BRISCOE
GROUP LIMITED

Interim Report

for the period ended 28 July 2013

Contents

Chairman's and Managing Director's Report

On behalf of the Board of Directors, we are pleased to present the Interim Report of Briscoe Group Limited for the 26 week period ended 28 July 2013.

During the first half of this year the Group has responded well to the continued challenges of erratic consumer spending, a very competitive market and also the impact on seasonal categories from the very late onset of winter. A strong recovery in performance during the second quarter has reinforced how quickly management can respond to the constantly changing retail landscape in relation to promotional flexibility and product sourcing opportunities.

We remain committed to the continual improvement of our product ranges in all of our retail brands. Our goal is to offer our customers the best range of branded products in the market at the best prices. This approach has continued to drive sales growth during a tough trading period.

We continue to benefit from a flexible and nimble approach to promotional activity which gives us the ability to react quickly and drive sales harder when traditional seasonal patterns fail to deliver expected sales growth. The focus of the merchandise, marketing and operations teams on this area of our business is relentless and results in a culture of continuous review and improvement.

Our store teams continue to strive to offer better service to our customers without increasing costs. The sales and service programme we launched last year continues to help our store teams focus on the things that drive benefits for our customers and also Group profitability. The sales and service programme is central to the continued direction and development of our store teams and will continue to drive benefits over the coming years.

Highly effective promotional programmes for Briscoes Homeware were added over the last two years to promote our initiatives to improve the ranges and quality of our products. The messages in these programmes have also had a positive impact on our product and price advertising campaigns, through their reinforcement of the true value offered by Briscoes Homeware.

Rebel Sport has continued to consolidate its position as the best place to shop for sporting goods. By working closely with our supply partners our drive has been to bring together the best ranges of the top brands in a place where customers can touch, feel, experience and purchase the latest product releases.

Our online business continues to grow significantly. During the first half of the year we have improved the product availability on the three web sites and the time it takes to get product from fulfillment centre to customer. Good progress has been made in both these areas and the number of fulfillment hubs has been increased to allow for the anticipated growth in online sales over the Christmas trading period. We are excited by the growth experienced through the online channel and will continue to focus resource to further develop this key area of business.

Total store numbers remained at 80 during the first half of the year.

All of the significant developments we completed in the second half of last year are now adding value to the Group. The rebuilt Briscoes Homeware store at Salisbury Street in Christchurch, which reopened in August last year, has continued to re-establish itself as a key retail destination for the region. The extended store at Cambridge was completed before Christmas and customers have responded well to the bigger, more modern store. The Rebel Sport store at Blenheim opened just before Christmas, adjacent to the Briscoes Homeware site, and has established a solid customer base since opening. The extended Briscoes Homeware store in Hornby in Christchurch reopened shortly after Christmas and has benefited from its extra retail and storeroom space creating a vastly improved customer experience.

During the first half of this year we completed counter realignment projects at four Briscoes Homeware and eight Rebel Sport stores. All of these stores have benefited from improved service counters for our customers and additional linear footage for additional merchandise.

During the second half we will complete major layout changes in Rebel Sport stores in Dunedin and Invercargill as well as counter realignments at Rebel Sport Porirua and New Plymouth. In October we will open a new Briscoes Homeware store at Kerikeri. This will be our most northern store which is eagerly anticipated by the people of the region.

For the six months ended 28 July 2013, the Group reported a 12.4% increase in unaudited Net Profit After

Tax (NPAT) to $14.92 million. This compares to last year's $13.28 million half year result.

The earnings were generated on sales of $217.37 million compared to the $204.73 million generated in the same period last year, an increase of 6.17%.

Gross margin percentage decreased from 39.68% to 39.18% reflecting an extraordinarily challenging beginning to the year as a result of the very late start to the winter category sales.

The reported gross margin and prior year comparisons also reflect a reclassification of costs that the Group has applied to the financial statements for this half year and which will be applied for future periods. As a result of the Group's regular review of reporting practices and policies, costs relating to the distribution of product from the central warehouse facility to stores have been reclassified from store expenses and administration expenses to cost of goods sold. The reclassification will bring the cost allocations in line with the allocations adopted by other New Zealand retailers making the costs more directly comparable.

Reported gross profit margin for the current half year is 39.18% as compared to 40.40% before the reclassification. The prior year comparative has been adjusted from 40.73% to 39.68%. Correspondingly, expenses have been decreased by a total of $2.66 million for this half year as a result of the reclassification and by $2.14 million for the prior year comparative. As the reclassification represents a transfer of cost only, there is no impact to Group EBIT or NPAT.

Earnings before interest and tax (EBIT) of $19.90 million were generated for the six months to 28 July 2013. This compares to $17.47 million for the same period last year and represents an increase of 13.91%.

Segmental Performance

Homeware

Sales from homeware stores increased 6.23% from $137.24 million to $145.78 million for the period under review.

The late onset of winter slowed sales of seasonal products during April and May. The movement of Easter and school holidays also altered sales patterns during the period but colder weather during June and July, supported by an aggressive promotional programme throughout the six months managed to produce acceptable sales growth. We remain committed to keeping our inventories current and our focus on stock management has continued the trend of improved stock-turn compared to the previous year.

We are pleased with the sales growth generated so far and believe we are well positioned to take advantage of any improvement in customer confidence and spend levels during the second half of the year.

Sporting Goods

Sales from our sporting goods stores for the first half of this year increased 6.06% from $67.50 million to $71.59 million.

The fishing and camping categories have now stabilised following the launch of a new competitor in this sector. As planned, our inventories have been well controlled in line with sales performance to maintain stock-turn in these areas.

Footwear and other sporting goods categories have performed well while apparel sales have recovered after the late start to winter.

Financial Position

As at 28 July 2013 the Group had cash and bank balances of $67.37 million, compared to $59.13 million at 29 July 2012.

Inventory levels at 28 July 2013 were $69.16 million, $4.56 million higher than the $64.60 million at the same time last year reflecting the additional stores opened since July last year, increased stock holdings to satisfy the significant increases experienced in online sales, increased levels of product directly imported by the Group and also the build-up of stock for the new Briscoes Homeware store to open in Kerikeri.

Net capital expenditure of $2.05 million was made during the six months to 28 July 2013. The main areas of expenditure were for the counter realignment projects completed across twelve Group stores, the deposit paid for the purchase of the Invercargill Briscoes Homeware property, work done to date for the upgrade of the Group's payroll system and continual improvement to store hardware and online functionality.

Dividend

On 5th September 2013, the directors declared a fully imputed interim dividend of 4.50 cents per share. This compares to last year's interim dividend of 4.00 cents per share and represents 65% of the Group's tax paid profit for the period. Books closed to determine entitlements at 5pm on 20 September 2013 and payment made on

30 September 2013. In addition to the interim dividend, a supplementary dividend of 0.7941 cents per share was declared and paid to non-resident shareholders.

Appointment of New Director

On 21 August 2013, we announced the appointment of Mary Devine as an additional independent Non-Executive Director of the Company. We are delighted to welcome Mary to the Board and believe her experience and skills will not only enhance the dynamics of the Board but will also be very beneficial for the Group as a whole.

Mary Devine is currently Managing Director of Christchurch based Department store J. Ballantyne & Co. Ltd and is the former Chief Executive of EziBuy Ltd, Australasia's largest apparel and home décor multi-channel retailer. She holds other directorships with Meridian Energy Ltd and IAG New Zealand Ltd and is also involved with not-for-profit organisations, New Zealand Global Women (NZGW) and the New Zealand Hockey Foundation.

Mary is a high calibre corporate director and her experience as a driving force behind developing EziBuy as a multi-channel retailer with significant Australasian presence will be extremely valuable to the Group.

Appointment of General Manager Supply Chain

During August the new role of General Manager Supply Chain was created and Dave Hughes has been appointed to this senior role within the Group. Reporting to Pete Burilin, Chief Operating Officer, this position will be responsible for all supply chain processes including warehousing, product distribution and online operations. This new role will complement the existing General Manager roles in operations and merchandise bringing enhanced focus to the multiple channels of supplying product to customer as well as optimising our ability to effectively connect with customers across those channels.

Dave brings leadership experience from his most recent role as General Manager Supply Chain and Customer Insights at EziBuy. His experience in omni-channel retailing, warehousing and logistics will add immense value and expertise to the Group.

Briscoe Group Scholarship

To celebrate 150 years of trading in New Zealand, Briscoe Group in conjunction with the RA Duke Trust has established a scholarship fund to encourage tertiary level study for eligible staff and their children.

The Group's partnership with the First Foundation, an organisation very experienced in managing scholarships, will bring together mentors, schools, and the scholars themselves to create a proven and holistic four year programme that will include paid work experience, networks, financial support and advice and guidance from personal mentors allowing the recipients to reach and achieve their goals and aspirations.

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

Outlook

The Board and management are positive as to improvement in customer confidence and spend levels during the second half of the year. The Group has exciting new product launches scheduled for the coming months supported by a comprehensive promotional plan to drive sales growth.

The customer focus driven by the sales and service programme across all Briscoe Group stores will continue to deliver improvements in store standards and service levels. To keep our offers looking fresh and appealing we have developed a new marketing platform for Rebel Sport which will launch in the run up to Christmas. In Briscoes Homeware we have created additional advertisements promoting the quality of the brands we range in-store.

We are cautiously optimistic about Group performance as we move into the second half of this year. The management team at Briscoe Group has worked hard to maintain sales growth through a difficult first half and we believe the plans that we have in place for our people, property, products and promotions will continue to drive growth and a full year profit result in excess of the $30.47 million reported for last year.

Dame Rosanne Meo
CHAIRMAN

Rod Duke
GROUP MANAGING DIRECTOR

5 SEPTEMBER 2013

Financial Statements

For the 26 week period ended 28 July 2013 (unaudited)

The Interim Financial Statements presented are signed for and on behalf of the Board, and were authorised for issue on the date below.

Stuart Johnstone
DIRECTOR

Rod Duke
GROUP MANAGING DIRECTOR

5 September 2013

Consolidated Income Statement

For the 26 week period ended 28 July 2013 (unaudited)

	Notes	**26 Week Period Ended 28 July 2013 Unaudited $000**	26 Week Period Ended 29 July 2012 Unaudited $000
Sales revenue	3,4	**217,367**	204,733
Cost of goods sold	3	**(132,205)**	(123,490)
Gross profit	3,4	**85,162**	81,243
Other operating income	3	**17**	23
Store expenses	3	**(40,641)**	(38,593)
Administration expenses	3	**(24,637)**	(25,202)
Operating profit	4	**19,901**	17,471
Net finance income	4	**926**	1,022
Profit before income tax	3	**20,827**	18,493
Income tax expense	6	**(5,903)**	(5,213)
Net profit attributable to shareholders	4	**14,924**	13,280

Earnings per share for profit attributable to shareholders:

Basic earnings per share (cents)		**6.95**	6.22
Diluted earnings per share (cents)		**6.81**	6.09

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

Consolidated Statement of Comprehensive Income

For the 26 week period ended 28 July 2013 (unaudited)

	Notes	**26 Week Period Ended 28 July 2013 Unaudited $000**	26 Week Period Ended 29 July 2012 Unaudited $000
Net profit attributable to shareholders		**14,924**	13,280
Other comprehensive income			
Fair value loss recycled to income statement		**713**	362
Fair value gain taken to the cashflow hedge reserve		**882**	291
Deferred tax on fair value hedge taken to income statement	8a	**(200)**	(101)
Deferred tax on fair value transfers to cashflow hedge reserve	8a	**(247)**	(82)
Total other comprehensive income		**1,148**	470
Total comprehensive income attributable to shareholders		**16,072**	13,750

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

Consolidated Statement of Changes in Equity

For the 26 week period ended 28 July 2013 (unaudited)

	Notes	Share Capital Unaudited $000	Cashflow Hedge Reserve Unaudited $000	Share Options Reserve Unaudited $000	Retained Earnings Unaudited $000	Total Equity Unaudited $000
Balance at 29 January 2012		41,732	(403)	660	99,223	141,212
Net profit attributable to shareholders for the period		–	–	–	13,280	13,280
Other comprehensive income:						
Fair value (gain)/loss recycled to income statement		–	362	–	–	362
Fair value gain/(loss) taken to the cashflow hedge reserve		–	291	–	–	291
Deferred tax on fair value hedge taken to income statement	8a	–	(101)	–	–	(101)
Deferred tax on fair value transfers to cashflow hedge reserve	8a	–	(82)	–	–	(82)
Total comprehensive income for the period		–	470	–	13,280	13,750
Dividends paid		–	–	–	(35,258)	(35,258)
Share options charged to income statement		–	–	213	–	213
Share options exercised	9	576	–	(102)	–	474
Transfer for share options lapsed and forfeited		–	–	–	–	–
Balance at 29 July 2012		42,308	67	771	77,245	120,391
Net profit attributable to shareholders for the period		–	–	–	17,188	17,188
Other comprehensive income:						
Fair value loss/(gain) recycled to income statement		–	1,060	–	–	1,060
Fair value (loss)/gain taken to the cashflow hedge reserve		–	(2,035)	–	–	(2,035)
Deferred tax on fair value hedge taken to income statement	8a	–	(297)	–	–	(297)
Deferred tax on fair value transfers to cashflow hedge reserve	8a	–	570	–	–	570
Total comprehensive income for the period		–	(702)	–	17,188	16,486
Dividends paid		–	–	–	(8,548)	(8,548)
Share options charged to income statement		–	–	245	–	245
Share options exercised	9	9	–	(2)	–	7
Transfer for share options lapsed and forfeited		–	–	(92)	92	–
Balance at 27 January 2013		42,317	(635)	922	85,977	128,581
Net profit attributable to shareholders for the period		**–**	**–**	**–**	**14,924**	**14,924**
Other comprehensive income:						
Fair value (gain)/loss recycled to income statement		**–**	**713**	**–**	**–**	**713**
Fair value gain/(loss) taken to the cashflow hedge reserve		**–**	**882**	**–**	**–**	**882**
Deferred tax on fair value hedge taken to income statement	8a	**–**	**(200)**	**–**	**–**	**(200)**
Deferred tax on fair value transfers to cashflow hedge reserve	8a	**–**	**(247)**	**–**	**–**	**(247)**
Total comprehensive income for the period		**–**	**1,148**	**–**	**14,924**	**16,072**
Dividends paid		**–**	**–**	**–**	**(15,029)**	**(15,029)**
Share options charged to income statement		**–**	**–**	**256**	**–**	**256**
Share options exercised	9	**1,518**	**–**	**(419)**	**–**	**1,099**
Transfer for share options lapsed and forfeited		**–**	**–**	**–**	**–**	**–**
Balance at 28 July 2013		**43,835**	**513**	**759**	**85,872**	**130,979**

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

Consolidated Balance Sheet

As at 28 July 2013 (unaudited)

	Notes	**As at 28 July 2013 Unaudited $000**	As at 29 July 2012 Unaudited $000	As at 27 January 2013 Audited $000
EQUITY				
Share capital	9	**43,835**	42,308	42,317
Share options reserve		**759**	771	922
Cashflow hedge reserve		**513**	67	(635)
Retained earnings		**85,872**	77,245	85,977
Total equity		**130,979**	120,391	128,581
LIABILITIES				
Non-current liabilities				
Employee benefits		**592**	574	575
Total non-current liabilities		**592**	574	575
Current liabilities				
Trade and other payables		**46,489**	45,065	50,532
Provisions		**56**	44	89
Employee benefits		**6,206**	5,933	7,638
Taxation payable	8b	**846**	468	3,561
Derivative financial instruments		**176**	273	855
Total current liabilities		**53,773**	51,783	62,675
TOTAL LIABILITIES		**54,365**	52,357	63,250
TOTAL EQUITY AND LIABILITIES		**185,344**	172,748	191,831
ASSETS				
Non-current assets				
Property, plant and equipment		**43,622**	44,724	44,563
Intangible assets		**1,165**	1,179	1,307
Deferred tax	8a	**1,133**	804	1,237
Total non-current assets		**45,920**	46,707	47,107
Current assets				
Cash and cash equivalents		**67,365**	59,126	77,541
Trade and other receivables		**2,024**	1,932	2,534
Inventories		**69,159**	64,601	64,573
Derivative financial instruments		**876**	382	76
Total current assets		**139,424**	126,041	144,724
TOTAL ASSETS		**185,344**	172,748	191,831
Net Tangible Assets per Security (cents)		**60.42**	55.79	59.56

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

Consolidated Statement of Cash Flows

For the 26 week period ended 28 July 2013 (unaudited)

	Notes	26 Week Period Ended 28 July 2013 Unaudited $000	26 Week Period Ended 29 July 2012 Unaudited $000
OPERATING ACTIVITIES			
Cash was provided from			
Receipts from customers		**217,307**	204,666
Rent received		**16**	23
Interest received		**1,007**	1,155
		218,330	205,844
Cash was applied to			
Payments to suppliers		**(171,307)**	(165,284)
Payments to employees		**(26,164)**	(24,627)
Interest paid		**(8)**	(2)
Net GST paid		**(6,197)**	(6,705)
Income tax paid		**(8,961)**	(7,963)
		(212,637)	(204,581)
Net cash inflows from operating activities		**5,693**	1,263
INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		**4**	2
		4	2
Cash was applied to			
Purchase of property plant and equipment	7	**(1,847)**	(2,497)
Purchase of intangible assets		**(211)**	(207)
		(2,058)	(2,704)
Net cash outflows from investing activities		**(2,054)**	(2,702)
FINANCING ACTIVITIES			
Cash was provided from			
Issue of new shares	9	**1,099**	474
		1,099	474
Cash was applied to			
Dividends paid		**(15,029)**	(35,258)
		(15,029)	(35,258)
Net cash outflows from financing activities		**(13,930)**	(34,784)
Net decrease in cash and cash equivalents		**(10,291)**	(36,223)
Cash and cash equivalents at beginning of period		**77,541**	95,337
Foreign cash balance cash flow hedge adjustment		**115**	12
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**67,365**	59,126

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

Consolidated Statement of Cash Flows continued

For the 26 week period ended 28 July 2013 (unaudited)

	26 Week Period Ended 28 July 2013 Unaudited $000	26 Week Period Ended 29 July 2012 Unaudited $000
RECONCILIATION WITH NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS		
Reported net profit attributable to shareholders	**14,924**	13,280
Add / (deduct) non-cash items		
Depreciation and amortisation expense	**2,987**	3,074
Fixed increase leases	**88**	(41)
Bad debts written off and movement in doubtful debts	**4**	18
Inventory adjustments	**495**	128
Amortisation of executive share options	**256**	213
Loss on disposal of assets	**150**	123
Impact of statutory change in depreciation on buildings	**–**	(47)
	3,980	3,468
Add / (deduct) movements in working capital items		
Decrease (increase) in trade and other receivables	**506**	672
Increase in inventories	**(5,081)**	(2,672)
Decrease in taxation payable	**(2,715)**	(2,533)
Decrease in trade payables	**(3,806)**	(10,571)
Decrease in other payables and accruals	**(2,115)**	(381)
	(13,211)	(15,485)
Net cash inflows from operating activities	**5,693**	1,263

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

Notes to the Financial Statements

For the 26 week period ended 28 July 2013 (unaudited)

1. Summary of significant accounting policies

These general purpose financial statements for the interim 26 week reporting period ended 28 July 2013 have been prepared in accordance with Accounting Standard NZ IAS 34 and IAS 34 *Interim Financial Reporting*. They do not include all the notes included in the full annual financial statements and are to be read in conjunction with the Annual Report for the 52 week period ended 27 January 2013.

The accounting policies used are compliant with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS) and will be used in the full year financial statements for the period ending 26 January 2014.

(a) Basis of preparation of interim financial statements

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.

Entity reporting

Briscoe Group Limited ('Company' or 'Parent') and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

The Company and its subsidiaries are designated as profit-oriented entities for financial reporting purposes. No separate Parent results are disclosed in the interim financial statements.

Reporting period

These financial statements are in respect of the 26 week period 28 January 2013 to 28 July 2013. The comparative period is in respect of the 26 week period 30 January 2012 to 29 July 2012. The year-end balance date will be 26 January 2014 and the full financial statements will cover the 52 week period 28 January 2013 to 26 January 2014.

Statutory base

Briscoe Group Limited is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978. The Company is also listed on the New Zealand Stock Exchange (NZSX).

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Historical cost convention

These interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Directors regularly review all accounting policies and areas of judgement in presenting the financial statements.

Estimates

The Group tests annually whether tangible and intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1(h) and as disclosed in Note 7.

The Group also reviews at each reporting date, whether the provisions for inventory obsolescence and store shrinkage calculated in accordance with the accounting policy stated in Note 1(k), are adequate. If outcomes within the next financial year are significantly different from assumptions, this could result in adjustments to carrying amounts of the asset or liability affected.

Judgements

The Group assesses whether there are indications for certain trigger events which may indicate that an impairment in property, plant and equipment values exist as disclosed in Note 7.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Briscoe Group Limited as at 28 July 2013 and the results of all subsidiaries for the 26 week period then ended.

Subsidiaries are all those entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between subsidiary companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

(c) Segment reporting

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 on the basis that it is this group which determines the allocation of resources to segments and assesses their performance.

The reportable operating segments of the Group have been determined based on the components of the Group that the CODM monitors in making decisions about operating matters. Such components have been identified on the basis of internal reports that the CODM reviews regularly in order to allocate resources and to assess the performance of the entity. The CODM reviews finance income on a net basis.

The Group is organised into two reportable operating segments, namely homeware and sporting goods, reflecting the different retail sectors solely in New Zealand, within which the Group operates. The Parent holding company is not considered to be a reportable operating segment and as such eliminations and unallocated amounts within Note 4 are primarily attributable to the Parent. The corporate structure of the Group also reflects these segments with its two trading subsidiaries, Briscoes (NZ) Limited and The Sports Authority Limited (trading as Rebel Sport). Financial details of these segments are outlined in Note 4.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in New Zealand dollars, which is the Group's functional currency and the Group's presentation currency.

Transactions and balances

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 other comprehensive income as qualifying cash flow hedges.

(e) Revenue recognition

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

Sales of goods – retail

Sales of goods are recognised when a Group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

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.

(f) 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, and to unused tax losses.

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. Management 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 tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax is not recognised in relation to brands where they are deemed to have an indefinite life.

(g) Leases

The Group is the lessee

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 is the lessor

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

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication of an impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). 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.

(i) Cash and cash equivalents

Cash and cash equivalents includes 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 which are subject to an insignificant risk of changes in value.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. 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 receivable balances are reviewed on an ongoing basis. Debts known to be uncollectible are written off. A provision for impaired receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and inconsistency in timing of payments are considered indicators that the collection of a particular trade receivable is doubtful. The amount of the provision is the difference between an asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the income statement.

(k) 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.

(l) Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. Loans and receivables are recognised initially at fair value plus transaction costs and are subsequently measured at amortised cost. They are included in current assets, except for those with maturities greater than 12 months after the balance date, which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet. An assessment is made at each balance date as to whether there is objective evidence that a financial asset or group of financial assets is impaired. Regular purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset.

(m) Derivatives

Derivatives are initially recognised 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 either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

At the inception of a transaction the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions is documented. An assessment is also documented, both at hedge inception and on an ongoing 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.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

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

Amounts accumulated in other comprehensive income are recycled in the income statement in the periods when a 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 a forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting

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

(n) Fair value estimation

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The fair value of forward exchange contracts is determined by mark to market valuations using forward exchange market rates at the balance date.

(o) Derecognition of financial assets and liabilities

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations for payment of cash flows have expired or have been transferred and the Group has transferred substantially all of the obligations.

(p) 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.

Subsequent costs are included in the 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

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 are determined by comparing proceeds with carrying amounts. These gains and losses are included in the income statement.

(q) Intangible assets

Brands

Brands are valued independently as part of the fair value of a business acquired from third parties where the brand has a value which is substantial and long-term and where the brand can be sold separately from the rest of the business acquired. Brands are amortised over their estimated lives, except where it is considered that the economic useful life is indefinite.

Indefinite life brands are tested for impairment annually and whenever there is an indication that the brand may be impaired.

Software

Software has 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. All software has been acquired externally.

(r) 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. The amounts are unsecured and are usually paid within 60 days of recognition. They are initially recognised at fair value then subsequently recognised at amortised cost using the effective interest method.

(s) Goods and Services Tax (GST)

The income statement, statement of comprehensive income and statement of cash flows have been prepared 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.

(t) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(u) Share capital

Ordinary shares are classified as capital.

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.

(v) Deferred landlord contributions

Landlord contributions to fit-out costs are capitalised as deferred contributions and amortised to the income statement over the period of the lease.

(w) Employee benefits

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.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits 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.

Equity settled share based compensation

The Executive Share Option Plan allows Group employees to be granted options to acquire shares of the Parent. 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.

(x) Dividends

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

(y) Earnings per share

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

Diluted earnings per share is computed by dividing 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.

(z) Statement of cash flows

The following are the definitions of the terms used in the statement of cash flows:

- Cash comprises cash and bank balances (Note 1(i));
- Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and investments;
- Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Loans to and from the Parent and subsidiaries are treated as financing cash flows. Dividends paid are included in financing activities; and
- Operating activities include all transactions and other activities that are not investing or financing activities.

2. Accounting standards

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the period ended 27 January 2013, as described in those annual financial statements.

The following new standards and amendments to standards were applied during the period;

- ***NZ IFRS 13: Fair Value Measurement*** (effective for annual periods beginning on or after 1 January 2013)
  NZ IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The Group has determined that none of its current measurement techniques will have to change as a result of the new guidance. Therefore there is no impact on any of the amounts recognised in the financial statements.

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

- ***NZ IFRS 9: Financial Instruments*** (mandatory for annual periods beginning on or after 1 January 2015)
  This replaces the multiple classification and measurements models in *IAS 39 Financial Instruments: Recognition and measurements* with a single model that has only two classification categories: amortised cost and fair value. The classification model is driven by the entity's business model for managing the financial assets and the contractual cashflow characteristics of the financial assets. This will affect future financial statements through disclosure only as the recognition and measurement guidance relating to financial liabilities is unchanged from NZ IAS 39. The Group will apply this standard in the 2015/16 financial year.

There are no other standards, amendments or interpretations to existing standards which have been issued, but are not yet effective, which are expected to significantly impact the Group.

3. Reclassification

As a result of the Group's regular review of reporting practices and policies, costs relating to the distribution of product from the central warehouse facility to stores have been reclassified from store expenses and administration expenses to cost of goods sold. The reclassification will bring the cost allocations in line with the allocations adopted by other New Zealand retailers making the costs more directly comparable. The aggregate effect of the reclassification on the financial statements for the 26 week period ended 28 July 2013 and the corresponding comparative 26 week period ending 29 July 2012 is shown below:

	26 Week Period Ended 28 July 2013 $000			26 Week Period Ended 29 July 2012 $000		
	Previously Stated	**Effect**	**Restated**	Previously Stated	Effect	Restated
Income Statement Reclassification						
Sales revenue	**217,367**	**–**	**217,367**	204,733	–	204,733
Cost of goods sold	**(129,543)**	**(2,662)**	**(132,205)**	(121,347)	(2,143)	(123,490)
Gross profit	**87,824**	**(2,662)**	**85,162**	83,386	(2,143)	81,243
Other operating income	**17**	**–**	**17**	23		23
Store expenses	**(43,058)**	**2,417**	**(40,641)**	(40,529)	1,936	(38,593)
Administration expenses	**(24,882)**	**245**	**(24,637)**	(25,409)	207	(25,202)
Operating profit	**19,901**	**–**	**19,901**	17,471	–	17,471
Net finance income	**926**	**–**	**926**	1,022	–	1,022
Profit before income tax	**20,827**	**–**	**20,827**	18,493	–	18,493
Income tax expense	**(5,903)**	**–**	**(5,903)**	(5,213)	–	(5,213)
Net profit attributable to shareholders	**14,924**	**–**	**14,924**	13,280	–	13,280

4. Segment information

The Group has two reportable operating segments that are defined by the retail sectors within which the Group operates, namely homeware and sporting goods. The following is an analysis of the Group's revenue and results by operating segment. Revenue reported below is generated solely in New Zealand from sales to external customers and due to the nature of the retail businesses there is no reliance on any individual customer. There were no inter-segment sales in the period. (2012: Nil)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

Information regarding the operations of each reportable operating segment is included below. Segment profit represents the profit earned by each segment and reflects the income statements associated with the two trading subsidiary companies, Briscoes (NZ) Limited and The Sports Authority Limited (trading as Rebel Sport). The amounts shown below have been restated to incorporate the reclassification as outlined in Note 3.

Notes to the Financial Statements

For the 26 week period ended 28 July 2013 (unaudited)

For the period ended 28 July 2013	Homeware $000	Sporting goods $000	Eliminations/ unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	**145,781**	**71,586**	**–**	**217,367**
Gross profit	**56,541**	**28,621**	**–**	**85,162**
Operating profit	**13,439**	**5,841**	**621**	**19,901**
Finance income	**(3)**	**207**	**722**	**926**
Income tax expense	**(3,755)**	**(1,694)**	**(454)**	**(5,903)**
Net profit after tax	**9,681**	**4,354**	**889**	**14,924**
BALANCE SHEET				
Assets	**90,505**	**51,110**	**43,729**	**185,344**
Liabilities	**32,229**	**20,945**	**1,191**	**54,365**
OTHER SEGMENTAL ITEMS				
Acquisitions of property, plant and equipment, intangibles and investments	**1,140**	**918**	**–**	**2,058**
Depreciation and amortisation expense	**1,984**	**1,003**	**–**	**2,987**

For the period ended 29 July 2012	Homeware $000	Sporting goods $000	Eliminations/ unallocated $000	Total Group $000
INCOME STATEMENT				
Total sales revenue	137,237	67,496	–	204,733
Gross profit	54,082	27,161	–	81,243
Operating profit	12,321	4,536	614	17,471
Finance income	–	372	650	1,022
Income tax expense	(3,396)	(1,374)	(443)	(5,213)
Net profit after tax	8,925	3,534	821	13,280
BALANCE SHEET				
Assets	91,010	46,313	35,425	172,748
Liabilities	50,628	20,517	(18,788)	52,357
OTHER SEGMENTAL ITEMS				
Acquisitions of property, plant and equipment, intangibles and investments	2,312	392	–	2,704
Depreciation and amortisation expense	2,008	1,066	–	3,074

5. Expenses

	26 Week Period Ended 28 July 2013 $000	26 Week Period Ended 29 July 2012 $000
Depreciation		
Freehold buildings	**217**	217
Plant and equipment	**2,417**	2,575
Total depreciation	**2,634**	2,792
Amortisation		
Software	**353**	282
Total amortisation	**353**	282
Total depreciation and amortisation	**2,987**	3,074
Loss on disposal of property, plant and equipment, intangibles and investments	**150**	123
Wages, salaries and other short term benefits	**25,007**	23,666
Operating lease rental expense	**14,078**	13,192

6. Income tax expense

	26 Week Period Ended 28 July 2013 $000	26 Week Period Ended 29 July 2012 $000
(a) Income tax expense		
Current tax expense:		
Current tax	**5,615**	4,871
Adjustments for prior years	**631**	559
	6,246	5,430
Deferred tax expense:		
Decrease in future tax benefit current year	**288**	325
Adjustments for prior years	**(631)**	(542)
	(343)	(217)
Total income tax expense	**5,903**	5,213

	26 Week Period Ended 28 July 2013 $000	26 Week Period Ended 29 July 2012 $000

(b) Reconciliation of income tax expense to tax rate applicable to profits

Profit before income tax expense	**20,827**	18,493
Tax at the corporate rate of 28% (2012: 28%)	**5,832**	5,178
Tax effect of amounts which are either non-deductible or non-assessable in calculating taxable income:		
Income not subject to tax	**(7)**	(8)
Expenses not deductible for tax	**78**	73
Prior period adjustments	**–**	(30)
Total income tax expense	**5,903**	5,213

The Group has no tax losses (2012: Nil) and no unrecognised temporary differences (2012: Nil)

7. Property, plant and equipment

Acquisitions and disposals

During the 26 week period ended 28 July 2013, the Group acquired property, plant and equipment with a total cost of $1,847,101 (2012: $2,497,398). Assets with a cost of $1,839,793 (2012: $1,434,978) were disposed of during the 26 week period ended 28 July 2013, resulting in a net loss of $150,485 (2012: net loss of $122,573).

Asset impairment

For the purposes of assessing impairment, a cash generating unit ('CGU') is defined as property, plant and equipment that can be grouped at the lowest level for which there are separately identifiable cash flows. Typically a CGU will represent a group of assets directly attributable to a specific store. An impairment loss is recognised as the amount by which an asset's carrying amount exceeds its recoverable amount.

Based on impairment testing, no CGUs within the Group's operating segments were determined to have asset carrying values in excess of the greater of either the CGU's value-in-use calculation or the fair value less costs to sell of the CGU's assets. Therefore no impairment adjustment has been recognised in the income statement (2012: Nil).

8. Taxation

(a) Deferred tax benefit

	Depreciation $000	Provisions $000	Derivative financial instruments $000	Total $000
At 29 January 2012	(977)	1,590	157	770
Credited to the income statement	172	45	–	217
Net charged to other comprehensive income	–	–	(183)[1.]	(183)
At 29 July 2012	(805)	1,635	(26)	804
Credited to the income statement	31	129	–	160
Net credited to other comprehensive income	–	–	273	273
At 27 January 2013	(774)	1,764	247	1,237
Credited to the income statement	**173**	**170**	**–**	**343**
Net charged to other comprehensive income	**–**	**–**	**(447)[1.]**	**(447)**
At 28 July 2013	**(601)**	**1,934**	**(200)**	**1,133**

1. *Net charged to other comprehensive income comprises deferred tax on fair value hedge taken to income statement of $199,757 (2012: $101,370) and deferred tax on fair value transfers to cashflow hedge reserve of $246,872 (2012: $81,609).*

Net deferred tax asset / (liability)

	26 Week Period Ended 28 July 2013 $000	26 Week Period Ended 29 July 2012 $000	52 Week Period Ended 27 January 2013 $000
Deferred tax assets			
– to be recovered within 12 months	**1,731**	1,637	1,878
– to be recovered after more than 12 months	**1,914**	1,924	1,826
	3,645	3,561	3,704
Deferred tax liabilities			
– to be settled within 12 months	**(458)**	(561)	(366)
– to be settled after more than 12 months	**(2,054)**	(2,196)	(2,101)
	(2,512)	(2,757)	(2,467)
Deferred tax asset (net)	**1,133**	804	1,237

Notes to the Financial Statements

For the 26 week period ended 28 July 2013 (unaudited)

(b) Taxation (payable) / receivable

	$000
At 29 January 2012	(3,001)
Current tax	(5,430)
Tax paid	7,686
Foreign investor tax credit	277
At 29 July 2012	(468)
Current tax	(7,151)
Tax paid	3,996
Foreign investor tax credit	62
At 27 January 2013	(3,561)
Current tax	**(6,246)**
Tax paid	**8,864**
Foreign investor tax credit	**97**
At 28 July 2013	**(846)**

9. Share capital

	Authorised Shares No. of Shares	Share capital $000
At 29 January 2012	213,047,500	41,732
Issue of ordinary shares during the period:		
Exercise of options	640,000	576[1.]
At 29 July 2012	213,687,500	42,308
Issue of ordinary shares during the period:		
Exercise of options	10,000	9
At 27 January 2013	213,697,500	42,317
Issue of ordinary shares during the period:		
Exercise of options	**1,157,000**	**1,518**[1.]
At 28 July 2013	**214,854,500**	**43,835**

1. *When options are exercised the amount in the share options reserve relating to those options exercised, together with the exercise price paid by the employee, is transferred to share capital. The amounts transferred for the 1,157,000 shares issued during the 26 week period ended 28 July 2013 were $418,967 and $1,099,150 respectively ($102,790 and $473,600 respectively for the 640,000 shares issued during the 26 week period ended 29 July 2012).*

10. Related party transactions

During the 26 week period the Company advanced and repaid loans to its subsidiaries by way of internal transfers between current accounts. In presenting the financial statements of the Group, the effect of transactions and balances between fellow subsidiaries and those with the Parent have been eliminated. All transactions with related parties were in the normal course of business and provided on normal commercial terms.

Material transactions between the Company and its subsidiaries were:

	26 Week Period Ended 28 July 2013 $000	26 Week Period Ended 29 July 2012 $000
Management fees charged by the Company to:		
Briscoes (NZ) Limited	**5,002**	5,049
The Sports Authority Limited (trading as Rebel Sport)	**2,492**	2,521
Total management fees charged	**7,494**	7,570
Dividends received by the Company from:		
Briscoes (NZ) Limited	**–**	13,864
The Sports Authority Limited (trading as Rebel Sport)	**–**	21,369
Total dividends received	**–**[1.]	35,233

1. *The final dividend of $15,029,175 for the year ended 27 January 2013 paid on 27 March 2013 to shareholders of Briscoe Group Limited was funded entirely by the Parent.*

In addition the Group undertook transactions during the 26 week period with the following related parties as detailed below:

- The R A Duke Trust, of which RA Duke and AJ Wall are trustees, as owner of the Rebel Sport premises at Panmure, Auckland, received rental payments of $290,000 (2012: $290,000) from the Group, under an agreement to lease premises to The Sports Authority Limited.
- The RA Duke Trust received dividends of $11,792,679 (2012: $27,571,143).
- P Duke, spouse of the Managing Director, received payments of $32,500 (2012: $32,500) in relation to her employment as an overseas buying specialist with Briscoe Group Limited and rental payments of $334,836 (2012: Nil) as owner of the Briscoes Homeware premises at Panmure, Auckland under an agreement to lease premises to Briscoes (NZ) Limited.
- The Hualien Trust, of which P Duke is a trustee, received dividends of $88,550 (2012: $208,725).

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

	26 Week Period Ended 28 July 2013		26 Week Period Ended 29 July 2012	
	Directors' Fees $000	**Dividends $000**	Directors' Fees $000	Dividends $000
Executive Director				
RA Duke	**–**	**–**	–	–
AJ Wall	**–**	**15**	–	36
Non-Executive Directors				
SH Johnstone	**33**	**70**	26	165
RPO'L Meo	**47**	**–**	44	–
	80	**85**	70	201

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

	26 Week Period Ended 28 July 2013 $000	26 Week Period Ended 29 July 2012 $000
Executive Director		
RA Duke[1.]	**11,793**	27,571
AJ Wall[1.2.]	**11,879**	27,774
Non-Executive Directors		
SH Johnstone	**–**	–
RPO'L Meo	**7**	17

1. *The RA Duke Trust, of which RA Duke and AJ Wall are trustees, received dividends of $11,792,679 during the 26 week period (2012: $27,571,143).*
2. *The Tunusa Trust, of which AJ Wall is a trustee, received dividends of $86,100 during the 26 week period (2012: $202,950).*

11. Capital expenditure commitments

	As at 28 July 2013 $000	As at 29 July 2012 $000	As at 27 January 2013 $000
Commitments in relation to refurbishment, fit-out and property projects at the end of the period not provided for in the financial statements	**4,161**	2,608	247

12. Operating lease rental commitments

	As at 28 July 2013 $000	As at 29 July 2012 $000	As at 27 January 2013 $000
Lease commitments expire as follows:			
Within one year	**22,979**	23,085	22,645
One to two years	**18,986**	20,121	18,333
Two to five years	**30,536**	34,858	31,633
Beyond five years	**19,186**	23,212	21,130
Total operating lease rental commitments	**91,687**	101,276	93,741

13. Contingent liabilities

There were no contingent liabilities as at 28 July 2013 (2012: Nil).

14. Events after balance date

On 5 September 2013 the directors resolved to provide for an interim dividend to be paid in respect of the 52 week period ending 26 January 2014. The dividend will be paid at a rate of 4.50 cents per share on issue as at 20 September 2013, with full imputation credits attached.

Since balance date and up to the date of these financial statements a further 40,000 ordinary shares in the Company have been issued under the Executive Share Option Plan as a result of executives exercising share options.

Since balance date and up to the date of these financial statements a further 1,537,000 share options have been issued to employees under the Executive Share Option Plan.

On 21 August 2013 Mary Devine was appointed as an additional independent Non-Executive Director of Briscoe Group Limited.

Directory

Directors

Dame Rosanne PO'L Meo (Chairman)

Mary M Devine

Rodney A Duke

Stuart H Johnstone

Alaister J Wall

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