $000	Plant and equipment $000	Total $000
At 29 January 2017			
Cost	60,636	76,846	137,482
Accumulated depreciation	(3,995)	(57,402)	(61,397)
Accumulated impairment	-	(4)	(4)
Net book value	56,641	19,440	76,081
Period ended 28 January 2018			
Opening net book value	56,641	19,440	76,081
Additions	5,412	7,476	12,888
Disposals	-	(122)	(122)
Depreciation charge	(784)	(4,737)	(5,521)
Closing net book value	61,269	22,057	83,326
At 28 January 2018			
Cost	66,047	78,582	144,629
Accumulated depreciation	(4,778)	(56,523)	(61,301)
Accumulated impairment	-	(2)	(2)
Net book value	61,269	22,057	83,326
Period ended 27 January 2019			
Opening net book value	**61,269**	**22,057**	**83,326**
Additions	**16,113**	**3,519**	**19,632**
Disposals	**(4,894)**	**(67)**	**(4,961)**
Depreciation charge	**(1,075)**	**(4,906)**	**(5,981)**
Closing net book value	**71,413**	**20,603**	**92,016**
At 27 January 2019			
Cost	**77,115**	**79,556**	**156,671**
Accumulated depreciation	**(5,702)**	**(58,953)**	**(64,655)**
Net book value	**71,413**	**20,603**	**92,016**

Capital commitments	**Period ended 27 January 2019 $000**	Period ended 28 January 2018 $000
Capital commitments in relation to property, plant and equipment at balance date not provided for in the financial statements	**7,830**[1.]	**18,789**[1.]

1. $7.3 million relates to a building contract for the development and construction of new retail and office premises at Taylors Road, Auckland (2018: $18.3 million).

3.3 Intangible Assets

Intangible assets are non-physical assets used by the Group to operate the business. Software costs have a finite useful life. Software costs 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 52 week period ended 27 January 2019

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

4.1 Investment in equity securities

In June 2015 Briscoe Group Limited acquired 40,095,432 shares in Kathmandu Holdings Limited (Kathmandu) for a value of $68,682,734. During March and April 2018, as part of capital raising programmes initiated by Kathmandu, Briscoe Group Limited acquired a further 2,577,870 shares for a cost of $5,568,198. The holding represented an 18.87% ownership in Kathmandu Holdings Limited as at 27 January 2019. These shares are equity investments, quoted in the active market, which the Group has elected to designate as a financial asset at fair value through other comprehensive income (FVOCI). This designation has been made because the investment meets the definition of an equity instrument and is not held for trading. An adjustment was made at period end to reflect the fair value of these shares as at 27 January 2019[1].

Until 28 January 2018, the Group classified its equity investment as an available-for-sale financial asset. Available-for-sale financial assets were investments that did not have fixed maturities and fixed or determinable payments, and that were intended to be held for the medium to long-term.

Available-for-sale financial assets were initially recognised at fair value and subsequently carried at fair value. Changes in the fair value of available-for-sale financial assets were recognised in other comprehensive income. To determine if an available-for-sale financial asset was impaired, the Group evaluated the duration and extent to which the fair value of the asset was 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). When available-for-sale financial assets were sold or impaired, the accumulated fair value adjustments recognised in equity were included as gains or losses in the income statement. Dividends on available-for-sale financial assets were recognised in the income statement as part of 'Other operating income' when the right to receive the payment was established.

Classification under FVOCI will not affect the previous measurement of these equity instruments, however cumulative gains or losses realised on the sale of equity instruments at FVOCI will no longer be transferred to profit or loss on sale, but instead will be transferred to retained earnings.

	$000
At 29 January 2017	76,582
Additions	-
Change in value credited to other reserves	18,845
At 28 January 2018	95,427
Additions	**5,568**
Change in value credited to other reserves	**994**
At 27 January 2019	**101,989**

1. *Fair value determined to be $2.39 per share as per NZX closing price of Kathmandu Holdings Limited as at 27 January 2019 (2018: $2.38) (Level 1 in the fair value hierarchy).*

5. Financing and Capital Structure

For the 52 week period ended 27 January 2019

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 an unsecured facility with the Bank of New Zealand for $40 million. Any drawdowns are repayable in full on expiry date of the facility being 20 September 2019. Interest is payable based on the BKBM rate plus applicable margin. 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 $10 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 period. 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 27 January 2019. (2018: Nil).

Net finance income / (costs)

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Interest income	**754**	567
Interest expense	**(10)**	(23)
Other finance costs	**(132)**	(113)
Net finance income / (costs)	**612**	431

5.2 Financial Risk Management

The Group's activities expose it to various financial risks including credit risk, liquidity risk, credit risk and market risk (such as currency risk, interest rate risk and equity price risk). The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. The Group uses certain derivative financial instruments to hedge certain risk exposures.

5.2.1 Derivative financial instruments

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

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

Cash flow hedge

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

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

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

Derivatives that do not qualify for hedge accounting

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

5.2.2 Credit risk

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

5.2.3 Interest rate risk

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

5.2.4 Liquidity risk

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

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

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

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

As at 27 January 2019

	3 months or less $000	**3 – 6 months $000**	**6 – 9 months $000**	**9 – 12 months $000**	**Total $000**	**Carrying Value $000**
Trade and other payables	**(83,755)**	**-**	**-**	**-**	**(83,755)**	**(83,755)**
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	**(16,808)**	**(14,538)**	**(22,450)**	**(365)**	**(54,161)**	
- inflow	**17,338**	**14,367**	**22,434**	**367**	**54,506**	
- Net	**530**	**(171)**	**(16)**	**2**	**345**	**345**

As at 28 January 2018

	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	(81,161)	-	-	-	(81,161)	(81,161)
Forward foreign exchange contracts						
Cash flow hedges:						
- outflow	(15,778)	(15,481)	(19,010)	(5,572)	(55,841)	
- inflow	15,352	15,358	18,441	5,461	54,612	
- Net	(426)	(123)	(569)	(111)	(1,229)	(1,229)

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

5.2.5 Market risk

Equity price risk

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

Foreign exchange risk

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

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

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

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

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Current assets		
Forward foreign exchange contracts	**793**	47
Total current derivative financial instrument assets	**793**	47
Current liabilities		
Forward foreign exchange contracts	**448**	1,276
Total current derivative financial instrument liabilities	**448**	1,276

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

Forward foreign exchange contracts – cash flow hedges

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

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

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

At balance date these contracts are represented by assets of $793,395 (2018: $47,375) and liabilities of $448,000 (2018: $1,276,338) and together are included in equity as part of the cash flow hedge reserve, net of deferred tax, as a net gain of $248,677 (2018: net loss $884,854). The cash flow hedge reserve also consists of gains and losses, net of deferred tax, from foreign currencies used as hedges, as a net loss of $8,543 (2018: net loss of $30,151). The total of these net gains and losses amount to a net loss of $240,134 (2018: net loss $915,005).

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 (2018: 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% / +5% (2018: -10% / +5%) in the NZD against the USD, from the period-end rate of 0.6761 (2018: 0.7321),
- A shift of -0.25% / +0.25% (2018: -0.25% / +0.50%) in market interest rates from the period-end weighted average deposit rate of 2.27% (2018: 2.26%).
- A shift of -10% / +20% (2018: -10% / +20%) in the NZX share price of Kathmandu Holdings Ltd from the period-end closing share price of $2.39 (2018: $2.38).

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

As at 27 January 2019		**Interest rate**				**Foreign exchange rate**		**Equity price**	
		-0.25%		**+0.25%**		**-10%**	**+5%**	**-10%**	**+20%**
	Carrying amount $000	**Profit $000**	**Equity $000**	**Profit $000**	**Equity $000**	**Equity $000**	**Equity $000**	**Equity $000**	**Equity $000**
Financial assets:									
Cash and cash equivalents[1.]	**80,777**	**(142)**	**(142)**	**142**	**142**	**146**	**(62)**	**-**	**-**
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**793**	**-**	**-**	**-**	**-**	**2,565**	**(1,050)**	**-**	**-**
Investment in equity securities[3.]	**101,989**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,199)**	**20,398**
Financial liabilities:									
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	**448**	**-**	**-**	**-**	**-**	**1,844**	**(761)**	**-**	**-**
Total increase /(decrease)		**(142)**	**(142)**	**142**	**142**	**4,555**	**(1,873)**	**(10,199)**	**20,398**

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

As at 28 January 2018		Interest rate				Foreign exchange rate		Equity price	
		-0.25%		+0.50%		-10%	+5%	-10%	+20%
	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000	Equity $000	Equity $000	Equity $000	Equity $000
Financial assets:									
Cash and cash equivalents[1.]	78,193	(138)	(138)	275	275	138	(59)	-	-
Derivatives – designated as cashflow hedges (Forward foreign exchange contracts)[2.]	47	-	-	-	-	449	(178)	-	-
Investment in equity securities[3.]	95,427	-	-	-	-	-	-	(9,623)	19,246
Financial liabilities:									
Derivatives – designated as. cashflow hedges (Forward foreign exchange contracts)[2.]	1,276	-	-	-	-	4,027	(1,613)	-	-
Total increase /(decrease)		(138)	(138)	275	275	4,614	(1,850)	(9,623)	19,246

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

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

5.3 Equity

5.3.1 Capital risk management

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

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

5.3.2 Share Capital

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

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

5. Financing and Capital Structure

For the 52 week period ended 27 January 2019

Contributed equity – ordinary shares	No. of authorised shares		Share capital	
	Period ended 27 January 2019 Shares	Period ended 28 January 2018 Shares	**Period ended 27 January 2019 $000**	Period ended 28 January 2018 $000
Opening ordinary shares	**220,794,500**	219,516,500	**56,467**	52,756
Issue of ordinary shares arising from the exercise of options	**805,000**	1,278,000	**2,462**[1.]	3,711[1.]
Balance at end of period	**221,599,500**	220,794,500	**58,929**	56,467

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 805,000 shares issued during the period ended 27 January 2019 were $284,059 and $2,178,550 respectively (2018: $428,612 and $3,281,940 respectively for the 1,278,000 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 27 January 2019 Cents per share	Period ended 28 January 2018 Cents per share	**Period ended 27 January 2019 $000**	Period ended 28 January 2018 $000
Interim dividend for the period ended 27 January 2019	**8.00**	-	**17,689**	-
Final dividend for the period ended 28 January 2018	**11.50**	-	**25,401**	-
Interim dividend for the period ended 28 January 2018	**-**	7.50	**-**	16,558
Final dividend for the period ended 29 January 2017	**-**	11.00	**-**	24,152
	19.50	18.50	**43,090**	40,710

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 $316,690 (2018: $291,572) were provided to shareholders not tax resident in New Zealand, for which the Group received a Foreign Investor Tax Credit entitlement.

On 12 March 2019 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 27 January 2019. The dividend will be paid at a rate of 12.00 cents per share for all shares on issue as at 26 March 2019, with full imputation credits attached.

5.3.4 Reserves and Retained Earnings

Cashflow hedge reserve

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

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. (Refer also to the consolidated statement of changes in equity and note 4.1).

6. Other Notes

For the 52 week period ended 27 January 2019

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. All transactions with related parties were in the normal course of business and 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 is a trustee, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments of $645,000 (2018: $640,166) from the Group, under an agreement to lease premises to The Sports Authority Limited (trading as Rebel Sport).
- Kein Geld (NZ) Limited, an entity associated with RA Duke, received rental payments of $535,164 (2018: $535,164) as owner of the Briscoes Homeware premises at Wairau Park, Auckland, under an agreement to lease premises to Briscoes (NZ) Limited.
- The RA Duke Trust received dividends of $33,283,012 (2018: $31,523,225).
- P Duke, spouse of the Managing Director, received payments of $65,000 (2018: $65,000) in relation to her employment as an overseas buying specialist with Briscoe Group Limited, and rental payments of $825,000 (2018: $825,000) as owner of the Briscoes Homeware premises at Panmure, Auckland under an agreement to lease premises to Briscoes (NZ) Limited.

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 27 January 2019 $000	Period ended 28 January 2018 $000
Salaries and other short-term employee benefits	**2,748**	2,657
Share options benefit	**117**	148
Directors' fees	**357**	333
Total benefits	**3,222**	3,138

Key management did not receive any termination benefits during the period (2018: Nil).
Key management did not receive and are not entitled to receive any post-employment or long-term benefits (2018: Nil).
Executives included in key management received dividends of $250,812 (2018: $232,502) in relation to Briscoe Group shares held.

6.1.3 Directors' Fees and Dividends

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

	Period ended 27 January 2019		Period ended 28 January 2018	
	Directors' fees $000	**Dividends $000**	Directors' fees $000	Dividends $000
Executive Director				
RA Duke	**-**	**-**	-	-
Non-Executive Directors				
RPO'L Meo	**128**	**-**	107	-
MM Devine	**75**	**2**	75	6
AD Batterton	**78**	**-**	77	-
RAB Coupe	**76**	**2**	74	1
	357	**4**	333	7

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

	Period ended 27 January 2019 $000	Period ended 28 January 2018 $000
Executive Director		
RA Duke	**33,283**	31,523
Non-Executive Directors		
RPO'L Meo	**19**	19
MM Devine	**-**	-
AD Batterton	**3**	1
RAB Coupe	**-**	-

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.

The Company did not issue options during the financial period (2018: Nil).

The estimated fair value for each tranche of options issued is expensed over the vesting period of three years, from the grant date. The Company has expensed in the income statement $482,575 (2018: $632,186).

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

	Period ended 27 January 2019		Period ended 28 January 2018	
	Weighted average exercise price $ per share	**Options $000**	Weighted average exercise price $ per share	Options $000
Balance at beginning of period	**2.98**	**3,547**	2.86	5,035
Issued	**-**	**-**	-	-
Forfeited	**3.10**	**(40)**	2.85	(135)
Exercised	**2.71**	**(805)**	2.57	(1,278)
Lapsed	**2.64**	**(230)**	2.43	(75)
Balance at end of period	**3.09**	**2,472**	2.98	3,547

Weighted average share price for options exercised during the period $3.41 (2018: $3.87).
Of the 2,472,000 outstanding options at balance date (2018: 3,547,000), 952,000 were exercisable (2018: 550,000).

6. Other Notes

For the 52 week period ended 27 January 2019

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

Expiry month		Exercise month		Exercise price	**Period ended 27 January 2019 000**	Period ended 28 January 2018 000
July	2018	July	2017	$2.64	**-**	550
November	2019	November	2018	$2.75	**952**	1,452
August	2020	August	2019	$3.31	**1,520**	1,545
Total share options outstanding					**2,472**	3,547

The weighted average remaining contractual life of options outstanding at the end of the period was 1.21 years (2018: 1.88).

Share options reserve	**Period ended 27 January 2019 $000**	Period ended 28 January 2018 000
Balance at beginning of period	**1,045**	957
Current period amortisation	**483**	632
Options forfeited and lapsed transferred to retained earnings	**(147)**	(115)
Options exercised transferred to share capital	**(284)**	(429)
Balance at end of period	**1,097**	1,045

Since balance date and up to the date of these financial statements a further 50,000 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 27 January 2019 (2018: Nil).

6.4 Events After Balance Date

On 12 March 2019 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 27 January 2019. The dividend will be paid at a rate of 12.00 cents per share for all shares on issue as at 26 March 2019, with full imputation credits attached. (Note 5.3.3)

Since balance date and up to the date of these financial statements a further 50,000 ordinary shares have been issued under the Executive Share Option Plan as a result of executives exercising share options issued to them in 2015 (refer Note 6.2).

6.5 New Accounting Standards

There were two new standards adopted during the period.

- ***NZ IFRS 9: Financial Instruments*** (effective for annual periods beginning on or after 1 January 2018). This standard addresses the classification, measurement and recognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

  The Group notes the following impacts from the adoption of the new standard on 29 January 2018. In accordance with the transitional provisions in NZ IFRS 9, comparative figures have not been restated.

  The Group has assessed which business models apply to its financial assets and classified these into the appropriate categories under NZ IFRS 9. The only reclassification arising is for the investment in equity securities which was previously classified under NZ IAS 39 as an available for sale financial asset, and for which a fair value through other comprehensive income (FVOCI) election is available under NZ IFRS 9. The Group has taken this election. The new standard will not affect the measurement of these equity instruments . However, cumulative gains or losses realised on the sale of equity instruments at FVOCI will no longer be transferred to profit or loss on sale, but instead will be reclassified from Other Reserves to Retained Earnings.

  There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have such liabilities. The derecognition rules have been transferred from NZ IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

  The new hedge accounting rules align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group's risk management strategies and hedge documentation were updated to align with the requirements of NZ IFRS 9 from 29 January 2018, and these relationships are treated as continuing hedges. The Group's current hedge relationships qualify as continuing cash flow hedges upon the adoption of NZ IFRS 9. Under NZ IFRS 9, the Group's forward foreign exchange contracts are accounted for using the forward rate approach, whereby the hedged risk is designated as being changes in the forward rate, with changes in the full fair value of the forward contracts being accounted for through other comprehensive income (to the extent the hedge is effective). Accordingly, the Group does not have a significant impact on the accounting treatment for its hedging relationships. The nature and extent of the Group's disclosure note in relation to its hedging relationships has been changed and been incorporated into these consolidated financial statements for the period ended 27 January 2019.

  The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as was the case under NZ IAS 39. The standard applies to the Group in relation to financial assets classified at amortised cost, being the Group's trade receivables. Based on the Group's assessment of historical provision rates and forward-looking analysis, there is no material financial impact on the impairment provisions.

- ***NZ IFRS 15: Revenue from contracts with customers*** (effective for annual periods beginning on or after 1 January 2018)

  This standard addresses recognition of revenue. It replaces the current revenue recognition guidance in NZ IAS 18 Revenue and NZ IAS 11 Construction Contracts. The new standard is based on the principle that revenue is recognised when control of a good and service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption. The Group has taken a full retrospective approach and no practical expedients have been applied.

Adoption of NZ IFRS 15 has given rise to the reclassification of both delivery fees charged to customers and the corresponding cost incurred by the Group for these customer deliveries. Delivery fees charged to customers are considered to be part of the same performance obligation as the sale of the goods, as control of the goods passes to customers when they physically receive the goods. Previously, the delivery fees charged to customers and the corresponding cost incurred by the Group have been offset and the net cost shown under store expenses. Under NZ IFRS 15, it has been determined that control of the goods does not pass to the customer until delivery, because the customer cannot use or otherwise benefit from the goods until obtaining possession of the goods, which occurs on delivery. The reclassification has the following effects in the period ended 27 January 2019:

- increases sales revenue and receipts from customers by the amount of the delivery fees charged by the Group to customers by $2.31 million,
- increases the cost of goods sold by the amount of the cost incurred by the Group for the deliveries by $5.04 million, and
- decreases store expenses by $2.73 million
- increases payments made to suppliers by $2.31 million.

The Group's income statement for the comparative period shown in these consolidated financial statements has been restated to reflect the reclassification outlined above. A reconciliation showing the adjustments made to the income statement to restate the prior period comparatives is shown below:

	Period ended 28 January 2018 Before Restatement $000	Adjustments $000	**Period ended 28 January 2018 After Restatement $000**
Sales revenue	603,086	2,050	**605,136**
Cost of goods sold	(358,914)	(4,328)	**(363,242)**
Gross profit	244,172	(2,278)	**241,894**
Other operating income	6,260	-	**6,260**
Store expenses	(101,763)	2,278	**(99,485)**
Administration expenses	(65,305)	-	**(65,305)**
Earnings before interest and tax	83,364	-	**83,364**
Finance Income	567	-	**567**
Finance Costs	(136)	-	**(136)**
Net finance income/(costs)	431	-	**431**
Profit before income tax	83,795	-	**83, 795**
Income tax expense	(22,470)	-	**(22,470)**
Net profit attributable to shareholders	61,325	-	**61,325**

As a result of the above reclassification the statement of cashflows for the period ended 28 January 2018 has been restated to increase receipts from customers and payments made to suppliers by $2.05 million.

There were no other material impacts on revenue recognition or material impact on opening retained earnings or the comparative balance sheet as a result of the adoption of NZ IFRS 15. There was no impact on basic or diluted earnings per share as a result of adopting NZ IFRS 15.

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 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 income statement will also be impacted by the recognition of an interest expense and a depreciation expense and the removal of the current rental expense.

  This standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $141 million (refer note 2.2). On adoption, NZ IFRS 16 will have a significant impact on the Group's consolidated balance sheet and consolidated income statement.

  Management has developed a model to calculate the full quantitative impact of their current operating leases under NZ IFRS 16 as at 28 January 2019, being the date of adoption. The model requires management to make some key judgements including:
  - the incremental borrowing rate used to discount lease assets and liabilities; and
  - the lease term including potential rights of renewals.

  Management's process to date highlights that the potential impact based on the current lease arrangements is expected to be material to the consolidated balance sheet on the date of adoption (being 28 January 2019), with impacts on the following line items:
  - Recognition of a right of use asset of approximately $218 million;
  - Recognition of a lease liability of approximately $246 million; and
  - Decrease in opening retained earnings of approximately $28 million.

  Management is in the process of assessing the deferred tax implications on the date of adoption. In addition to the above and subject to issuance of specific guidance from the accounting standard setters, it is expected that a deferred taxation asset of approximately $7.8 million will be recognised at 28 January 2019. The decrease in opening retained earnings referred to above would consequently reduce to approximately $20.2 million.

  The impact on the consolidated income statement for the period ending 26 January 2020 is expected to be:
  - Decrease in store expenses (operating lease rental expense) of approximately $29.3 million;
  - Decrease in administration expenses (operating lease rental expense) of approximately $1.3 million;
  - Increase in depreciation and amortisation expense of approximately $18.8 million; and
  - Increase in finance costs (interest expense) of approximately $15.1 million.

  The above has no cash effect to the Group and the change is for financial reporting purposes only.

  Current estimates are likely to change for the period ending 26 January 2020, mainly due to:
  - Finalisation of management's judgements and subsequent movements in the inherent borrowing rate (interest rates);
  - New lease contracts entered into by the Group;
  - Any changes to existing lease contracts; and
  - Change in management's judgement to exercise rights of renewals under lease arrangements.

The Group will adopt the simplified transition approach under NZ IFRS 16 in the period ending 26 January 2020 and will not restate comparative amounts for the period prior to first adoption.

The Group will apply the following practical expedients in adopting NZ IFRS 16:

- The use of hindsight, in relation to stores' previous performance, to determine the lease term where the lease contains options to exercise rights of renewal out to the final term of the lease; and
- Non-capitalisation of leases that expire within twelve months from adoption date. Costs relating to these leases will be continue to be recognised in the income statement within store expenses and administration expenses.

Independent auditor's report

To the shareholders of Briscoe Group Limited

We have audited the consolidated financial statements which comprise:

- the consolidated balance sheet as at 27 January 2019;
- the consolidated income statement for the period then ended;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the notes to the consolidated financial statements, which include the general accounting policies

Our opinion

In our opinion, the accompanying consolidated financial statements of Briscoe Group Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 27 January 2019, its financial performance and its cash flows for the period then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis for opinion

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

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

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

Our firm carries out other services for the Group comprising of a review of the interim consolidated financial statements, financial and tax due diligence in relation to a possible acquisition and executive remuneration benchmarking services. The provision of these other services has not impaired our independence as auditor of the Group.

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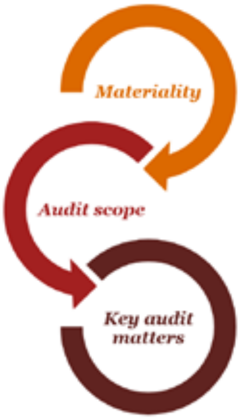
Our audit approach

Overview



An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Overall Group materiality: $4.3 million, which represents 5% of profit before tax.

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

We have determined that there is one key audit matter for the period ended 27 January 2019, being inventory existence and valuation.

Materiality

The scope of our audit was influenced by our application of materiality.

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

Audit scope

We designed our audit by assessing the risks of material misstatement in the consolidated financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Inventory existence and valuation At 27 January 2019, the Group held inventories of $81.0 million. Given the size of inventory relative to the total assets of the Group, the number of stores and judgement applied in valuation, inventory is a key audit matter. As described in note 3.1.3 of the consolidated financial statements, inventories are stated at the lower of cost and net realisable value. The Group has sophisticated systems and processes, including an inventory scanning system, to accurately record inventory movement and costing. Cyclical counts of inventory are performed at various times throughout the period ensuring that all inventory at stores is counted twice a year. Management pays particular attention in ensuring the Group has the right levels of inventory as well as applying judgement over inventory adjustments, in particular the level of provisions for inventory which is expected to sell for less than cost, stock obsolescence and inventory likely to have been lost through shrinkage since the last stocktake.	We performed a number of audit procedures to address inventory existence and valuation: • Observed management's stocktake process at selected locations throughout the period and undertook our own test counts. For those locations not visited, on a sample basis, inspected the results of stock counts and confirmed stock count variances were correctly accounted for. We also validated all stores had been counted twice during the period. • Gained an understanding of inventory processes and tested the effectiveness of certain key inventory controls over inventory movement, purchasing and costing. • On a sample basis, tested inventory costing to supplier invoices and contracts. • Held discussions with management, including merchandising personnel, to understand and corroborate the assumptions applied in estimating inventory provisions. • Tested the aging of inventory based on purchase date to supplier invoices to ensure slow moving inventory has been adequately identified. We evaluated the assumptions made by management in assessing inventory obsolescence provisions through an analysis of inventory items by category and age and the level of inventory write downs in categories during the period. • Tested that period-end inventory is carried at lower of cost and net realisable value by testing a sample of inventory items to the most recent retail price less costs to sell. • Assessed the inventory shrinkage provision by reviewing the level of inventory write downs during the period. We tested the shrinkage rate used to calculate the provision for each store since the last stocktake by comparing it to the actual shrinkage rates previously observed. • Compared all inventory provisions as a percentage of gross inventory to the prior period. From the procedures performed we have no matters to report.

Information other than the consolidated financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the consolidated financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Directors for the consolidated financial statements

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

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

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

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

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

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

This description forms part of our auditor's report.

Who we report to

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

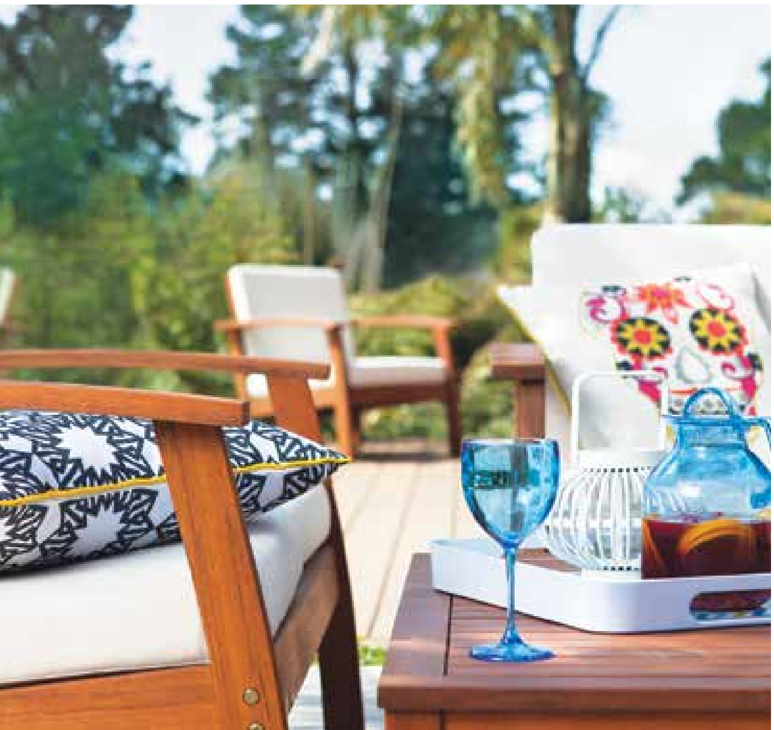
The engagement partner on the audit resulting in this independent auditor's report is Jonathan Freeman.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
12 March 2019

Auckland



Corporate Governance Statement

Corporate Governance

Briscoe Group is committed to maintaining the highest standards of governance by implementing best practice structures and policies. This Corporate Governance Statement sets out the corporate governance polices, practices, and processes adopted or followed by Briscoe Group (including the guiding principles, authority, responsibilities, membership and operation of the Board of Directors) as at 27 January 2019 and has been approved by the Board.

The best practice principles (and underlying recommendations) which Briscoe Group has had regard to in determining its governance approach, are the principles set out in the NZX Corporate Governance Code 2017 ('NZX Code'). The Board's view is that Briscoe Group's corporate governance policies, practices and processes generally follow the recommendations set by the NZX Code. This Corporate Governance Statement includes disclosure of the extent to which Briscoe Group has followed each of the recommendations in the NZX Code (or, if applicable, an explanation of why a recommendation was not followed and any alternative practices followed in lieu of the recommendation).

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

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

Principle 1 – Code of Ethical Behaviour

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

Code of Values and Conduct and Related Policies

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

Briscoe Group expects its Directors, senior management and employees to maintain the highest standards of honesty, integrity and ethical conduct in day to day behaviour and decision making. The Board has adopted a Code of Conduct which incorporates the requirements set out in Recommendation 1.1, forms part of the induction process for all new employees and is available on Briscoe Group's website. All Directors and employees must provide acknowledgement that they have read and understood the content. In addition, it is the intention of the Company to incorporate training in relation to the Code of Conduct into its online training modules.

Trading in Company Securities Policy

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

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

Principle 2 – Board Composition and Performance

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

Board Charter

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

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

Nomination and Appointment of Directors

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

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

When appointing new Directors, the Board ensures that the constitutional requirements in respect of Directors will continue to be satisfied. There must be at least three and no more than five, at least two of whom are resident in New Zealand and also at least two Directors must be determined by the Board to be independent.

The constitution provides that all Directors are elected by Shareholders. Directors may be appointed by the Board to fill vacancies, but they are then subject to re-election at the next annual Shareholder meeting. In addition to Directors retiring by rotation, and eligible for re-election, nominations may be made by Shareholders. All new Directors enter into a written agreement with Briscoe Group setting out the terms of their appointment.

Directors

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

The Board currently comprises four Directors; three Non-Executive and one Executive Director. The Board has considered which of its Directors are deemed to be independent for the purposes of the NZX Listing Rules and has determined that as at 27 January 2019, four Directors were independent Directors, including the Chair and the Chair of the Audit and Risk Committee. As at the date of this annual Report, the Directors are:

Dame Rosanne Meo	Chair, Independent	Appointed in May 2001
Rod Duke	Executive Director	Appointed in March 1992
Tony Batterton	Independent	Appointed in June 2016
Andy Coupe	Independent	Appointed in October 2016
Mary Devine[1.]	Independent	Appointed in August 2013

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

Directors disclosed the following relevant interests in shares as at 27 January 2019:

Director	Number of shares in which a relevant interest is held
Dame Rosanne Meo	100,000 shares
Rod Duke	170,878,656 shares
Tony Batterton	20,000 shares
Andy Coupe	10,000 shares
Mary Devine[1.]	10,000 shares

1. Mary Devine resigned as a director effective from 31 March 2019.

Diversity

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

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

We acknowledge that the retail sector has traditionally had high representation of women in its operations and yet has been poorly represented in senior management. We have a very high level of long term employees and a strong "sense of belonging within the Briscoes family."

Similarly, there has been an inadequate retail specific tertiary educational focus, although it has, as a sector, provided a working environment with good opportunities for family-oriented work place balance through long term part-time participation. Education is fundamental and we are pleased with the developments in this area in recent years with a number of employees having recently commenced tertiary study to support their continued development.

The Board and management recognise that diversity without inclusiveness does not result in the balanced workforce desired in the business. Briscoe Group has in place policies and procedures to encourage and support equitable treatment for all employees and includes consideration of applicants for jobs with the Group.

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

At Board level, diversity across the spectrum of gender, age, experience and education has been well achieved and well demonstrates our commitment.

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

	27 January 2019		28 January 2018	
	Female	Male	Female	Male
Directors	2	3	2	3
Officers[1,2,3]	-	3	-	3

1. Excludes Managing Director (included in breakdown of Directors).
2. Officers is defined as the members of the senior management team, who report either directly to the Board or to the Group Managing Director.
3. Includes Chief Operating Officer who has announced his intention to retire during the first quarter of 2019.

Director Training

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

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

Board Evaluation

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

The Chair of the Board leads an annual performance review and evaluation of the performance of directors, the Board as a whole, and of the Board committees against the Board and committee charters, including seeking Director's views relating to Board and committee process, efficiency and effectiveness. The Chair of the Board also engages with individual Directors to evaluate and discuss performance and professional development.

Separation of Board Chair and CEO

***Recommendation 2.8:** The Chair and the CEO should be different people.*

The Board Charter makes explicit that the Chairman and the Managing Director roles are separate.

Principle 3 – Board Committees

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

Audit and Risk Committee

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

The Audit and Risk Committee operates under a written Charter, and this is available on Briscoe Group's website. The Audit and Risk Committee comprises Tony Batterton (Chair), Dame Rosanne Meo, Andy Coupe and Rod Duke and met two times during the year. The Audit and Risk Committee advises and assists the Board in discharging its responsibilities with respect to financial reporting, compliance and risk management practices of Briscoe Group. The Board considers that the inclusion of the Group Managing Director as a member of the Committee provides relevant operational insight which greatly assists the Committee.

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

The Chief Financial Officer, Finance Manager and Internal Audit Manager attend Audit and Risk Committee meetings at the invitation of the Audit and Risk Committee. Briscoe Group's external auditor also attends meetings at the committee's invitation. The Audit and Risk Committee receives reports from the external auditor without management present, concerning any matters that arise in connection with the performance of management's role.

Remuneration Committee

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

The Board operates a Human Resources Committee which incorporates remuneration. The Human Resources Committee currently comprises Andy Coupe (Chair), Dame Rosanne Meo, and Rod Duke and met five times during the year. It assists the Board in discharging its responsibilities with respect to the remuneration and performance of the Group Managing Director and other senior executives, remuneration of Directors and human resources policy and strategy. The Human Resources Committee operates under the Human Resources Committee Charter, and this is available on Briscoe Group's website. As for the Audit and Risk Committee, the Board considers the inclusion of the Managing Director as a member of the Human Resources Committee provides essential operational insight but also critical insight to executive performance and human resources strategy. The Managing Director does not participate in discussion of performance and remuneration. Other selected management only attend Human Resource Committee meetings at the invitation of the Human Resources Committee.

Nomination Committee

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

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

Overview of Board Committees

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

The Board does not operate any other committees apart from the Audit and Risk Committee and the Human Resources Committee. Briscoe Group has considered whether any other standing Board committees are appropriate and has determined not. Each committee operates under a charter which is available on Briscoe Group's website. Committee members are appointed from members of the Board and membership is reviewed on an annual basis. Any recommendations made by the committees are submitted to the full Board for formal approval. Apart from the Managing Director, relevant key executives are invited to attend Board committee meetings as appropriate.

Attendance at Board and Committee Meetings for the Year Ended 27January 2019

	Board	Audit and Risk	Human Resources
Number of meetings held	**12**	**2**	**5**
	Attended	**Attended**	**Attended**
Dame Rosanne Meo	12	2	5
Rod Duke	12	2	5
Mary Devine[1.]	12	2	3
Tony Batterton	12	2	4
Andy Coupe	11	2	5

1. Mary Devine resigned as a director effective from 31 March 2019.

Takeover protocols

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

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

Principle 4 – Reporting and Disclosure

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

The Board is committed to timely, accurate and meaningful reporting of financial and non-financial information.

Continuous Disclosure

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

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

Charters and Policies

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

Information about Briscoe Group's corporate governance framework (including Code of Conduct, Board and Board committee charters, and other selected key governance codes and policies) is available to view on Briscoe Group's website.

Financial and Non-Financial Reporting

***Recommendation 4.3:** Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering material exposure to environmental, economic and social sustainability risks and other risks. It should explain how it plans to manage those risks and how operational or non-financial targets are measured.*

Financial Reporting

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

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

Non-Financial Reporting - Sustainability

Briscoe Group assesses its exposure to environmental, economic and social sustainability as part of the overall framework for managing risk (see Principle 6 – Risk Management). Briscoe Group is committed to improving standards of environmental performance to enable a more efficient and sustainable future. Accordingly, we have the following initiatives which are incorporated into regular management reporting to the Board.

Being one of New Zealand's leading retailers encompassing multiple large-format retail outlets, there are many ways we look to improve our environmental performance.

Currently the Group's sustainability initiatives cover:

- Waste Management
- Energy Efficiency, and
- Carbon Footprint reporting

WASTE MANAGEMENT

The Group's waste management strategy recognises that product sourcing is the first step in the supply chain and the best opportunity in minimising unnecessary packaging. Initiatives have been implemented to:

- Target less packaging and specify recyclable packaging types at source,
- ensure that the Group is using recyclable packaging materials in efficient quantities, and,
- ensure that stores have the adequate tools and services to enable effective landfill minimisation.

By May 2019 the Group will no longer offer single-use plastic bags at check-outs.

ENERGY EFFICIENCY

Specifying energy efficient elements within our building documentation for new stores ensures a high level of energy efficiency for the entire life-cycle of the building.

Operationally, comparing energy use on a site by site basis enables us to compare similarly sized stores and target potential future savings through investment in heating, ventilation, air-conditioning and lighting systems.

CARBON FOOTPRINT

We continue to target areas of improvement across the business to minimise waste and power consumption.

Principle 5 – Remuneration

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

Directors' Remuneration

***Recommendation 5.1:** An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's Annual Report.*

In accordance with the Constitution, Shareholder approval is sought for any increase in the pool available to pay Directors' fees. Approval was last sought in 2016, when the pool limit was set at $380,000 per annum. The Board has determined the following allocation from the pool.

	Position	Fees (per annum)
Board of Directors	Chair	$120,000
	Member	$62,500
Audit and Risk Committee	Chair	$12,000
	Member	$6,000
Human Resources Committee	Chair	$8,500
	Member	$6,000

Remuneration of Directors in the reporting period is tabulated below:

	Board Fees	Audit and Risk Committee	Human Resources Committee	Total Fees	Other Payments/ Benefits	Total Remuneration
Dame Rosanne Meo	$115,417	$6,000	$7,042	$128,459	-	**$128,459**
Rod Duke [1.]	-	-	-	-	$978,116	**$978,116**
Mary Devine [2.]	$62,500	$6,000	$6,000	$74,500	-	**$74,500**
Tony Batterton [3.]	$62,500	$11,125	$4,500	$78,125	-	**$78,125**
Andy Coupe	$62,500	$6,000	$7,458	$75,958	-	**$75,958**
Total	**$302,917**	**$29,125**	**$25,000**	**$357,042**	**$978,116**	**$1,335,158**

1. *No Directors' fees are paid to Executive Directors. For more information in relation to Executive Director remuneration refer to "Chief Executive Remuneration" below.*
2. *Mary Devine resigned from Human Resources Committee 20 February 2019 and as a director effective from 31 March 2019.*
3. *Tony Batterton resigned from Human Resources Committee 23 October 2018.*

Remuneration Policy

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

Briscoe Group has adopted a Remuneration Policy which sets out the remuneration principles that apply to all Non-Executive Directors and all employees including senior management, to ensure that remuneration practices are fair and appropriate, and that there is a clear link between remuneration and performance. Briscoe Group is committed to applying fair and equitable remuneration and reward practices in the workplace, taking into account internal and external relativity, the commercial environment, the ability to achieve Briscoe Group's business objectives and the creation of Shareholder value. Under Briscoe Group's remuneration framework, job size relative to the relevant competitive market for talent as well as individual performance against defined key performance objectives are key considerations in all remuneration based decisions, balanced by the organisational context. Remuneration for senior management includes a mix of fixed and variable components. Criteria for performance payments which comprise short, medium and long-term incentives are regularly appraised to ensure they incorporate changing market conditions as well as the Company's performance in relation to strategic initiatives that are deemed by the Board to be most relevant in driving Shareholder value.

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

Subsequent to a review conducted with independent external advisors, engaged by the Board, with specialist expertise in remuneration, changes have been recommended in relation to the Company's short, medium and long-term incentives. This has resulted in extensive changes to the long-term incentive (LTI) scheme including a change in vehicle (performance rights), quantum and participation. The first issue of performance rights under the updated LTI scheme will be made during the 2019-20 financial year. A new medium-term incentive scheme is to be introduced for senior management who will no longer participate in the new LTI scheme. In this manner, the various components of remuneration maintain alignment with the interests of Shareholders, the Company and the individual.

Employee Remuneration

The number of employees and former employees within Briscoe Group (including the Managing Director but excluding any other Director) receiving remuneration and benefits above $100,000, relating to the 52 week period ending 27 January 2019 is set out in the table below:

To be updated

Remuneration	Number of Employees
$100,000 – 109,999	12
$110,000 – 119,999	6
$120,000 – 129,999	7
$130,000 – 139,999	5
$140,000 – 149,999	1
$150,000 – 159,999	2
$160,000 – 169,999	8
$170,000 – 179,999	3
$180,000 – 189,999	2
$190,000 – 199,999	2
$200,000 – 209,999	4
$210,000 – 219,999	1
$220,000 – 229,999	1
$230,000 – 239,999	1
$240,000 – 249,999	1
$260,000 – 269,999	2
$330,000 – 339,999	1
$350,000 – 359,999	1
$420,000 – 429,999	1
$450,000 – 459,999	1
$720,000 – 729,999	1
$740,000 – 749,999	1
$970,000 – 979,999	1

Chief Executive Officer Remuneration

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

The remuneration of the Managing Director for the year ended 27 January 2019 was:

	Period Ended 29 January 2019
Base Salary	$720,735
Other Benefits	87,381
STI	$170,000
Subtotal	**$978,116**
LTI	-
Total Remuneration	**$978,116**

The remuneration of the Managing Director comprises fixed and performance payments. Fixed remuneration includes a base salary, contributions to superannuation, life insurance, health insurance and a fuel card. The Managing Director received a short-term incentive of $170,000. The target value of a STI payment is recommended by the Human Resources Committee, approved by the Board and linked strongly to company financial performance and performance against strategic initiatives. Given his shareholding in the Company, the Managing Director does not participate in any Company Long Term Incentive Scheme.

Senior Management

Briscoe Group's senior management are appointed by the Managing Director and their key performance indicators ('KPIs') are comprised of specific Group financial objectives along with business related individual objectives. Establishing and monitoring these KPIs is done annually by the Managing Director, recommending them to the Human Resources Committee, which in turn, makes recommendations to the Board for approval. The performance of the senior management against these KPIs is evaluated annually and serves as a key determinant of any short-term incentive scheme values and payments.

Short Term Incentive Payments

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

Medium Term Incentive Payments

Medium term incentive (MTI) payments are at risk cash payments designed to motivate and reward for medium term (crossing two financial years) performance. A two-year term provides for evaluation of performance over a longer term than used for purposes of STI and ensures a degree of impact or sustainability thereby avoiding or reducing the risk of "short-termism". MTI participants are members of the senior management team who significantly influence achievement of the Company's performance. The target value of an MTI payment is recommended by the Managing Director for approval by the Board, with a specified dollar amount potentially available to each participant in the scheme. Performance is assessed at Company rather than individual level with measures aligned to those of the LTI scheme, albeit over a slightly lesser timeframe. The Board will review performance and approve any MTI payments to be made to senior management at the end of the financial year and approve objectives for the following year.

Long Term Incentive Payments

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 or if the employee is no longer employed by the Company. Each option entitles the holder to one ordinary share in the capital of the Company on payment of the exercise price. 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.

During the financial year the Company did not issue any further share options to employees. (2018: Nil).

In 2018 completion of the LTI review resulted in the revision of the scheme to narrow the group of participants, change the basis of performance to be a combination of compound earnings per share (EPS) growth and total shareholder return (TSR) over a three year period as well as a move to performance rights as a vehicle through which grants and any subsequent payments are made.

Principle 6 – Risk Management

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

Risk Management

Recommendation 6.1: *An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. A framework should also be put in place to manage any existing risks and to report the material risks facing the business and how these are being managed.*

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

Health and Safety

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

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

The Human Resources Committee, along with management is responsible for ensuring that Health and Safety has appropriate focus and is sufficiently resourced to achieve its objectives within Briscoe Group.

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

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

Briscoe Group has implemented a Health and Safety Risk Matrix to identify specific hazards and risks, assess their severity of impact and likelihood of occurrence, document mitigation strategies and determine the level of residual risk. This matrix is reviewed at least annually by the Board and annual Health and Safety objectives and KPI's are set for the business based on the significant risks identified.

The Company operates an ongoing system of hazard identification and management and monthly reviews of performance to ensure that opportunities for improvement are identified and progressed. Focus on traffic management across our sites along with targeted manual handling training are two such areas that have been prioritised and resourced accordingly in 2018.

The Group continually assesses its actual Health and Safety performance rates against independent information provided by ACC to ensure that improvement in safety outcomes rather than outputs are used in determining true effectiveness.

Along with monthly updates on safety related incidents as part of regular Board reporting, the Board is appraised of quarterly performance on a range of measures sourced directly from ACC. Significant measures which contribute to the Briscoe Group's Experience Rating continue to show improvement. A wide range of actions across the Group have been part of our journey to ensuring our team and others go home from work safe each day. In the last year the implementation of formal Traffic Management Plans has been a key focus, along with face to face training in Manual Handling and significant additional investment targeted safety related education using our online learning platform.

Improvements noted include reduction in the number of work-related claims and the number of days of earnings related compensation. We have seen corresponding increases in the reporting of safety related incidents which we view as significant opportunities to investigate and improve situations prior to injury occurring. Total Recordable Incident Frequency rates (TRIFR), a widely used measure of safety performance, has been introduced as a metric and will be used for future reporting.

At the end of the previous calendar year the Group committed to the implementation of a cloud-based health and safety recording, reporting and risk management system which will enhance efficiency of incident reporting, improved reporting capabilities and enhance our capabilities in the area of injury management.

Principle 7 – Auditors

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

External Audit

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

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

The Audit and Risk Committee is committed to ensuring Briscoe Group's external auditor is able to carry out its work independently so that financial reporting is reliable and credible. Briscoe Group has an External Auditor Independence policy, which is available on Briscoe Group's website. The External Audit Independence policy implements the procedures set out in the NZX Code.

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

Briscoe Group's external auditor is PricewaterhouseCoopers. Total fees paid to PricewaterhouseCoopers in its capacity as auditor for period ended 27 January 2019 were $128,000 including additional work performed in relation to new accounting standards (2018: $114,500). Total fees paid to PricewaterhouseCoopers for other professional services for the period ended 27 January 2019 were $160,000 (2018: $26,000). The other service fees comprise a half yearly review, financial and taxation due diligence services and executive remuneration review and advice.

PricewaterhouseCoopers has historically attended the Annual Shareholders' Meeting, and the lead audit partner is available to answer relevant questions from Shareholders at that meeting.

Internal Audit

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

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

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

Principle 8 – Shareholder Rights and Relations

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

Information for Shareholders

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

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

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

Communicating with Shareholders

Recommendation 8.2: *An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.*

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

Shareholder Voting Rights

Recommendation 8.3 and 8.4: *Shareholders should have the right to vote on major decisions which may change the nature of the company in which they are invested in. Each person who invests money in a company should have one vote per share of the company they own equally with other shareholders.*

In accordance with the Companies Act 1993, the Company's Constitution, and the NZX and ASX Listing Rules, Briscoe Group refers any significant matters to Shareholders for approval at a Shareholder meeting. Where Shareholder votes are conducted by poll, each Shareholder is entitled to one vote per share.

Notice of Annual Shareholders Meeting

Recommendation 8.5: *The Board should ensure that the annual shareholders notice of meeting is posted on the issuer's website as soon as possible and at least 28 days prior to the meeting.*

Briscoe Group posts any Notices of Shareholder meetings on its website as soon as these are available. The general practice is to make these available not less than four weeks prior to the Shareholder meeting.

General Disclosures

Board of Directors

Dame Rosanne Meo, OBE: Chairman (Non-Executive)
Chairman of AMP Staff Superannuation. Director of AMP (NZ) Administration Ltd, realestate.co.nz and Rosanne Meo Consulting 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.

Tony Batterton, BCom, C.A: Director (Non-Executive)
Partner and Executive Director of Evergreen Partners Ltd. Director of Direct Capital Investments Ltd & Subsidiaries, Direct Capital IV Investments Ltd & Subsidiaries, Direct Capital IV Management Ltd & Subsdiaries, Direct Capital IV Partners Ltd, Direct Capital IV GP Ltd, Tiger Ventures NZ Ltd, George H Investments Ltd, P F Olsen Group Ltd, PF Olsen Ltd, Siplow Nominees Ltd, Wright Loan Ltd, Direct Capital Partners Ltd, and Evergreen GP Ltd.

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

Subsidiary Companies

Rod Duke is a director of the following subsidiaries: Briscoes (NZ) Limited, The Sports Authority Limited (trading as Rebel Sport), Rebel Sport Limited and Living & Giving Limited.

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.

Directors

A. Shareholdings

Beneficially Held	As at 22 March 2019
MM Devine[1.]	10,000
RAB Coupe	10,000

Non-Beneficially Held	As at 22 March 2019
RA Duke as Trustee of the RA Duke Trust	170,878,656
RPO'L Meo	100,000
AD Batterton	20,000

For further details refer to Substantial Product Holders information below.

1. Mary Devine resigned as a director effective from 31 March 2019.

B. Share dealings

During the 52 week period ended 27 January 2019 the following directors acquired/sold shares in the Company:

Acquired:

Date of transactions	Number of shares acquired	Consideration
R A Duke as trustee of the R A Duke Trust:		
10 May 2018	30,000	$104,100
11 May 2018	291,400	$993,674
25 October 2018	7,000	$22,750
AD Batterton:		
24 September 2018	2,350	$8,272
27 September 2018	7,650	$27,540

C. Directors' Insurance

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

D. Interests in contracts

During the 52 week period ended 27 January 2019 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 $645,00 (2018: $640,166) on the retail property of which the RA Duke Trust is the owner. (Refer to Note 6.1.1 of the financial statements).
- Payment of rental of $535,164 (2018: $535,164) on the retail property owned by Kein Geld (NZ) Ltd, an entity associated with RA Duke (refer to Note 6.1.1. of the financial statements).

E. Directors' and Officers' use of Company Information

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

Shareholders Information

Holding Range at 22 March 2019

	No. Investors	Total Holdings	%
1-1,000	957	647,680	0.29
1,001-5,000	1587	4,615,613	2.08
5,001-10,000	581	4,642,512	2.09
10,001-100,000	475	11,127,615	5.02
100,001 and over	38	200,723,080	90.52
Total	**3,638**	**221,756,500**	**100%**

Substantial Product Holders

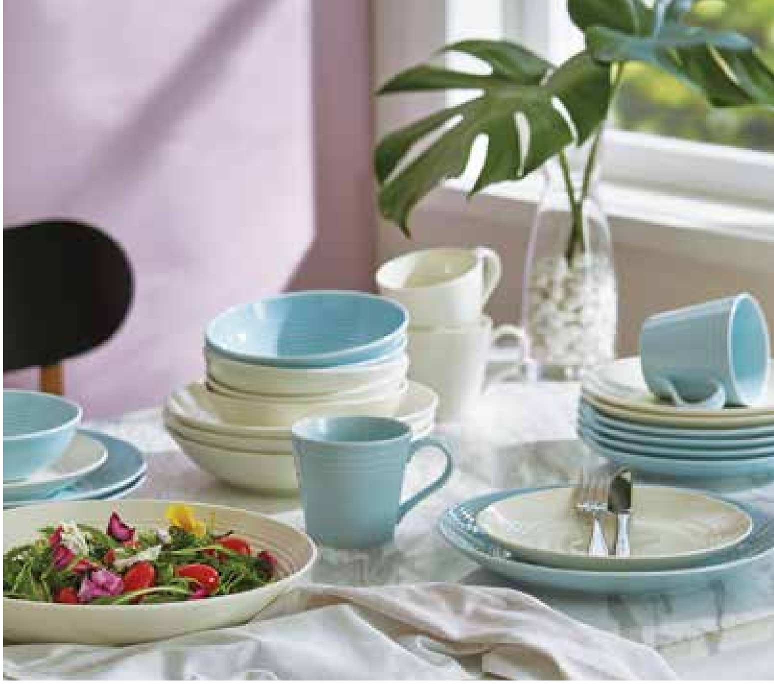
The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 27 January 2019, details of the Substantial Product Holders in the company and their relevant interests in the company's shares are as follows:

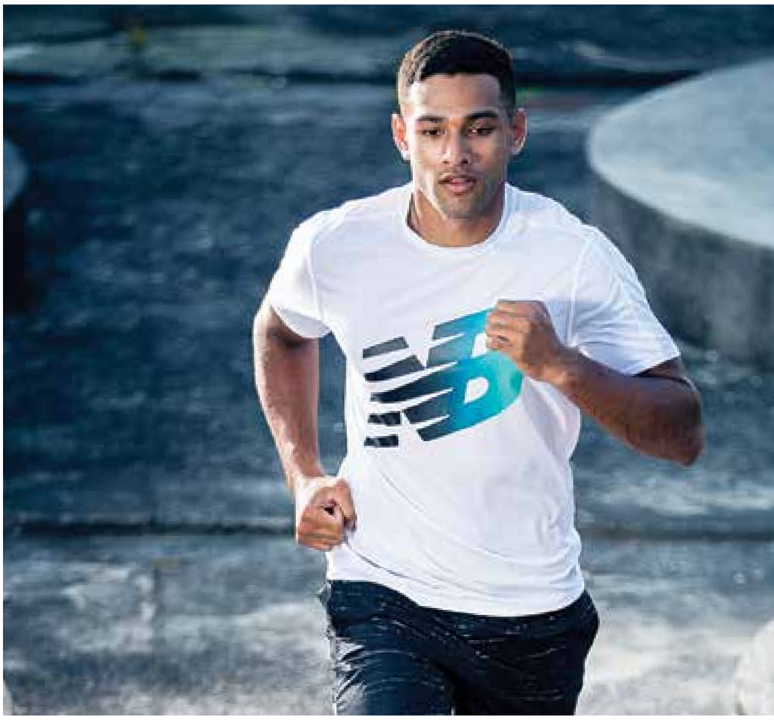
Substantial Product Holder	Holding as at 27 January 2019[1]
R A Duke [2]	170,878,656

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

(2) R A Duke has a relevant interest as a trustee of the R A Duke Trust which was disclosed in the SSH notice dated 13 October 2016, in respect of 170,081,138 shares. As at 27 January 2019 this interest was in respect of 170,878,656 shares.

Total number of voting shares in the company as at 27 January 2019 was 221,599,500





Top 20 Holder List

As at 22 March 2019

Rank	Holder's Name*	Total	%
1	JB Were (NZ) Nominees Limited**	172,933,284	77.98
2=	Gerald Harvey	5,250,000	2.37
2=	Harvey Norman Properties (NZ) Ltd	5,250,000	2.37
4	FNZ Custodians Limited	3,600,399	1.62
5	National Nominees New Zealand Limited	1,288,757	0.58
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	0.55
7	Stuart Hamilton Johnstone and Lorraine Rose Johnstone	1,000,000	0.45
8	Shu-Wen Chiang	800,538	0.36
9	Forsyth Barr Custodians Limited	782,913	0.35
10	Manhattan Trustee Limited	683,000	0.31
11	Citibank Nominees (NZ) Ltd	640,588	0.29
12	Peter William Burilin	540,839	0.24
13	Custodial Services Limited	495,092	0.22
14	Accident Compensation Corporation	480,000	0.22
15	Investment Custodial Services Limited	472,995	0.21
16	Keith Arthur William Brunt	365,000	0.16
17	Carla Ingrid Brockman	336,300	0.15
18	Gemscott Limited	335,000	0.15
19	HSBC Nominees (New Zealand) Limited	319,580	0.14
20	Custodial Services Limited	241,075	0.11

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

** *Includes 170,878,656 shares in relation to holdings associated with R A Duke.*

Directory

Directors

Dame Rosanne PO'L Meo (Chairman)
Rodney A Duke
Anthony (Tony) D Batterton
Richard A (Andy) Coupe

Registered Office

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Solicitors

Simpson Grierson

Bankers

Bank of New Zealand

Auditors

PricewaterhouseCoopers

Share Registrars

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Websites

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

Calendar

Annual Balance Date .... January

Preliminary Profit Announcement .... March

Annual Report Published .... April

Final Dividend Payment .... 29 March 2019

Annual Meeting .... 22 May 2019

Half Year Results .... September

Interim Dividend.. October

BRISCOE
GROUP LIMITED