HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 1 AUGUST 2026

	Note	2026 $'000	2025 $'000
Sales Revenue	2.1	**563,022**	470,740
Cost of Sales	2.1	**(215,413)**	(191,476)
Gross Profit		**347,609**	279,264
Other Operating Income	2.2	**605**	475
Selling Expenses		**(186,000)**	(161,183)
Distribution Expenses		**(23,004)**	(16,959)
Administration Expenses		**(51,797)**	(40,565)
Total Expenses		**(260,801)**	(218,707)
Operating Profit		**87,413**	61,032
Finance Income	2.1	**2,063**	2,035
Finance Expense	2.1, 2.2	**(5,557)**	(4,689)
Profit Before Income Tax		**83,919**	58,378
Income Tax Expense	6.1	**(24,756)**	(18,917)
Net Profit after Tax attributable to the Shareholders of the Holding Company	2.1	**59,163**	39,461
Other Comprehensive Income			
- Items that will not be reclassified to profit or loss			
Fair Value Gain/(Loss) (net of tax) on Revaluation of Land and Buildings	6.1	**2,419**	(20)
- Items that may be subsequently reclassified to profit or loss			
Fair Value (Loss)/Gain (net of tax) in Cash Flow Hedge Reserve	6.1	**(462)**	(635)
Movement in Foreign Currency Translation Reserve		**3,954**	265
Total Comprehensive Income for the year attributable to the Shareholders of the Holding Company		**65,074**	39,071
Earnings Per Share			
Basic Earnings per Share	2.4	**99.2**	66.2
Diluted Earnings per Share	2.4	**99.1**	66.1

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 1 AUGUST 2026

	Note	2026	2025
		$'000	$'000
Equity			
Contributed Equity	5.1	29,279	29,279
Asset Revaluation Reserve		28,504	26,085
Cashflow Hedge Reserve		(161)	301
Foreign Currency Translation Reserve		4,219	265
Share Option Reserve		99	37
Retained Earnings		79,637	55,928
Total Equity		141,577	111,895
Represented by			
Current Assets			
Cash and Cash Equivalents	3.1	78,205	58,333
Short-Term Deposits	3.1	10,000	-
Trade and Other Receivables		641	366
Advances to Employees		553	732
Prepayments		1,757	3,646
Inventories	3.2	30,444	31,274
Derivative Financial Instruments	7.5	499	1,062
Total Current Assets		122,099	95,413
Non-Current Assets			
Property, Plant and Equipment	4.2	79,582	62,155
Right of use Assets	4.1	98,050	63,785
Investment Property	4.3	2,960	3,020
Intangible Assets		1,969	1,273
Deferred Tax	6.2	8,013	5,570
Total Non-Current Assets		190,574	135,803
Total Assets		312,673	231,216
Current Liabilities			
Trade Payables		13,952	11,341
Employee Benefits	7.1	12,749	9,877
Other Payables		24,223	18,448
Lease Liabilities	4.1	29,256	26,680
Derivative Financial Instruments	7.5	730	639
Taxation Payable		7,884	2,376
Total Current Liabilities		88,794	69,361
Non-Current Liabilities			
Lease Liabilities	4.1	81,357	49,960
Non-Current Provisions		945	-
Total Non-Current Liabilities		82,302	49,960
Total Liabilities		171,096	119,321
Net Assets		141,577	111,895

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

The Consolidated Financial Statements are signed for and on behalf of the Board and were authorised for issue on 29 September 2026.

____________________________Director ____________________________Director Date 29 September 2026

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 1 AUGUST 2026

	Note	Share Capital $'000	Asset Revaluation Reserve $'000	Cash Flow Hedge Reserve $'000	Share Option Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 August 2024		**29,279**	**26,105**	**936**	**-**	**-**	**46,887**	**103,207**
Comprehensive Income								
Profit for Year		-	-	-	-	-	39,461	39,461
Revaluation net of Tax	**6.1**	-	(20)	-	-	-	-	(20)
Cash Flow Hedges net of Tax	6.1	-	-	(635)	-	-	-	(635)
Foreign Currency Translation Reserve		-	-	-	-	265	-	265
Total Comprehensive Income		**-**	**(20)**	**(635)**	**-**	**265**	**39,461**	**39,071**
Transactions with Owners								
Dividends	**2.3**	-	-	-	-	-	(30,420)	(30,420)
Increase in Share Option Reserve		-	-	-	37	-	-	37
Total Transactions with Owners		**-**	**-**	**-**	**37**	**-**	**(30,420)**	**(30,383)**
Balance at 1 August 2025		**29,279**	**26,085**	**301**	**37**	**265**	**55,928**	**111,895**
Comprehensive Income								
Profit for Year		**-**	**-**	**-**	**-**	**-**	**59,163**	**59,163**
Revaluation net of Tax	**6.1**	**-**	**2,419**	**-**	**-**	**-**	**-**	**2,419**
Cash Flow Hedges net of Tax	**6.1**	**-**	**-**	**(462)**	**-**	**-**	**-**	**(462)**
Foreign Currency Translation Reserve		**-**	**-**	**-**	**-**	**3,954**	**-**	**3,954**
Total Comprehensive Income		**-**	**2,419**	**(462)**	**-**	**3,954**	**59,163**	**65,074**
Transactions with Owners								
Dividends	**2.3**	**-**	**-**	**-**	**-**	**-**	**(35,491)**	**(35,491)**
Increase in Share Option Reserve		**-**	**-**	**-**	**99**	**-**	**-**	**99**
Transfer of Share Option Reserve to Retained Earnings		**-**	**-**	**-**	**(37)**	**-**	**37**	**-**
Total Transactions with Owners		**-**	**-**	**-**	**62**	**-**	**(35,454)**	**(35,392)**
Balance at 1 August 2026		**29,279**	**28,504**	**(161)**	**99**	**4,219**	**79,637**	**141,577**

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 1 AUGUST 2026

	Note	2026	2025
Cash Flows from Operating Activities		**$'000**	$'000
Cash was provided from:			
Sales to Customers		**563,528**	471,282
Rent Received	**2.2**	**223**	231
Interest Income	**2.1**	**2,063**	2,031
Interest on Debtors	**2.1**	**-**	4
		565,814	473,548
Cash was applied to:			
Payments to Suppliers		**317,942**	278,908
Payments to Employees		**98,147**	84,356
Interest Paid on Leases	**2.2**	**5,530**	4,689
Taxation Paid		**21,954**	16,990
		443,573	384,943
Net Cash Flows from Operating Activities		**122,241**	88,605
Cash Flows from Investing Activities			
Cash was provided from:			
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets		**138**	89
Repayment of Employee Advances		**179**	115
		317	204
Cash was applied to:			
Purchase of Property, Plant and Equipment and Intangible Assets	**4.2**	**29,351**	15,830
Short-Term Deposits	**3.1**	**10,000**	-
		39,351	15,830
Net Cash Flows applied to Investing Activities		**(39,034)**	(15,626)
Cash Flows from Financing Activities			
Cash was applied to:			
Dividend Paid	**2.3**	**35,491**	30,420
Lease Liability Payments	**4.1**	**30,619**	30,141
		66,110	60,561
Net Cash Flows applied to Financing Activities		**(66,110)**	(60,561)
Net Increase in Funds held		**17,097**	12,418
Cash and cash equivalents at the beginning of the year		58,333	45,915
Effect of foreign exchange differences		2,775	-
Cash and cash equivalents at the end of the year	**3.1**	**78,205**	58,333

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

HALLENSTEIN GLASSON HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 1 AUGUST 2026

RECONCILIATION OF PROFIT AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES	**Note**	**2026 $'000**	2025 $'000
Net Profit after Taxation		**59,163**	39,461
Add / (deduct) items classified as Investing or Financing activities			
Loss/(Gain) on Sale of Plant and Equipment	**2.2**	**334**	2
Add / (deduct) Non Cash Items			
Depreciation and Amortisation	**2.2**	**44,570**	40,629
Gain on Termination of Lease	**2.2**	**(64)**	-
Net Fair Value Loss on Investment Property	**2.2**	**60**	60
Deferred Taxation	**6.2**	**(2,706)**	2,017
Share Option Expense		**99**	37
Foreign Currency Translation Reserve		**2,419**	265
Add / (deduct) movements in Working Capital Items			
Taxation Payable		**5,508**	(90)
Trade and Other Receivables and Prepayments		**1,614**	2,236
Trade and Other Payables, Employee Benefits and Other Working Capital		**10,414**	7,778
Inventories		**830**	(3,790)
Net Cash Flows from Operating Activities		**122,241**	88,605

The Notes to the Consolidated Financial Statements form an integral part of the Consolidated Financial Statements.

1. Basis of preparation

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

1.1 General information

Reporting entity
Hallenstein Glasson Holdings Limited ("Company" or "Parent") together with its subsidiaries (the "Group") is a retailer of men's and women's clothing primarily in New Zealand and Australia.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 3, 235-237 Broadway, Newmarket, Auckland.

Statutory base

Hallenstein Glasson Holdings Limited is a company registered under the Companies Act 1993 and is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The Company is also listed on the New Zealand Stock Exchange (NZX). The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

The financial statements were approved for issue by the Board of Directors on 29 September 2026.

1.2 General accounting policies

Statement of compliance

These financial statements for the year ended 1 August 2026 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards").

Basis of preparation of financial statements

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

The reporting currency used in the preparation of these financial statements is New Zealand dollars, rounded where necessary to the nearest thousand dollars.

Entities reporting

The financial statements are the Consolidated Financial Statements of the Group comprising Hallenstein Glasson Holdings Limited and its subsidiaries, together they are referred to in these financial statements as 'the Group'. The parent and its subsidiaries are designated as for-profit entities for financial reporting purposes.

Principles of consolidation

Subsidiaries

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

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

Investments in subsidiaries

Principal Subsidiaries	Interest held by parent and group		Principal activities
	2026	**2025**	
Hallenstein Bros Limited	**100%**	100%	Retail of menswear in New Zealand
Hallensteins Australia Pty Limited	**100%**	100%	Retail of menswear in Australia
Glassons Limited	**100%**	100%	Retail of womenswear in New Zealand
Glassons Australia Pty Limited	**100%**	100%	Retail of womenswear in Australia
Hallenstein Properties Limited	**100%**	100%	Property ownership in New Zealand

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, land and buildings and certain financial assets and liabilities (including derivative instruments) measured at fair value.

Climate related risks

Transactions and balances

As part of its risk management framework, the Group continues to monitor its exposure to risk, including climate related risks and regulatory related reporting requirements. The Group has not identified any climate-related risks or opportunities that have a material impact on the financial statements.

Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with NZ IFRS and IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Property, plant and equipment/Right of use Assets: The Group has assessed whether the carrying value of its property, plant and equipment and right of use assets have suffered any impairment since they were acquired. The recoverable amounts of cash generating units (at a store level) have been determined based on value-in-use calculations. These calculations require the use of estimates and projections of future operating performance.

Inventory provision: The Group assessed the inventory provision using management judgement which considers a range of factors including the review of historical data, the age of inventory and current selling price trends to determine the appropriateness of the provision.

Revaluation of Land and Buildings: The fair value of the Group's land and buildings is determined by the Board following an independent valuation undertaken. Independent valuations are undertaken with sufficient regularity to ensure the carrying value does not differ materially from the fair value at the end of the reporting period. The basis of the valuation is assessed within a range indicated by two valuation approaches: discounted cash flow analysis and an income capitalisation approach. The key assumptions are disclosed in note 4.2.

Revaluation of Investment Property: The fair value of the Group's investment property is determined by the Board following an independent valuation undertaken annually. The basis of the valuation is assessed within a range indicated by two valuation approaches: discounted cash flow analysis and an income capitalisation approach. The key assumptions are disclosed in note 4.3.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements for 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 presentational currency.

Effective 2 August 2024, Glassons Australia and Hallensteins Australia, previously registered as branches in Australia, became separate companies registered with the Australian Securities and Investments Commission (ASIC) under Part 5B.1 of the Corporations Act 2001 (Cth) (Australia). As a result, the Group has two operating subsidiaries in Australia.

As part of the domiciliation of these companies, the functional currency of the Australian branches/subsidiaries was reassessed. Over time there has been a gradual change in operations in Australia which has culminated in converting the branches to subsidiaries as noted above. Management has further determined that a change in functional currency from New Zealand Dollars (NZD) to Australian Dollars (AUD) upon the restructuring of the Australian branches on the 2 August 2024 was appropriate.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

• Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

• Income and expenses for each statement of comprehensive income are translated at average exchange rates; and

• All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

2. Performance

2.1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is the chief operating decision maker and is responsible for allocating resources and assessing performance of the operating segments and they delegate that authority through the Executive team.

The Board of Directors considers the business from both a product and geographic perspective as follows:

- Hallensteins (Hallenstein Bros Limited (New Zealand) and Hallensteins Australia Pty Limited (Australia))
- Glassons New Zealand (Glassons Limited (New Zealand))
- Glassons Australia (Glassons Australia Pty Limited (Australia))
- Property (Hallenstein Properties Limited (New Zealand))
- Parent (Hallenstein Glasson Holdings Limited (New Zealand))

The reportable segments derive their revenues primarily from the retail sale of clothing. The revenues from external parties reported to the Board of Directors are measured in a manner consistent with that in the consolidated statement of comprehensive income. The Group does not derive a material amount of revenue from any single external customer.

For the year ended 1 August 2026	Glassons New Zealand **$'000**	Glassons Australia **$'000**	Hallensteins **$'000**	Property **$'000**	Parent **$'000**	Total Group **$'000**
INCOME STATEMENT						
Segment Revenue	**139,226**	**326,304**	**115,240**	**-**	**1,152**	**581,922**
Intercompany Segment Revenue	**(14,421)**	**(1,933)**	**(1,394)**	**-**	**(1,152)**	**(18,900)**
Sales Revenue from External Customers	**124,805**	**324,371**	**113,846**	**-**	**-**	**563,022**
Cost of Sales	**(51,406)**	**(119,974)**	**(44,033)**	**-**	**-**	**(215,413)**
Finance Income	**456**	**1,145**	**369**	**-**	**93**	**2,063**
Finance Expense	**(1,321)**	**(2,741)**	**(1,463)**	**-**	**(32)**	**(5,557)**
Depreciation and Amortisation	**(10,962)**	**(23,090)**	**(9,979)**	**(539)**	**-**	**(44,570)**
Profit/(Loss) before Income Tax	**29,103**	**43,457**	**10,912**	**360**	**87**	**83,919**
Income Tax (Expense)/Benefit	**(8,203)**	**(13,389)**	**(3,077)**	**(59)**	**(28)**	**(24,756)**
Net Profit/(Loss) after Tax	**20,900**	**30,068**	**7,835**	**301**	**59**	**59,163**
STATEMENT OF FINANCIAL POSITION						
Current Assets	**40,606**	**45,881**	**24,662**	**7,326**	**3,624**	**122,099**
Non-Current Assets	**43,217**	**91,009**	**35,882**	**20,453**	**13**	**190,574**
Current Liabilities	**21,214**	**49,129**	**18,143**	**222**	**86**	**88,794**
Non-Current Liabilities	**18,018**	**45,696**	**18,588**	**-**	**-**	**82,302**
Purchase of Property, Plant and Equipment and Intangible Assets	**2,870**	**20,136**	**6,318**	**27**	**-**	**29,351**

For the year ended 1 August 2025	Glassons New Zealand $'000	Glassons Australia $'000	Hallensteins $'000	Property $'000	Parent $'000	Total Group $'000
INCOME STATEMENT						
Segment Revenue	123,487	252,849	108,632	-	1,142	486,110
Intercompany Segment Revenue	(11,575)	(1,325)	(1,328)	-	(1,142)	(15,370)
Sales Revenue from External Customers	111,912	251,524	107,304	-	-	470,740
Cost of Sales	(48,679)	(96,839)	(45,958)	-	-	(191,476)
Finance Income	379	946	564	-	146	2,035
Finance Expense	(1,360)	(2,058)	(1,242)	-	(29)	(4,689)
Depreciation and Amortisation	(11,338)	(19,127)	(9,527)	(525)	(112)	(40,629)
Profit/(Loss) before Income Tax	19,162	34,217	4,755	324	(80)	58,378
Income Tax (Expense)/Benefit	(5,719)	(11,742)	(1,451)	(23)	18	(18,917)
Net Profit/(Loss) after Tax	13,443	22,475	3,304	301	(62)	39,461
STATEMENT OF FINANCIAL POSITION						
Current Assets	27,998	35,834	21,090	6,659	3,832	95,413
Non-Current Assets	40,427	46,943	28,144	20,289	-	135,803
Current Liabilities	18,328	34,876	15,499	316	342	69,361
Non-Current Liabilities	15,773	19,946	14,241	-	-	49,960
Purchase of Property, Plant and Equipment and Intangible Assets	4,509	7,037	4,214	70	-	15,830

2.2 Income and expenses

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, net of 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 has delivered a product to the customer. For in-store sales, control passes to the customer at the point of sale. For online sales, the order and the delivery to the customer are considered to comprise a single performance obligation, therefore control passes to the customer when the goods are delivered. Retail sales are usually in cash, credit card, debit card or by various pay later services. The recorded revenue is the gross amount of sale (excluding GST), including credit card fees and service fees payable for the transaction. Such fees are included in selling expenses.

The Group offers customers the option of purchasing gift cards. This is considered deferred revenue until such time where the customer redeems the gift card on future purchases. A contract liability for the purchase of a gift card is recognised at the time of the sale. Revenue is recognised when the gift card is redeemed, or, for the portion not expected to be redeemed (breakage), in line with expected redemption patterns, with any remaining balance recognised when they expire.
As at 1 August 2026, the gift card liability balance recognised under “Other payables” was $2.88M (2025: $2.47M, 2024: $2.22M).

Interest income
Interest income is recognised using the effective interest method.

Rental income
Rental income from operating leases (net of any incentives) is recognised on a straight-line basis over the lease term.

Income and Expenses

Profit before income tax includes the following specific income and expenses:	Group	
	2026	2025
	$'000	$'000
Other Operating Income		
Rental Income	**223**	231
Insurance Proceeds	**382**	244
Expenses		
Occupancy Costs[1]	**15,250**	9,514
Auditor's Remuneration - PwC New Zealand		
Audit of Financial Statements	**345**	337
Directors' Fees	**836**	718
Wages, Salaries and other Short Term Benefits	**101,019**	87,128
Depreciation of Property, Plant & Equipment	**14,827**	11,504
Depreciation of Right of Use Assets	**28,966**	28,526
Amortisation of Software	**777**	599
Total Depreciation and Amortisation	**44,570**	40,629
Net Fair Value Loss on Investment Property	**60**	60
Interest on Leases	**5,530**	4,689
Gain on Termination of Lease	**(64)**	-
Loss/(Gain) on Disposal of Property, Plant and Equipment	**334**	2

[1]Occupancy costs include rental expense on short term leases and turnover rent expenses.

2.3 Dividends

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

	2026 cents per Share	2025 cents per Share	**2026 $'000**	2025 $'000
Final dividend for the year ended 1 August 2025	**30.50**		**18,193**	
Interim dividend for the year ended 1 August 2026	**29.00**		**17,298**	
Final dividend for the year ended 1 August 2024		26.50		15,806
Interim dividend for the year ended 1 August 2025		24.50		14,614
Total	**59.50**	51.00	**35,491**	30,420

Dividends paid were partially imputed. Supplementary dividends of $218,716 (2025: $244,972) were paid to shareholders not resident in New Zealand for tax purposes for which the Group received a foreign investor tax credit.

2.4 Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Basic

Basic earnings per share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted

Diluted earnings per share is calculated by adjusting profit after tax and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has awarded performance rights under a Long-Term Incentive Plan (LTIP) during the financial year. These are considered potential ordinary shares and included in the calculation of diluted earnings per share. The impact of these potential shares is to increase the weighted average number of shares outstanding by 28,374 in 2026 (2025: 36,873).

Earnings per share

	2026 $'000	2025 $'000
Profit after tax	**59,163**	39,461
Weighted average number of ordinary shares outstanding	**59,649**	59,649
Basic earnings per share (cents per share)	**99.2**	66.2
Effect of LTIP share scheme diluted weighted average number of shares	**28**	37
Diluted earnings per share (cents per share)	**99.1**	66.1

3. Working Capital

3.1 Cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash on hand, EFTPOS (electronic funds transfer point of sale) transactions which have not been cleared by the bank at balance date, deposits held at call with financial institutions, 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, and bank overdrafts.

Short-term deposits

Short-term deposits represent cash held on deposit for a term of greater than three months and less than 12 months.

Consolidated Statement of Cash flows

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

(I.) Cash comprises cash and cash equivalents.

(II.) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, investments and employee advances.

(III.) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes lease payments, equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.

(IV.) Operating activities include all transactions and other events that are not investing or financing activities.

Cash and Cash Equivalents

	2026	2025
	$'000	$'000
Cash at Bank	**67,353**	56,641
Deposits with Bank	**10,735**	1,604
Cash on Hand	**117**	88
Total Cash and Cash Equivalents	**78,205**	58,333

The carrying amount of cash and cash equivalents equals the fair value.

Term Deposits

	2026	2025
	$'000	$'000
Short-Term Deposits	**10,000**	-

3.2 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost of sales comprises the purchase price of goods, import duties and inbound freight to the Group's distribution centre. Costs of operating the Group's distribution network including distribution centre costs are recognised in distribution expenses as incurred. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses, excluding borrowing costs. The Group assesses the likely net residual value of inventory. A provision is recognised for inventory which is older than two years and for inventory which is expected to sell for less than cost. Management will also use their judgement to assess whether any further provisions are required based on style performance, current trends and specific product information from buyers.

Inventories

	2026	2025
	$'000	$'000
Finished goods	**31,693**	31,479
Inventory provision	**(1,249)**	(205)
Net inventories	**30,444**	31,274

Inventory provisions are provided at year end for stock obsolescence within cost of sales in the Consolidated Statement of Comprehensive Income. The cost of inventories recognised as an expense and included in cost of sales amounted to $214,264,774 (2025: $189,677,388).

4. Non-Current Assets

4.1 Leases

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the remaining lease payments.

Right-of-use assets are initially recognised on commencement of lease at cost, comprising the initial amount of the lease liabilities less any lease incentives received. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Group leases retail stores under non-cancellable operating leases expiring within one to six years. There is a small portion of lease contracts which contain renewal rights. In considering the lease term for these contracts, the Group has determined that rights of renewals are not reasonably certain to be exercised due to the nature and location of the stores and the changing retail environment. It is the Group's strategy to renegotiate the terms of all leases at their expiry instead of exercising renewal rights. This agile strategy is enabled by having stores relatively small in size and not highly customised, and therefore relatively straight forward to move locations. In addition, with the current retail market uncertainty the Group needs to maintain a degree of flexibility.

Both right-of-use assets and lease liabilities are discounted applying the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Short term leases where the Group is the lessee
The Group applies the short-term lease recognition exemption to leases with a term of 12 months or less from the commencement date. For these leases, the Group recognises the lease payments (net of any incentives received from the lessor) within the profit or loss in the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease.

The Group is the lessor
Assets leased to third parties under operating leases are included in Investment Property in the Consolidated Statement of Financial Position. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term. Lease receivables are disclosed under Note 4.3.

The following tables show the movements and analysis in relation to the right of use assets and lease liabilities.

Right of Use Assets

	2026	2025
	$'000	$'000
Opening net book value	**63,785**	67,029
Depreciation	**(28,966)**	(28,526)
Modifications and Additions	**60,638**	25,267
Lease Terminations	**(808)**	-
FX Impact	**3,401**	15
Carrying amount	**98,050**	63,785

Lease Liabilities

	2026	2025
	$'000	$'000
Opening lease liabilities	**76,640**	79,184
Lease Modifications and Additions	**61,621**	27,619
Interest for the period	**5,530**	4,689
Lease payments made	**(36,149)**	(34,830)
Lease Terminations	**(872)**	-
FX Impact	**3,843**	(22)
Closing Lease liabilities	**110,613**	76,640

Lease liabilities maturity analysis for the year ended 1 August 2026

	Minimum lease payments $'000	Interest $'000	Present value $'000
Due within one year	**35,100**	**(5,844)**	**29,256**
One to two years	**28,294**	**(4,247)**	**24,047**
Two to five years	**52,493**	**(5,458)**	**47,035**
Later than five years	**10,861**	**(586)**	**10,275**
Total	**126,748**	**(16,135)**	**110,613**
Current			**29,256**
Non-current			**81,357**
Total			**110,613**

Lease liabilities maturity analysis for the year ended 1 August 2025

	Minimum lease payments $'000	Interest $'000	Present value $'000
Due within one year	30,427	(3,747)	26,680
One to two years	22,309	(2,446)	19,863
Two to five years	30,014	(2,368)	27,646
Later than five years	2,737	(286)	2,451
Total	85,487	(8,847)	76,640
Current			26,680
Non-current			49,960
Total			76,640

Lease related expenses included in the consolidated statement of comprehensive income:

	2026 $'000	2025 $'000
Depreciation	**28,966**	28,526
Rent on short-term leases and turnover rent expenses	**15,250**	9,514
Gain on lease termination	**(64)**	-
Interest on leases	**5,530**	4,689
Total	**49,682**	42,729

Lease payments included in the consolidated statement of cash flows:

	2026 $'000	2025 $'000
Interest paid on leases (operating activities)	**5,530**	4,689
Payments for lease liabilities principal (financing activities)	**30,619**	30,141
Total cash outflows from leases	**36,149**	34,830

Lease commitments
The Group currently has no non-cancellable short-term operating lease agreements as at 1 August 2026 (2025: $Nil).

4.2 Property, plant and equipment

Recognition and measurement

Land and buildings were valued on 1 August 2026 by CBRE Limited, FordBaker Valuation Limited and CVAS (NZ) Limited (collectively "the valuers"), who are independent registered valuers and associates of The New Zealand Institute of Valuers. The valuers have recent experience in the location and category of the item being valued. The fair values of the assets represent the estimated price for which a property could be sold on the date of valuation in an orderly transaction between market participants.

The adopted valuations have been assessed within a range indicated by two valuation approaches: Income capitalisation approach and discounted cash flow analysis.

The following table summarises the valuation approach and key assumptions used by the valuers to arrive at fair value.

Valuation approach	Description of the valuation approach
Income Capitalisation Approach	A valuation methodology which determines fair value by capitalising a property's sustainable net income at an appropriate, market derived capitalisation rate (yield). Unobservable inputs within the income capitalisation approach include: a) Net Market Rent which is the annual amount for which a tenancy within a property is expected to achieve under a new arm's length leasing transaction after deducting a fair share of property operating expenses. b) Capitalisation Rate (yield) which is the rate of return, determined through analysis of comparable, market related sales transactions which is applied to a property's sustainable net income to derive value.
Discounted Cash Flow analysis	With the discounted cash flow analysis, a cash flow budget is established for the property over a ten-year time horizon. Within the cash flow an allowance is made for rental growth as well as deducting costs associated with property ownership. A terminal value is also estimated and the cash flows are discounted at a market rate to arrive at a net present value. Unobservable inputs within the discounted cash flow analysis include: a) The discount rate which is the rate determined through analysis of comparable market related sales transactions which is applied to a property's future net cash flows to convert those cash flows into a present value. b) The terminal capitalisation rate which is the rate which is applied to a property's sustainable net income at the end of an assumed holding period to derive an estimated market value. c) Rental growth rate which is the annual growth rate applied to market rent over an assumed holding period. d) Expenses growth rate which is the annual growth rate applied to property operating expenses over an assumed holding period.

Land and building measurements are categorised as Level 3 in the fair value hierarchy. During the year there were no transfers between levels of the fair value hierarchy.

Both the income capitalisation approach and discounted cash flow analysis contained unobservable inputs in determining fair value. These are summarised in the table below:

Land and Buildings - Warehouse		**2026**	
	Net Market Rent	**\$130 - \$190**	The higher the market rent and growth rate, the higher the fair value
	Rental growth rate	**2.80% - 3.00%**	
	Capitalisation rate (yield)	**5.64% - 5.70%**	
	Discount Rate	**7.50% - 7.75%**	The higher the capitalisation rates and discount rate, the lower the fair value.
	Terminal Capitalisation Rate	**5.88% - 6.75%**	
	Expenses growth	**0.00% - 1.96%**	The higher the expenses, the lower the fair value.

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 the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as an asset revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the asset revaluation reserve directly in equity; all other decreases are charged to the profit or loss in the consolidated statement of comprehensive income.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. This cost includes labour attributable to bringing the assets to the location and working condition for its intended use.

Depreciation

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

–	Buildings	67 years
–	Plant & equipment	2 - 5 years
–	Furniture & fittings	5 - 10 years

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

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, for example a planned store closure, withdrawal from a business segment, or assessment of loss-making stores. Assets are grouped at the lowest levels for which there are separately identifiable cash flows; a store's assets is the relevant cash generating unit. If, in a subsequent period, the amount of the impairment loss decreases and it can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

The value-in-use calculation evaluates recoverability based on the stores' forecasted discounted cash flows, which incorporate estimated sales, margin & expense growth based upon current plans for the store. Key assumptions in the determination of recoverable amount are:

• the estimate of future cash flows of the store incorporating reasonable sales growth and margin improvement; and
• the discount rate incorporating the rates of return based on the risk and uncertainty inherent in the forecast cash flows.

The Group has performed an assessment to determine whether there is any sensitivity to changes in key assumptions. As a result of the sensitivity analysis and impairment testing performed, it was determined that no material risks of impairment existed as at 1 August 2026 (2025: $Nil).

Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Consolidated Statement of Comprehensive Income.

Year ended 1 August 2026

$'000	Land at fair value	Buildings at fair value	Fixtures & Fittings	Plant & Equipment	TOTAL
Opening NBV	**11,235**	**18,063**	**24,387**	**8,470**	**62,155**
Additions	-	-	15,019	12,843	27,862
Disposals	-	-	(250)	(210)	(460)
Depreciation	-	(627)	(9,393)	(4,807)	(14,827)
Revaluations	1,245	1,630	-	-	2,875
FX Impact	-	-	1,329	648	1,977
Closing NBV	**12,480**	**19,066**	**31,092**	**16,944**	**79,582**
Cost/Valuation	12,480	19,081	95,257	47,048	173,866
Accumulated depreciation	-	(15)	(64,165)	(30,104)	(94,284)
Closing NBV	**12,480**	**19,066**	**31,092**	**16,944**	**79,582**

Year ended 1 August 2025

$'000	Land at fair value	Buildings at fair value	Fixtures & Fittings	Plant & Equipment	TOTAL
Opening NBV	**11,235**	**18,636**	**22,353**	**6,555**	**58,779**
Additions	-	70	9,735	5,108	14,913
Disposals	-	-	(65)	(60)	(125)
Depreciation	-	(615)	(7,725)	(3,164)	(11,504)
Revaluations	-	(28)	-	-	(28)
FX Impact	-	-	89	31	120
Closing NBV	**11,235**	**18,063**	**24,387**	**8,470**	**62,155**
Cost/Valuation	11,235	18,616	82,769	33,922	146,542
Accumulated depreciation	-	(553)	(58,382)	(25,452)	(84,387)
Closing NBV	**11,235**	**18,063**	**24,387**	**8,470**	**62,155**

If land and buildings were stated on a historical cost basis, the amounts would be as follows:

	2026	2025
	$'000	$'000
Land	**4,270**	4,270
Buildings	**12,862**	12,862
Cost	**17,132**	17,132
Accumulated depreciation	**(3,507)**	(3,250)
Net book value	**13,625**	13,882

4.3 Investment Property

Recognition and measurement

Investment property consists of a portion of land and buildings for the purpose of retail. Land and buildings were valued on 1 August 2026 by CBRE Limited ("the valuer") who is an independent registered valuer and associate of The New Zealand Institute of Valuers. The valuer has recent experience in the location and category of the item being valued. The fair value of the assets represents the estimated price for which a property could be sold on the date of valuation in an orderly transaction between market participants.

The adopted valuation has been assessed within a range indicated by two valuation approaches: Income capitalisation approach and discounted cash flow analysis.

The following table summarises the valuation approach and key assumptions used by the valuer to arrive at fair value.

Valuation approach	Description of the valuation approach
Income Capitalisation Approach	A valuation methodology which determines fair value by capitalising a property's sustainable net income at an appropriate, market derived capitalisation rate (yield). Unobservable inputs within the income capitalisation approach include: a) Net Market Rent which is the annual amount for which a tenancy within a property is expected to achieve under a new arm's length leasing transaction after deducting a fair share of property operating expenses. b) Capitalisation Rate (yield) which is the rate of return, determined through analysis of comparable, market related sales transactions which is applied to a property's sustainable net income to derive value.
Discounted Cash Flow analysis	With the discounted cash flow analysis, a cash flow budget is established for the property over a ten-year time horizon. Within the cash flow an allowance is made for rental growth as well as deducting costs associated with property ownership. A terminal value is also estimated and the cash flows are discounted at a market rate to arrive at a net present value. Unobservable inputs within the discounted cash flow analysis include: a) The discount rate which is the rate determined through analysis of comparable market related sales transactions which is applied to a property's future net cash flows to convert those cash flows into a present value. b) The terminal capitalisation rate which is the rate which is applied to a property's sustainable net income at the end of an assumed holding period to derive an estimated market value. c) Rental growth rate which is the annual growth rate applied to market rent over an assumed holding period. d) Expenses growth rate which is the annual growth rate applied to property operating expenses over an assumed holding period

The loss of $60,000 on the fair value revaluation of Investment Property was recognised as an operating expense in the Consolidated Statement of Comprehensive Income (2025: $60,000). Subsequent revaluation surpluses or losses will be recognised through the Consolidated Statement of Comprehensive Income.

Land and building measurements are categorised as Level 3 in the fair value hierarchy. During the year there were no transfers between levels of the fair value hierarchy.

Both the income capitalisation approach and discounted cash flow analysis contained unobservable inputs in determining fair value. These are summarised in the table below:

		Range of significant unobservable inputs		
Class of property	**Inputs used to measure fair value**	**2026**	**2025**	**Sensitivity**
Land and Buildings – Retail and Investment Property	Net Market Rent	**$327 per m2**	**$327 per m2**	The higher the market rent and growth rate, the higher the fair value
	Rental growth rate	**1.86% - 2.00%**	1.50% - 2.00%	
	Capitalisation rate (yield)	**7.28%**	6.97%	
	Discount Rate	**7.20%**	7.92%	The higher the capitalisation rates and discount rate, the lower the fair value.
	Terminal Capitalisation Rate	**7.35%**	6.72%	
	Expenses growth	**1.86% - 2.00%**	1.80% - 2.00%	The higher the expenses, the lower the fair value.

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 the item will flow to the Group and the cost of the item can be measured reliably.

Investment Property

	2026 $'000	2025 $'000
Opening balance	**3,020**	3,080
Net loss from fair value revaluation	**(60)**	(60)
Closing balance	**2,960**	3,020

Lease receivables:

The Group owns rental property that it leases under non-cancellable operating lease agreements to external parties. Leases reflect normal commercial arrangements with varying terms and renewal rights.

The future minimum rental payments receivable under these leases is as follows:

	2026 $'000	2025 $'000
Due within one year	**176**	150
One to two years	**176**	150
Two to five years	**239**	374
Total lease receivables	**591**	674

5. Equity

5.1 Share capital

Ordinary shares are classified as capital, net of treasury stock.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Reserves

The asset revaluation reserve records revaluations of land and buildings classified as property, plant and equipment, net of tax. The cash flow hedge reserve records the fair value of derivative financial instruments, net of tax that meet the hedge accounting criteria. The Share Option reserve is used to record the accumulated value of unvested share rights arising from the executive share scheme which have been recognised in the consolidated statement of changes in equity. The foreign currency translation reserve is used to record foreign currency translation differences arising on the translation of the Group entities results and financial position. The amounts are accumulated in other comprehensive income until disposal of the foreign operation.

Contributed Equity

	2026 Shares	2025 Shares	**2026 $'000**	2025 $'000
Representing:				
Share Capital	**59,649,061**	59,649,061	**29,279**	29,279

All shares are fully paid and rank equally

5.2 Executive Share Scheme

Long-Term Incentive Plan (LTIP)

The Group’s Long-Term Incentive Plan provides for both cash-settled phantom shares and equity-settled awards:

Phantom shares are cash-settled, with entitlements determined by the Company’s share price at vesting, based on the volume weighted average price over a chosen period.

Equity-settled awards are measured at grant-date fair value and recognised as an expense on a straight-line basis over the vesting period. The awards are satisfied through a capital issue of new shares after a three-year vesting period, subject to performance and service conditions. The issue of new shares results in potential dilution for existing shareholders.

The LTIP is accounted for in accordance with NZ IFRS 2 Share-based Payment.

Cash-settled awards are recognised as a liability and remeasured to fair value at each reporting date, with changes recognised in the profit or loss in the Consolidated Statement of Comprehensive Income. Equity-settled awards are measured at grant date fair value and expensed over the vesting period, with a corresponding credit to the Share Option Reserve.

In accordance with NZ IFRS 2 Share-based Payment, the below amount represents the fair value of equity instruments granted, measured at the grant date. The total long-term performance rights of $297,497 have been determined based on 37,421 shares granted at a grant date fair value of $7.95 per share. The grant date fair value was determined by reference to the Company's share price at the grant date, adjusted for the present value of expected dividends that participants are not entitled to receive during the vesting period. Performance and service conditions are not reflected in the grant-date fair value and are instead reflected in the number of awards expected to vest.

Long-Term Performance Rights

Grant date	Opening balance ($)	Granted during the year ($)	Vested during the year ($)	Lapsed during the year ($)	Closing balance ($)
2/08/2024	222,344	-	-	**(222,344)**	**-**
29/10/2025	-	297,497	-	-	**297,497**

For the year ended 1 August 2026, the Group recognised costs in relation to the Long-Term Incentive Plan (LTIP) in accordance with NZ IFRS 2 Share-based Payment.

An amount of $185,000 has been recognised as a provision for incentive with a corresponding charge to employee benefits in respect of cash-settled awards. The carrying amount of the liability recognised in respect of cash-settled awards at 1 August 2026 was $222,000. No cash-settled awards had vested at year end.

In addition, $99,000 has been recognised as a credit to the Share Option Reserve in respect of equity-settled awards, with a corresponding charge to employee benefits. This reflects the expected settlement of awards through the issue of new shares, subject to vesting conditions.

An amount of $37,000 has been recognised as a debit to the Share Option Reserve, with a corresponding transfer to Retained Earnings. This reflects awards which have lapsed in the current financial year.

6. Taxation

6.1 Income tax expense

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the notional income tax rate for each jurisdiction, 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 unused tax losses.

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 for each jurisdiction. 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 company 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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and Services Tax (GST)

The Consolidated Statement of Comprehensive Income and the Consolidated Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Consolidated Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Income Tax Expense

	2026	2025
	$'000	$'000
Income tax expense		
The tax expense comprises:		
Current tax expense	**26,234**	16,920
Prior period adjustment	**858**	(67)
Deferred tax expense (note 6.2)		
- Future tax expense current year	**(1,369)**	128
- Prior period adjustment	**(967)**	1,936
Total income tax expense	**24,756**	18,917
Reconciliation of income tax expense to tax rate applicable to profits		
Profit before income tax expense	**83,919**	58,378
Tax at 28% (2025: 28%)	**23,497**	16,346
Tax effect of:		
- Expenses not deductible for tax	**137**	247
- Adjustment due to different rate in different jurisdictions	**1,231**	614
- Utilisation of tax losses by group companies	**-**	(159)
- Prior period adjustment	**(109)**	1,869
Total income tax expense	**24,756**	18,917

The effective tax rate for the year was 29.5% (2025: 32.4%).

The tax (charge)/credit relating to components of other comprehensive income are as follows:

	2026			2025		
	$'000			$'000		
	Before Tax	**Tax effect**	**After Tax**	Before Tax	Tax effect	After Tax
Fair Value (Loss)/Gains (net of tax) on revaluation of land and buildings	**2,875**	**(456)**	**2,419**	(28)	8	(20)
Fair Value (Loss)/Gain (net of tax) in Cash Flow Hedge Reserve	**(655)**	**193**	**(462)**	(892)	257	(635)

6.2 Deferred tax

	2026 $'000	2025 $'000
Amounts recognised in profit or loss		
Depreciation	**623**	349
Provisions and accruals	**4,800**	3,376
Right of use assets	**(29,292)**	(20,179)
Lease liabilities	**32,269**	22,139
	8,400	5,685
Amounts recognised directly in equity		
Asset revaluation reserve	**(456)**	8
Cash flow hedges	**69**	(123)
Total amount recognised	**8,013**	5,570
Movements		
Balance at beginning of year	**5,570**	7,323
Credited/(Charged) to the Income Statement	**1,369**	(128)
Prior period adjustment	**967**	(1,936)
Charged to equity	**(263)**	265
FX impact	**370**	46
Balance at the end of the year	**8,013**	5,570

6.3 Imputation credits

	2026 $'000	2025 $'000
Imputation credits available for subsequent reporting periods	**8,521**	3,592

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.

7. Other

7.1 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 employee benefits 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.

Employee benefits

	2026 $'000	2025 $'000
Holiday pay accrual and other benefits	**12,749**	9,877

7.2 Contingencies

Contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated are as follows:

	2026 $'000	2025 $'000
Bank guarantee provided to the New Zealand Stock Exchange (NZX)	**75**	75

Letters of Credit

Bank letters of credit issued to secure future purchasing requirements are matched to a contingent asset of the same value representing inventories purchased.

7.3 Capital expenditure commitments

	2026 $'000	2025 $'000
Commitments in relation to store and distribution centre fitouts	**1,349**	1,863

7.4 Related party transactions

During the year, the Company recorded loan advances, loan repayments and management fees with its subsidiaries through internal 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.

The Group undertook transactions with the related interests of the majority shareholder as detailed below:

	2026	2025
T C Glasson	**$'000**	$'000
Rent payments on retail premises	**1,525**	1,478
Balance as at year end - lease liabilities	**3,842**	4,955

The following Directors received Directors' fees and dividends in relation to shares held personally as follows:

	Directors' fees		**Dividends**	
	2026	2025	**2026**	2025
	$'000	$'000	**$'000**	$'000
Ms J Appleyard	**89**	86	**-**	-
Mr W J Bell	**150**	145	**-**	-
Ms K Bycroft	**108**	102	**-**	-
Mr M Ford	**110**	112	**6**	5
Mr J C Glasson	**-**	-	**392**	224
Mr T C Glasson	**89**	86	**5,015**	4,789
Mr G Popplewell	**104**	101	**95**	85
Ms S Vincent	**89**	86	**28**	24
Mr P Steenson	**97**	-	**-**	-
	836	718	**5,536**	5,127

During the financial year, consulting fees of $19,000 (2025: $14,000) were paid to Karen Bycroft. There was no balance outstanding as at 1 August 2026 (2025: $Nil).

During the financial year, consulting fees of $150,000 (2025: $Nil) were paid to Graeme Popplewell. There was no balance outstanding as at 1 August 2026 (2025: $Nil).

Total remuneration of $1,014,482 was paid by the Company to close family members of the Board of Directors for individuals that were either employed or engaged as consultants by the Company in the year ended 1 August 2026 (2025: $988,000). In addition, total dividends of $113,443 were paid by the Company to close family members of the Board of Directors in their capacity as shareholders in the year ended 1 August 2026 (2025: $Nil).

Key management compensation was as follows:

	2026	2025
	$'000	$'000
Short term employee benefits	**4,364**	3,667
Post employment benefits	**165**	112
Termination benefits	**553**	-
Share scheme benefit	**284**	74

The Company operates a long-term incentive scheme for certain senior executives as outlined in Note 5.2.

7.5 Financial risk management

Fair value estimation

Fair value estimates are classified in a hierarchy based on the inputs to valuation techniques used to measure fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The Group has financial instruments that are classified as Level 2 within the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included within Level 2. Under Level 2 the Group holds forward foreign exchange contracts. The fair value of these forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. Refer to note 7.5.4.

The Group's land and buildings within property, plant and equipment and investment property are classified as Level 3 in the fair value hierarchy as one or more of the material inputs into the valuation are not based on observable market data. Refer to notes 4.2 and 4.3 for more information.

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 company designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions have been and will continue to be highly 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 equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss in the Consolidated Statement of Comprehensive Income.

Amounts accumulated in equity are recycled in the Consolidated Statement of Comprehensive Income in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the 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 equity are transferred from equity 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 equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Comprehensive Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss in the Consolidated Statement of Comprehensive Income.

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 profit or loss in the Consolidated Statement of Comprehensive Income.

7.5.1 Financial risk factors

The Group's activities expose it to various financial risks including, liquidity risk, credit risk, and market risk (including currency risk and cash flow interest rate risk). The Group's risk management strategy is to minimise adverse effects on the Consolidated Statement of Comprehensive Income. Derivative financial instruments are used to hedge currency risk.

7.5.2 Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves, and by regularly monitoring cash flow.

At balance date, the Group had $88.205 million (2025: $58.333 million) in cash reserves and accordingly, management consider liquidity risk to be relatively low.

The table below analyses the Group's financial liabilities and gross-settled derivatives into relevant maturity groupings based on the remaining period from the Consolidated Statement of Financial Position 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 inflow of foreign currency back to the Group as a result of the gross settlement on those contracts, converted using the spot rate at balance date. The carrying value shown is the net amount of derivative financial liabilities and assets as shown in the Consolidated Statement of Financial Position. Trade payables are shown at carrying value in the table. No discounting has been applied as the impact of discounting is not material.

As at 1 August 2026	**Less than 3 months**	**3-12 months**	**Total**	**Carrying value**
	$'000	**$'000**	**$'000**	**$'000**
Trade and other payables	**38,175**	**-**	**38,175**	**38,175**
	38,175	**-**	**38,175**	**38,175**
Forward foreign exchange contracts				
Cash flow hedges:				
- outflow	**(41,777)**	**(32,807)**	**(74,584)**	**(74,584)**
- inflow	**41,760**	**32,664**	**74,424**	**74,353**
- Net	**(17)**	**(143)**	**(160)**	**(231)**

As at 1 August 2025	Less than 3 months	3-12 months	Total	Carrying value
	$'000	$'000	$'000	$'000
Trade and other payables	29,789	-	29,789	29,789
	29,789	-	29,789	29,789
Forward foreign exchange contracts				
Cash flow hedges:				
- outflow	(34,983)	(49,675)	(84,658)	(84,658)
- inflow	35,198	50,162	85,360	85,081
- Net	215	487	702	423

7.5.3 Credit Risk

Credit risk is the risk of the failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Group. The 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 high credit quality financial institutions. Retail sales are predominantly settled in cash or by using major credit cards. 0.1% (2025: 0.1%) of sales give rise to trade receivables. This maximum exposure to credit risk is the carrying amount of trade receivables.
Concentration of credit risk with respect to debtors is limited due to the large number of customers included in the Group’s customer base.
The Group does not require collateral or other security to support financial instruments with credit risk.

7.5.4 Market Risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposure predominantly with the US dollar with the purchase of inventory from overseas suppliers.
The Board has established a Treasury Risk Policy to manage the foreign exchange risk. The policy is reviewed on a regular basis, and management report monthly to the Board to confirm policy is adhered to. All committed foreign currency requirements are fully hedged, and approximately 50% (2025: 50%) of anticipated foreign currency requirements are hedged on a rolling twelve month basis.

The Group uses forward exchange contracts with major retail banks only to hedge its foreign exchange risk arising from future purchases.

Forward exchange contracts – cash flow hedges

These contracts are used for hedging committed or highly probable forecast purchases of inventory. The contracts are timed to mature during the month the inventory is shipped and the liability settled. The cash flows are expected to occur at various dates within one year from balance date.

When forward 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 equity. These gains or losses will be released in the profit or loss in the Consolidated Statement of Comprehensive Income at various dates over the following year as the hedged risk crystallises.

At balance date the Group had entered into forward exchange contracts to sell the equivalent of NZ$74.584 million (2025: NZ$84.658 million), primarily in USD and AUD. At balance date these contracts are represented by net liability of $0.231 million (2025: assets of $0.423 million). When foreign exchange contracts are not designated and tested as an effective hedge, the gain or loss on the foreign exchange contract is recognised in the profit or loss in the Consolidated Statement of Comprehensive Income.

At balance date there are no such contracts in place (2025: Nil).

Interest rate risk

The Group has no interest-bearing borrowings. Exposure to interest rate risk arises only from the impact on income from operating cash flows as a result of interest-bearing assets, such as cash deposits.

Sensitivity analysis

Based on historical movements and volatilities and management's knowledge and experience, management believes that the following movements are 'reasonably possible' over a 12-month period:

- Proportional foreign exchange movement of -10% (depreciation of NZD) and +10% (appreciation of NZD) against the USD, from the year end rate of $0.5868 (2025: $0.5881).
- Proportional foreign exchange movement of -10% (depreciation of NZD) and +10% (appreciation of NZD) against the AUD, from the year end rate of $0.835 (2025: $0.9139).
- A parallel shift of +2% / -2% in the market interest rates from the year end deposit rate of 2.5% (2025: 3.0%).

If these movements were to occur, the post-tax impact on profit or loss and equity for each category of financial investment:

As at 1 August 2026	**Carrying amount**	**Interest rate**				**Foreign exchange rate**			
		-2%		**+2%**		**-10%**		**+10%**	
		Profit	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**	**Profit**	**Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
FINANCIAL ASSETS									
Financial assets at amortised cost									
Cash and cash equivalents	**78,205**	**(1,564)**	**(1,564)**	**1,564**	**1,564**	**5,057**	**5,057**	**(4,138)**	**(4,138)**
Short-Term Deposits	**10,000**	**(200)**	**(200)**	**200**	**200**				
Accounts receivable	**641**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Advances to Employees	**553**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FINANCIAL LIABILITIES									
Liabilities at amortised cost									
Trade and other payables	**38,175**	**-**	**-**	**-**	**-**	**(3,732)**	**(3,732)**	**3,054**	**3,054**
Derivatives used for Hedging									
Derivatives designated as cash flow hedges (forward foreign exchange contracts)	**(231)**	**-**	**-**	**-**	**-**	**-**	**6,074**	**-**	**(4,773)**
TOTAL INCREASE/DECREASE		**(1,764)**	**(1,764)**	**1,764**	**1,764**	**1,325**	**7,399**	**(1,084)**	**(5,857)**

As at 1 August 2025	Carrying amount	Interest rate				Foreign exchange rate			
		-2%		+2%		-10%		+10%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FINANCIAL ASSETS									
Financial assets at amortised cost									
Cash and cash equivalents	58,333	(1,167)	(1,167)	1,167	1,167	3,473	3,473	(2,841)	(2,841)
Accounts receivable	366	-	-	-	-	-	-	-	-
Advances to Employees	732	-	-	-	-	-	-	-	-
Derivatives used for Hedging									
Derivatives designated as cash flow hedges (forward foreign exchange contracts)	423	-	-	-	-	-	6,829	-	(5,587)
FINANCIAL LIABILITIES									
Liabilities at amortised cost									
Trade and other payables	29,789	-	-	-	-	(1,997)	(1,997)	1,634	1,634
TOTAL INCREASE/DECREASE		(1,167)	(1,167)	1,167	1,167	1,476	8,305	(1,207)	(6,794)

7.5.5 Capital risk management

The Group's objectives when managing capital are to maximise the value of shareholder equity and ensure that the Group continues to safeguard its ability to continue as a going concern. Group capital consists of share capital, reserves and retained earnings. In order to meet these objectives, the Group may adjust the amount of dividend payment made to shareholders. The Group has no specific banking or other arrangements which require that the Group maintain specific equity levels.

7.6 Events subsequent to balance date

Subsequent to year end, the Board has resolved to pay a final dividend of 40 cents per share totalling $23,859,624 (partially imputed at 91.6%) (2025: 30.5 cents totalling $18,192,964 partially imputed at 56.5%). The dividend will be paid on 9 December 2026 to all shareholders on the Company's register as at 5:00pm, 2 December 2026.

7.7 Standards, amendments and interpretations to existing standards

Certain amendments to accounting standards that are mandatory for the 1 August 2026 reporting period have been adopted by the Group and have no material impact. There were also certain new accounting standards, amendments to accounting standards and interpretations that have been published which are not mandatory for the 1 August 2026 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations are yet to be assessed for the disclosure and measurement impacts for the future reporting periods.

Independent auditor's report

To the shareholders of Hallenstein Glasson Holdings Limited

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Hallenstein Glasson Holdings Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 1 August 2026, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 1 August 2026;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. Other than in our capacity as auditor we have no other relationship with, or interests in, the Group.

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Key audit matters

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

Description of the key audit matter	How our audit addressed the key audit matter
Inventory valuation As at 1 August 2026, the Group held $30.4 million of finished goods, net of inventory provision of $1.2 million. Given the size of the inventory balance, and the estimates and judgements described below, the valuation of inventory required significant audit attention and is a key audit matter. As disclosed in note 3.2, inventories are held at the lower of cost and net realisable value. At year end, the valuation of inventory is reviewed by management and its cost is reduced where inventory is forecasted to be sold below cost. The inventory provision is determined based on various factors including historical data, inventory ageing, current trends and specific product information from buyers. Determining the appropriate level of provisioning involves judgement and the application of assumptions including management's estimation of future selling prices.	Our audit procedures included: • gaining an understanding of management's processes and relevant controls in place over the valuation process; • testing, on a sample basis, the accuracy of inventory costing to supporting documentation and calculations; • considering the level of aged inventory, inventory turnover levels and enquiries with management; • performing analytical procedures on balances supporting inventory provisions to assess their reasonableness and that the provision amounts were within expectations; • considering the results of our testing and in conjunction with management enquiries determined whether any specific write downs were required; and • assessing the appropriateness of disclosures in the financial statements.

Our audit approach

Overview

Overall group materiality: $4.0 million, which represents approximately 5% of Group profit before tax.

We chose Group 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.

Our Group audit scoping focussed on those components that are financially significant to the Group. Specified audit and/or analytical procedures were performed over certain residual components.

As reported above, we have one key audit matter being, inventory valuation.

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

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.34

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

How we tailored our group audit scope

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

Other information

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditor's report.

Who we report to

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

The engagement partner on the audit resulting in this independent auditor’s report is John (Jolly) Morgan.

For and on behalf of:

PricewaterhouseCoopers
29 September 2026

Auckland