

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 1 February 2020 (unaudited)

	Note	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 (Restated)* \$000
Sales revenue		160,266	151,663
Cost of sales		(66,813)	(60,995)
Gross profit		93,453	90,668
Other operating income		142	399
Selling expenses		(55,171)	(52,041)
Distribution expenses		(3,683)	(4,252)
Administration expenses		(12,521)	(12,373)
Total expenses	2.2	(71,375)	(68,666)
Operating profit		22,220	22,401
Finance income		77	133
Finance expense	7	(1,223)	-
Profit before income tax		21,074	22,534
Income tax expense		(5,639)	(6,494)
Net profit after tax attributable to the shareholders of the Holding Company		15,435	16,040
Other comprehensive income			
- Items that will not be reclassified to profit or loss			
Increase in share option reserve		14	62
- Items that may be subsequently reclassified to profit or loss			
Fair value (loss)/gain (net of tax) in cash flow hedge reserve		(438)	(2,470)
Total comprehensive income for the year		15,011	13,632
Earnings per share			
Basic and diluted earnings per share		25.88	26.89

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

* Refer to Note 8 for details of the prior year restatement relating to the reclassification of freight income.

STATEMENT OF FINANCIAL POSITION

As at 1 February 2020 (unaudited)

	Note	As at 1/2/20	As at 1/2/19	As at 1/8/19
		\$000	\$000	\$000
EQUITY				
Contributed equity		29,059	27,955	28,974
Asset revaluation reserve		18,717	15,609	18,419
Cashflow hedge reserve		657	(731)	1,095
Share option reserve		72	204	58
Retained earnings		27,573	24,756	26,454
Total equity		76,078	67,793	75,000
Represented by				
CURRENT ASSETS				
Cash and cash equivalents		12,808	9,223	16,506
Trade and other receivables		5,257	580	1,652
Advances to employees		291	275	372
Prepayments		1,040	4,295	4,535
Inventories	3	25,881	23,915	24,011
Derivative financial instruments		1,030	77	1,534
Total current assets		46,307	38,365	48,610
NON-CURRENT ASSETS				
Property, plant and equipment	4	48,565	42,436	49,539
Right of Use Assets	7	72,212	-	-
Investment property		2,968	8,464	2,968
Intangible assets		319	462	439
Deferred tax		4,399	2,321	3,024
Total non-current assets		128,463	53,683	55,970
Total assets		174,770	92,048	104,580
CURRENT LIABILITIES				
Trade payables		6,634	4,004	6,798
Employee benefits		4,739	4,383	4,775
Other payables		5,475	11,511	14,110
Lease liabilities	7	21,685	-	-
Derivative financial instruments		104	1,092	-
Taxation payable		1,517	3,265	3,897
Total current liabilities		40,154	24,255	29,580
NON-CURRENT LIABILITIES				
Lease liabilities	7	58,538	-	-
Total liabilities		98,692	24,255	29,580
Net assets		76,078	67,793	75,000

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

STATEMENT OF CHANGES IN EQUITY

For the six months ended 1 February 2020 (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
Balance at 1 August 2018	29,279	(1,461)	15,609	1,739	155	23,019	68,340
COMPREHENSIVE INCOME							
Profit for year	-	-	-	-	-	16,040	16,040
Cash flow hedges net of tax	-	-	-	(2,470)	-	-	(2,470)
Increase in share option reserve	-	-	-	-	62	-	62
Total comprehensive income	-	-	-	(2,470)	62	16,040	13,632
TRANSACTIONS WITH OWNERS							
Transfer of share option reserve to retained earnings	-	-	-	-	(13)	13	-
Dividends	-	100	-	-	-	(14,316)	(14,216)
Transfer to employee advances	-	37	-	-	-	-	37
Total transactions with owners	-	137	-	-	(13)	(14,303)	(14,179)
Balance at 1 February 2019	29,279	(1,324)	15,609	(731)	204	24,756	67,793
COMPREHENSIVE INCOME							
Profit for year	-	-	-	-	-	12,980	12,980
Revaluation net of tax	-	-	2,810	-	-	-	2,810
Cash flow hedges net of tax	-	-	-	1,826	-	-	1,826
Increase in share option reserve	-	-	-	-	36	-	36
Total comprehensive income	-	-	2,810	1,826	36	12,980	17,652
TRANSACTIONS WITH OWNERS							
Sale of treasury stock	-	1,289	-	-	-	-	1,289
Transfer of share option reserve to retained earnings	-	-	-	-	(182)	182	-
Dividends	-	60	-	-	-	(11,930)	(11,870)
Transfer to employee advances	-	136	-	-	-	-	136
Gain/loss on sale of treasury stock transferred to retained earnings	-	(466)	-	-	-	466	-
Total transactions with owners	-	1,019	-	-	(182)	(11,282)	(10,445)
Balance at 1 August 2019	29,279	(305)	18,419	1,095	58	26,454	75,000
COMPREHENSIVE INCOME							
Profit for year	-	-	-	-	-	15,435	15,435
Deferred tax on sale of property	-	-	298	-	-	-	298
Cash flow hedges net of tax	-	-	-	(438)	-	-	(438)
Increase in share option reserve	-	-	-	-	14	-	14
Total comprehensive income	-	-	298	(438)	14	15,435	15,309
TRANSACTIONS WITH OWNERS							
Dividends	-	27	-	-	-	(14,316)	(14,289)
Transfer to employee advances	-	58	-	-	-	-	58
Total transactions with owners	-	85	-	-	-	(14,316)	(14,231)
Balance at 1 February 2020	29,279	(220)	18,717	657	72	27,573	76,078

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 2020 (unaudited)

	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 (Restated) \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Sales to customers	160,093	151,265
Rent received	142	399
Interest received	70	125
Interest on debtors	7	8
	160,312	151,797
Cash was applied to:		
Payments to suppliers	93,194	104,115
Payments to employees	28,992	25,914
Interest paid on leases	1,223	-
Taxation paid	8,926	6,360
	132,335	136,389
Net cash flows from operating activities	27,977	15,408
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Proceeds from sale of property, plant and equipment and intangible assets	303	46
Repayment of employee advances	139	226
	442	272
Cash was applied to:		
Purchase of property, plant and equipment and intangible assets	7,630	9,694
	7,630	9,694
Net cash flows applied to investing activities	(7,188)	(9,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Proceeds from sale of treasury stock and dividends	27	100
	27	100
Cash was applied to:		
Dividend paid	14,316	14,316
Lease liability payments	10,198	-
	24,514	14,316
Net cash flows applied to financing activities	(24,487)	(14,216)
Net (decrease)/increase in funds held	(3,698)	(8,230)
Cash and cash equivalents at the beginning of the period	16,506	17,453
Cash and cash equivalents at the end of the period	12,808	9,223

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 (CONTINUED)

For the six months ended 1 February 2020 (unaudited)

RECONCILIATION OF PROFIT AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 \$000
NET PROFIT AFTER TAXATION	15,435	16,040
ADD/(DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES		
(Gain)/loss on sale of plant and equipment	29	(34)
ADD/(DEDUCT) NON CASH ITEMS		
Depreciation and amortisation	15,201	4,155
Deferred taxation	(1,205)	(419)
Share option expense	14	62
ADD/(DEDUCT) MOVEMENTS IN WORKING CAPITAL ITEMS		
Taxation payable	(2,380)	553
Trade and other receivables and prepayments	(110)	(822)
Movement in trade and other receivables from proceeds due on sale of property	4,477	-
Trade and other payables and employee benefits	(8,835)	(1,171)
Movement in other payables due to IFRS 16 transition	7,221	-
Inventories	(1,870)	(2,956)
NET CASH FLOWS FROM OPERATING ACTIVITIES	27,977	15,408

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 2020 (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 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 30 March 2020.

1.2 General accounting policies

Statement of compliance

These interim financial statements for the half year ended 1 February 2020 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 2019 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 2019, and the audited financial statements to 1 August 2019, except for the adoption of the new NZ IFRS 16 Leases standard.

NZ IFRS 16 Leases was effective for the first time in the FY20 half year results, refer to note 7 for the impact of this standard on these financial statements.

The financial statements for the six months ended 1 February 2020 and 1 February 2019 are unaudited. The comparative information for the year ended 1 August 2019 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.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

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)

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.

Segment results

For the period ended 1 February 2020	GLASSONS NEW ZEALAND \$000	GLASSONS AUSTRALIA \$000	HALLENSTEIN BROTHERS \$000	HALLENSTEIN PROPERTY \$000	PARENT \$000	TOTAL SEGMENTS \$000
INCOME STATEMENT						
Sales revenue from external customers	54,000	53,914	52,352	-	-	160,266
Cost of sales	(23,618)	(20,925)	(22,270)	-	-	(66,813)
Gross profit	30,382	32,989	30,082	-	-	93,453
Finance income	21	13	40	-	3	77
Finance expenses	(492)	(304)	(427)	-	-	(1,223)
Depreciation and software amortisation	4,682	5,240	5,100	179	-	15,201
Profit/(loss) before income tax	7,561	8,532	4,696	260	25	21,074
Income tax expense	(1,672)	(2,566)	(1,321)	(73)	(7)	(5,639)
Profit/(loss) after income tax	5,889	5,966	3,375	187	18	15,435
BALANCE SHEET						
Current assets	11,187	8,875	17,596	5,066	3,583	46,307
Non-current assets	45,179	31,559	35,154	16,561	10	128,463
Current liabilities	13,430	13,831	12,465	354	74	40,154
Purchase of property, plant and equipment and intangibles	3,762	2,672	1,189	7	-	7,630

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

2 Performance information (continued)

For the period ended 1 February 2019	GLASSONS NEW ZEALAND \$000	GLASSONS AUSTRALIA \$000	HALLENSTEIN BROTHERS \$000	HALLENSTEIN PROPERTY \$000	PARENT \$000	TOTAL SEGMENTS \$000
INCOME STATEMENT						
Sales revenue from external customers	51,261	48,636	51,766	-	-	151,663
Cost of sales	(21,373)	(18,264)	(21,358)	-	-	(60,995)
Gross profit	29,888	30,372	30,408	-	-	90,668
Finance income	34	25	65	-	9	133
Depreciation and software amortisation	1,112	1,429	1,427	187	-	4,155
Profit before income tax	7,870	7,485	6,862	368	(51)	22,534
Income tax expense	(2,212)	(2,252)	(1,942)	(103)	15	(6,494)
Profit after income tax	5,658	5,233	4,920	265	(36)	16,040
BALANCE SHEET						
Current assets	10,491	9,284	18,396	(1,822)	2,016	38,365
Non-current assets	14,045	10,836	9,238	19,622	(58)	53,683
Current liabilities	7,111	9,686	6,810	413	235	24,255
Purchase of property, plant and equipment and intangibles	3,731	3,076	1,282	1,605	-	9,694

2.2 Income and expenses

Profit before income tax includes the following specific expenses:

	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 \$000
Occupancy costs	4,251	15,113
Wages, salaries and other short term benefits	27,783	25,573
Depreciation, amortisation and impairment of property, plant and equipment	4,964	4,155
Depreciation on right of use assets	10,237	-
Interest on leases	1,223	-
Gain on sale of property, plant and equipment	(1,020)	(34)

2.3 Dividends

	Half Year ended 1/2/20 cents/share	Half Year ended 1/2/19 cents/share	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 \$000
Final dividend for the period ended 1 August 2019	24.00	-	14,316	-
Final dividend for the period ended 1 August 2018	-	24.00	-	14,316
Total	24.00	24.00	14,316	14,316

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

3 Inventories

During the period ended 1 February 2020, the Group recognised in the Statement of Comprehensive Income, a write down of finished goods inventory to provide for obsolescence of \$127,000 (2019: \$231,000).

4 Property, plant and equipment

Acquisitions and disposals

During the six months ended 1 February 2020, the Group acquired assets with a total cost of \$7,630,000 (2019: \$9,694,000).

Assets with a net book value of \$3,760,000 were disposed of during the six months ended 1 February 2020 (2019: \$12,000), resulting in a net gain on disposal of \$1,020,000 (2019: gain on disposal of \$34,000).

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 2020, are consistent with those disclosed in the audited financial statements for the year ended 1 August 2019.

6 Commitments

6.1 Capital expenditure commitments

	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 \$000	Full Year ended 1/8/19 \$000
Commitments in relation to store fitouts and warehouse expansion	3,223	7,998	2,688

6.2 Operating lease commitments

	Half Year ended 1/2/20 \$000	Half Year ended 1/2/19 \$000	Full Year ended 1/8/19 \$000
Total operating lease commitments	468	89,623	96,611

7 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.

In considering the lease term, the Group has determined that right of renewal options will not be exercised as the Group will renegotiate the terms of all leases at their expiry.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

7 Leases (continued)

Both right-of-use assets and lease liabilities are discounted applying 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.

In the process of adopting NZ IFRS 16, a number of judgements and estimates have been made. These include:

- incremental borrowing rate at the time of adoption;
- lease terms, including any rights of renewal expected to be exercised. The Group has determined that right of renewal options will not be exercised as the Group will renegotiate the terms of all leases at their expiry;
- foreign exchange conversion rates;
- application of practical expedients and recognition exemptions allowed by the new standards, including in respect of low value assets and short-term lease exemptions.

The following tables show the movements and analysis in relation to the right-of-use assets and lease liabilities, created on the adoption of NZ IFRS 16.

Right of use Assets:

	As at 1/2/20 \$000
Opening net book value 2 August 2019	75,845
Depreciation	(10,237)
Lease modifications and additions	6,604
Carrying amount 1 February 2020	72,212
Cost	82,449
Accumulated depreciation	(10,237)
Carrying amount 1 February 2020	72,212

Lease liabilities:

	As at 1/2/20 \$000
Operating lease commitment at 1 August 2019 as disclosed in the Group's financial statements	96,611
As at 2 August 2019	
Discounted at the incremental borrowing rate at the date of initial application	91,457
Recognition exemption for:	
Short term leases	(2,966)
Lease contracts committed to but not yet available for use	(5,695)
Opening lease liabilities recognised 2 August 2019	82,796
Additions	7,625
Interest for the period	1,223
Lease payments made	(11,421)
Lease liabilities 1 February 2020	80,223
Current lease liability	21,685
Non-current lease liability	58,538
Total future lease liabilities as at 1 February 2020	80,223

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

7 Leases (continued)

Lease related expenses included in the income statement:

	Half Year ended 1/2/20 \$000
Depreciation	10,237
Rent on short-term leases	4,251
Interest on leases	1,223
Total	15,711

Lease payments included in the cash flow statement:

	Half Year ended 1/2/20 \$000
Interest paid on leases (operating activities)	1,223
Payments for lease liabilities principal (financing activities)	10,198
Total cash outflows from leases	11,421

8 Accounting standards

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the period ended 1 August 2019, as described in those annual financial statements.

There was one new standard applied during the period which had a material impact.

- **NZ IFRS 16: Leases** (effective from annual periods beginning on or after 1 January 2019)
This standard replaces the current guidance in NZ IAS 17.

Transition

For the reporting period commencing 2 August 2019 the Group has elected to apply the modified retrospective transition method. Under this method the Group has not restated comparatives therefore reclassifications and adjustments are recognised in the opening balance sheet on 2 August 2019.

Lease liabilities are measured at the present value of remaining lease payments. The weighted average incremental borrowing rate applied to the lease liabilities on 2 August 2019 was 3.01%.

Leases entered into and identified by the Group are all property leases. The associated right-of-use assets for property leases were measured on a consistent basis with the lease liabilities, but have been adjusted by the amount of any prepaid or accrued lease payments and lease incentives.

On transition, the Group applied the following practical expedients:

- Non-capitalisation of leases that expire within twelve months from adoption date. Costs relating to these leases have been recognised in the income statement within selling, distribution, and administration expenses.

The Group has not recognised any right-of-use assets or liabilities for leases that it was committed to but were not yet available for use by the Group at the date of transition.

In addition to the opening balance sheet lease liabilities and right-of-use assets impact on transition disclosed below, the Group has recognised \$790,000 of deferred tax assets as a result of the accounting standard adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

8 Accounting standards (continued)

For comparative period analysis purposes, the adoption of the accounting standard has affected the following items of the income statement and statement of cash flows:

- In the income statement 'finance expense' includes interest expense associated with lease liabilities, and 'selling expenses' and 'administration expenses' includes depreciation associated with right-of-use assets.
- In the statement of cash flows lease payments are now split between principal repayments classified within 'financing activities' and interest repayments classified within 'operating activities'. Previously lease payments were included within 'payments to suppliers' within operating activities.

The tables below provide further detail in relation to the impacts of NZ IFRS 16 on the consolidated income statement and the consolidated balance sheet.

Income statement – Impacts of NZ IFRS 16:

Half Year ended 1 February 2020	Pre NZ IFRS 16 \$000	Adjustments \$000	NZ IFRS 16 \$000
Sales revenue	160,266	-	160,266
Cost of sales	(66,813)	-	(66,813)
Gross profit	93,453	-	93,453
Other operating income	142	-	142
Selling expenses	(55,670)	499	(55,171)
Distribution expenses	(3,683)	-	(3,683)
Administration expenses	(12,530)	9	(12,521)
Total expenses	(71,883)	508	(71,375)
Operating profit	21,712	508	22,220
Finance income	77	-	77
Finance expense	-	(1,223)	(1,223)
Profit before income tax	21,789	(715)	21,074
Income tax expense	(5,839)	200	(5,639)
Net profit after tax attributable to the shareholders of the Holding Company	15,950	(515)	15,435
Earnings per share			
Basic and diluted earnings per share	26.74	-	0.86
			25.88

Balance sheet – Impacts of NZ IFRS 16:

As at 1 February 2020	Pre NZ IFRS 16 \$000	Adjustments \$000	NZ IFRS 16 \$000
Right of use assets	-	72,212	72,212
Deferred tax	3,609	790	4,399
Impact on total assets	3,609	73,002	76,611
Other payables	12,696	(7,221)	5,475
Current lease liabilities	-	21,685	21,685
Non-current lease liabilities	-	58,538	58,538
Impact on total liabilities	12,696	73,002	85,698
Impact on net assets		-	

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

8 Accounting standards (continued)

NZ IFRS 15: Revenue from contracts with customers

Adoption of NZ IFRS 15 has given rise to the reclassification of delivery fees charged to customers. Delivery fees charged to customers are considered to be part of the same performance obligation as the sale of the goods, as control of the goods only passes to customers when they physically receive the goods. Previously, the delivery fees charged to customers by the Group have been offset against the delivery costs incurred by the Group, and the net cost has been shown under selling expenses. Under NZ IFRS 15, it has been determined that control of the goods does not pass to the customer until delivery, because the customer cannot use or otherwise benefit from the goods until obtaining possession of the goods, which occurs on delivery.

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

	Half Year Ended 1 Feb 2019 \$'000	Increase / (decrease) \$'000	Half Year Ended 1 Feb 2019 (Restated) \$'000
Sales Revenue	151,244	419	151,663
Cost of Sales	(60,995)	-	(60,995)
Gross Profit	90,249	419	90,668
Other Operating Income	399	-	399
Selling Expenses	(51,622)	(419)	(52,041)
Distribution Expenses	(4,252)	-	(4,252)
Administration Expenses	(12,373)	-	(12,373)
Total Expenses	(68,247)	(419)	(68,666)
Operating Profit	22,401	-	22,401
Finance Income	133	-	133
Finance Expense	-	-	-
Profit Before Income Tax	22,534	-	22,534
Income Tax Expense	(6,494)	-	(6,494)
Net Profit after Tax attributable to the Shareholders of the Holding Company	16,040	-	16,040

As a result of the above reclassification the statement of cash flows for the half year ended 1 February 2019 has been restated to increase receipts from customers and payments made to suppliers by \$0.42 million.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 1 February 2020 (unaudited)

9 Events subsequent to balance date

On the 26th March 2020 the Group announced that due to the COVID-19 alert system in New Zealand moving to Level 4 from midnight on 26 March 2020, all stores and the web-based store in New Zealand are now closed. Also due to the impact of COVID-19 in Australia and the adverse impact on sales, stores in Australia closed at 5pm on 26 March 2020. The web store in Australia will continue to trade as long as permitted.

The Group has activated its pandemic management programme, to ensure the safety of our employees and to make the changes required to reshape the business during the evolving situation.

The Group has introduced a number of initiatives including reducing operating and labour costs, managing inventory levels and putting capital projects on hold. The Group has applied for the New Zealand government wage subsidy scheme in order to support employees wages during this uncertain time.

The Group will continue to follow advice and monitor the situation closely to ensure an agile approach to reduce any adverse impact on trading and to protect our team and customers.

Dividend

Due the uncertainty around the impact of Covid-19 and announcements made by the Prime Minister last week on moving New Zealand to Alert level 4 and after careful consideration the Board feels it would be prudent not to pay an interim dividend. This will be reassessed at the end of our financial year, August 2020, when the Board will consider whether to pay a dividend at that time.