

# STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 1 February 2024 (unaudited)

	Group	
	SIX MONTHS ENDED 1/2/24 \$000	SIX MONTHS ENDED 1/2/23 \$000
	Note	
<b>Sales revenue</b>	<b>222,954</b>	223,293
Cost of sales	<b>(91,707)</b>	(97,087)
<b>Gross profit</b>	<b>131,247</b>	126,206
Other operating income	<b>122</b>	124
Selling expenses	<b>(75,398)</b>	(72,127)
Distribution expenses	<b>(7,583)</b>	(7,283)
Administration expenses	<b>(17,470)</b>	(16,329)
<b>Total expenses</b>	<b>2.2 (100,451)</b>	(95,739)
<b>Operating profit</b>	<b>30,918</b>	30,591
Finance income	<b>895</b>	501
Finance expense	<b>(1,963)</b>	(1,579)
<b>Profit before income tax</b>	<b>29,850</b>	29,513
Income tax expense	<b>(8,704)</b>	(8,688)
<b>Net profit after tax attributable to the shareholders of the Holding Company</b>	<b>21,146</b>	20,825
<b>Other comprehensive income</b>		
<b>- Items that will not be reclassified to profit or loss</b>		
Increase in share option reserve	<b>36</b>	73
<b>- Items that may be subsequently reclassified to profit or loss</b>		
Fair value loss (net of tax) in cash flow hedge reserve	<b>(983)</b>	(3,774)
<b>Total comprehensive income for the year</b>	<b>20,199</b>	17,124
<b>Earnings per share</b>		
Basic and diluted earnings per share	<b>35.45</b>	34.91

The notes to the financial statements form an integral part of and are to be read in conjunction with these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 1 February 2024 (unaudited)

	Note	As at 1/2/24	As at 1/2/23	As at 1/8/23
		\$000	\$000	\$000
<b>EQUITY</b>				
Contributed equity		28,892	27,805	28,140
Asset revaluation reserve		26,526	24,894	26,526
Cashflow hedge reserve		16	(3,142)	999
Share option reserve		95	301	294
Retained earnings		47,407	43,403	40,362
<b>Total equity</b>		<b>102,936</b>	<b>93,261</b>	<b>96,321</b>
Represented by				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		43,011	36,164	32,478
Trade and other receivables		555	213	318
Advances to employees		695	189	160
Prepayments		5,133	5,399	5,431
Taxation Receivable		1,481	-	-
Inventories	3	22,765	28,472	31,005
Derivative financial instruments		594	38	1,452
<b>Total current assets</b>		<b>74,234</b>	<b>70,475</b>	<b>70,844</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	4	59,608	53,198	56,367
Right of use assets		63,896	64,641	65,285
Investment property		3,208	3,372	3,208
Intangible assets		913	648	717
Deferred tax		7,068	9,457	6,148
<b>Total non-current assets</b>		<b>134,693</b>	<b>131,316</b>	<b>131,725</b>
<b>Total assets</b>		<b>208,927</b>	<b>201,791</b>	<b>202,569</b>
<b>CURRENT LIABILITIES</b>				
Trade payables		9,154	7,962	8,104
Employee benefits		8,552	8,425	7,294
Other payables		11,318	10,913	13,888
Lease liabilities		25,361	24,308	25,147
Derivative financial instruments		572	4,456	47
Taxation payable		-	424	590
<b>Total current liabilities</b>		<b>54,957</b>	<b>56,488</b>	<b>55,070</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities		51,034	52,042	51,178
<b>Total liabilities</b>		<b>105,991</b>	<b>108,530</b>	<b>106,248</b>
<b>Net assets</b>		<b>102,936</b>	<b>93,261</b>	<b>96,321</b>

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# STATEMENT OF CHANGES IN EQUITY

For the six months ended 1 February 2024 (unaudited)

	SHARE CAPITAL	TREASURY STOCK	ASSET REVALUATION RESERVE	CASH FLOW HEDGE RESERVE	SHARE OPTION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 August 2022</b>	<b>29,279</b>	<b>(1,474)</b>	<b>24,894</b>	<b>632</b>	<b>228</b>	<b>36,894</b>	<b>90,453</b>
<b>COMPREHENSIVE INCOME</b>							
Profit for year	-	-	-	-	-	20,825	20,825
Cash flow hedges net of tax	-	-	-	(3,774)	-	-	(3,774)
Increase in share option reserve	-	-	-	-	73	-	73
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,774)</b>	<b>73</b>	<b>20,825</b>	<b>17,124</b>
<b>TRANSACTIONS WITH OWNERS</b>							
Dividends	-	-	-	-	-	(14,316)	(14,316)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,316)</b>	<b>(14,316)</b>
<b>Balance at 1 February 2023</b>	<b>29,279</b>	<b>(1,474)</b>	<b>24,894</b>	<b>(3,142)</b>	<b>301</b>	<b>43,403</b>	<b>93,261</b>
<b>COMPREHENSIVE INCOME</b>							
Profit for year	-	-	-	-	-	11,152	11,152
Revaluation net of tax	-	-	1,632	-	-	-	1,632
Cash flow hedges net of tax	-	-	-	4,141	-	-	4,141
Increase in share option reserve	-	-	-	-	62	-	62
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,632</b>	<b>4,141</b>	<b>62</b>	<b>11,152</b>	<b>16,987</b>
<b>TRANSACTIONS WITH OWNERS</b>							
Sale of treasury stock	-	303	-	-	-	-	303
Transfer of share option reserve to retained earnings	-	-	-	-	(69)	69	-
Dividends	-	86	-	-	-	(14,316)	(14,230)
Gain/loss on sale of treasury stock transferred to retained earnings	-	(54)	-	-	-	54	-
<b>Total transactions with owners</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>(69)</b>	<b>(14,193)</b>	<b>(13,927)</b>
<b>Balance at 1 August 2023</b>	<b>29,279</b>	<b>(1,139)</b>	<b>26,526</b>	<b>999</b>	<b>294</b>	<b>40,362</b>	<b>96,321</b>
<b>COMPREHENSIVE INCOME</b>							
Profit for year	-	-	-	-	-	21,146	21,146
Cash flow hedges net of tax	-	-	-	(983)	-	-	(983)
Increase in share option reserve	-	-	-	-	36	-	36
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(983)</b>	<b>36</b>	<b>21,146</b>	<b>20,199</b>
<b>TRANSACTIONS WITH OWNERS</b>							
Sale of treasury stock	-	141	-	-	-	-	141
Transfer of share option reserve to retained earnings	-	-	-	-	(235)	235	-
Dividends	-	18	-	-	-	(14,316)	(14,298)
Transfer to employee advances	-	573	-	-	-	-	573
Gain/loss on sale of treasury stock transferred to retained earnings	-	20	-	-	-	(20)	-
<b>Total transactions with owners</b>	<b>-</b>	<b>752</b>	<b>-</b>	<b>-</b>	<b>(235)</b>	<b>(14,101)</b>	<b>(13,584)</b>
<b>Balance at 1 February 2024</b>	<b>29,279</b>	<b>(387)</b>	<b>26,526</b>	<b>16</b>	<b>95</b>	<b>47,407</b>	<b>102,936</b>

The notes to the financial statements form an integral part of and are to be read in conjunction with these financial statements.

# STATEMENT OF CASH FLOWS

For the six months ended 1 February 2024 (unaudited)

	SIX MONTHS ENDED 1/2/24	SIX MONTHS ENDED 1/2/23
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Sales to customers	222,717	223,546
Rent received	122	124
Government grants	-	165
Interest received	892	498
Interest on debtors	3	3
	<b>223,734</b>	<b>224,336</b>
<b>Cash was applied to:</b>		
Payments to suppliers	123,750	140,277
Payments to employees	41,636	39,232
Interest paid on leases	1,963	1,579
Taxation paid	11,294	8,242
	<b>178,643</b>	<b>189,330</b>
<b>Net cash flows from operating activities</b>	<b>45,091</b>	<b>35,006</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Proceeds from sale of property, plant, equipment and intangible assets	67	30
Repayment of employee advances	38	53
	<b>105</b>	<b>83</b>
<b>Cash was applied to:</b>		
Purchase of property, plant, equipment and intangible assets	9,401	7,873
	<b>9,401</b>	<b>7,873</b>
<b>Net cash flows applied to investing activities</b>	<b>(9,296)</b>	<b>(7,790)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Proceeds from sale of treasury stock and dividends	159	-
	<b>159</b>	<b>-</b>
<b>Cash was applied to:</b>		
Dividend paid	14,316	14,316
Lease liability payments	11,105	11,849
	<b>25,421</b>	<b>26,165</b>
<b>Net cash flows applied to financing activities</b>	<b>(25,262)</b>	<b>(26,165)</b>
<b>Net increase in funds held</b>	<b>10,533</b>	<b>1,051</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>32,478</b>	<b>35,113</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>43,011</b>	<b>36,164</b>

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## STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 1 February 2024 (unaudited)

### RECONCILIATION OF PROFIT AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

	SIX MONTHS ENDED 1/2/24	SIX MONTHS ENDED 1/2/23
	\$000	\$000
<b>NET PROFIT AFTER TAXATION</b>	<b>21,146</b>	20,825
<b>ADD/(DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES</b>		
Loss/(gain) on sale of plant and equipment	13	(24)
<b>ADD/(DEDUCT) NON CASH ITEMS</b>		
Depreciation and amortisation	18,504	18,331
Deferred taxation	(518)	(550)
Share option expense	36	73
Gain on termination of lease	(59)	-
<b>ADD/(DEDUCT) MOVEMENTS IN WORKING CAPITAL ITEMS</b>		
Taxation payable	(2,071)	996
Trade and other receivables and prepayments	61	129
Trade and other payables and employee benefits	(261)	(9,743)
Inventories	8,240	4,969
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>45,091</b>	35,006

The notes to the financial statements form an integral part of and are to be read in conjunction with these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2024 (unaudited)

## 1 Basis of preparation of financial statements

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.

### 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 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 an 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 28 March 2024.

### 1.2 General accounting policies

#### Statement of compliance

These interim financial statements for the half year ended 1 February 2024 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), NZ IAS 34 and IAS 34 Interim Financial Reporting and should be read in conjunction with the 2023 Annual Report.

#### Basis of preparation of financial statements

The accounting policies used in the preparation of these financial statements are consistent with those used in the previously published interim financial statements to 1 February 2023, and the audited financial statements to 1 August 2023.

The financial statements for the six months ended 1 February 2024 and 1 February 2023 are unaudited. The comparative information for the year ended 1 August 2023 is audited.

#### Entities reporting

The financial statements are the Consolidated Financial Statements of the Group comprising Hallenstein Glasson Holdings Limited and 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.

## 2 Performance information

### 2.1 Segment information

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

- Hallenstein Brothers (Hallenstein Bros Ltd (New Zealand) and Hallenstein Brothers Australia Limited (Australia))
- Glassons Limited (New Zealand)
- Glassons Australia Limited (Australia)
- Hallenstein Properties Limited (New Zealand)
- Hallenstein Glasson Holdings Limited – Parent (New Zealand)

# NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2024 (unaudited)

Segment results and key balances are shown below. Segment assets and liabilities are measured in the same way as in the financial statements. Assets and liabilities are allocated based on the operations of the segment.

During the six months ended 1 February 2024 and consistent with 1 August 2023 financial statements, the below segment results include intercompany charges to reflect brand value provided by New Zealand for the benefit of Australia, procurement services provided by New Zealand to Australia, and management services provided by one related entity to another. These charges have impacted on profit before income tax of the segments reported and are therefore not directly comparable to the prior period segment results. These charges have been implemented based on professional advice and are consistent with comparable industry benchmarks.

## Segment results

For the six months ended 1 February 2024	GLASSONS NEW ZEALAND \$000	GLASSONS AUSTRALIA \$000	HALLENSTEIN BROTHERS \$000	HALLENSTEIN PROPERTY \$000	PARENT \$000	TOTAL SEGMENTS \$000
<b>INCOME STATEMENT</b>						
Segment revenue	62,133	107,678	59,042	-	482	229,335
Intercompany segment revenue	(5,006)	(617)	(276)	-	(482)	(6,381)
Sales revenue from external customers	57,127	107,061	58,766	-	-	222,954
Cost of sales	(25,908)	(41,568)	(24,231)	-	-	(91,707)
Gross profit	31,219	65,493	34,535	-	-	131,247
Finance income	133	348	335	-	79	895
Finance expenses	(740)	(650)	(561)	-	(12)	(1,963)
Depreciation and software amortisation	5,603	7,508	5,088	262	43	18,504
Profit before income tax	7,865	15,547	6,241	195	2	29,850
Income tax expense	(2,206)	(4,674)	(1,769)	(55)	-	(8,704)
Profit after income tax	5,659	10,873	4,472	140	2	21,146
<b>BALANCE SHEET</b>						
Current assets	20,140	22,441	22,937	5,440	3,276	74,234
Non-current assets	45,886	39,611	26,912	22,284	-	134,693
Current liabilities	15,093	24,121	15,659	54	30	54,957
Non-current liabilities	21,403	16,711	12,920	-	-	51,034
Purchase of property, plant, equipment and intangibles	2,820	3,726	2,855	-	-	9,401
<b>For the six months ended 1 February 2023</b>						
	GLASSONS NEW ZEALAND \$000	GLASSONS AUSTRALIA \$000	HALLENSTEIN BROTHERS \$000	HALLENSTEIN PROPERTY \$000	PARENT \$000	TOTAL SEGMENTS \$000
<b>INCOME STATEMENT</b>						
Sales revenue from external customers	60,615	102,893	59,785	-	-	223,293
Cost of sales	(28,913)	(40,868)	(27,306)	-	-	(97,087)
Gross profit	31,702	62,025	32,479	-	-	126,206
Finance income	60	231	177	-	33	501
Finance expenses	(599)	(540)	(435)	-	(5)	(1,579)
Depreciation and software amortisation	5,808	7,447	4,842	212	22	18,331
Profit before income tax	4,888	19,341	5,006	246	32	29,513
Income tax expense	(1,378)	(5,814)	(1,418)	(69)	(9)	(8,688)
Profit after income tax	3,510	13,527	3,588	177	23	20,825
<b>BALANCE SHEET</b>						
Current assets	15,037	25,709	22,215	5,241	2,273	70,475
Non-current assets	45,533	39,289	24,501	21,992	1	131,316
Current liabilities	15,835	24,811	15,477	328	37	56,488
Non-current liabilities	22,578	17,597	11,867	-	-	52,042
Purchase of property, plant, equipment and intangibles	1,035	5,497	1,340	1	-	7,873

# NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2024 (unaudited)

## 2.2 Income and expenses

Profit before income tax includes the following specific expenses:

	SIX MONTHS ENDED 1/2/24	SIX MONTHS ENDED 1/2/23
	\$000	\$000
Occupancy costs <sup>1</sup>	20,030	18,581
Wages, salaries and other short term benefits	40,638	38,546
Depreciation, amortisation and impairment of property, plant and equipment	5,882	5,036
Loss/(Gain) on sale of property, plant and equipment	13	(23)

<sup>1</sup> Occupancy costs include rental expense on short term leases, depreciation, and interest expense on right of use assets.

## 2.3 Dividend payments

	SIX MONTHS ENDED 1/2/24	SIX MONTHS ENDED 1/2/23	SIX MONTHS ENDED 1/2/24	SIX MONTHS ENDED 1/2/23
	cents/share	cents/share	\$000	\$000
Final dividend payment for the period ended 1 August 2023	24.00	-	14,316	-
Final dividend payment for the period ended 1 August 2022	-	24.00	-	14,316
<b>Total</b>	<b>24.00</b>	<b>24.00</b>	<b>14,316</b>	<b>14,316</b>

## 3 Inventories

During the six months ended 1 February 2024, the Group recognised in the Statement of Comprehensive Income, a write down of finished goods inventory to provide for obsolescence of \$115,000 (2023: \$202,000).

## 4 Property, plant and equipment

### Acquisitions and disposals

During the six months ended 1 February 2024, the Group acquired assets with a total cost of \$9,401,000 (2023: \$7,873,000).

Assets with a net book value of \$80,000 were disposed of during the six months ended 1 February 2024 (2023: \$7,000).

## 5 Related party transactions

The Group enters into transactions with related parties. Details of related parties, and the types of transactions entered into during the period ended 1 February 2024, are consistent with those disclosed in the audited financial statements for the year ended 1 August 2023.

## 6 Events subsequent to balance date

Subsequent to the half year end, the Board has resolved to pay an interim dividend of 24.0 cents per share (partially imputed at 45%) (2023 Interim Dividend: 24.0 cents partially imputed at 45%). The dividend will be paid on 18<sup>th</sup> April 2024 to all shareholders on the Company's register as at 5.00pm, 11<sup>th</sup> April 2024.