



**DUSK GROUP LIMITED**  
**APPENDIX 4D**

Half Year Report  
For the 26 week period ended 27 December 2020

This information should be read in conjunction with the interim condensed report for the half year ended 27 December 2020.

**1. Details of the reporting period and the prior corresponding period**

Prior corresponding period: 29 June 2020 to 27 December 2020 (26 weeks)  
1 July 2019 to 29 December 2019 (26 weeks)

**2. Results for announcement to the market**

				<b>\$'000</b>
Revenue from ordinary activities	Up	55.2%	to	90,948
Profit from ordinary activities after tax attributable to members	Up	160.4%	to	16,894
Net profit attributable to members	Up	160.4%	to	16,894

**3. Dividends**

	<b>Amount per security Cents</b>	<b>Franked amount per security Cents</b>
Pre IPO FY2020 dividend - Ordinary (paid 20 July 2020)	10.0	10.0
Pre IPO FY2020 dividend - Ordinary (paid 21 December 2020)	6.4	6.4

Interim FY2021 dividend - Ordinary (resolved, not yet provided for at 27 December 2020) 15.0 15.0

Record date for determining entitlements to the dividend – 15 March 2021  
Payment date of interim dividend – 26 March 2021

The company does not have a dividend reinvestment plan.

**4. Net tangible assets per security**

	<b>27 December 2020</b>	<b>29 December 2019</b>
Net tangible assets per ordinary security	52.64 cents	44.94 cents

**5. Entities over which control has been gained or lost during the period**

Not applicable.

**6. Details of associate and joint ventures**

Not applicable.

# **Dusk Group Limited**

ACN 603 018 131

## **Interim Consolidated Financial Report**

**For the 26 Weeks Ended 27 December 2020**

# Dusk Group Limited

ACN 603 018 131

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## Dusk Group Limited

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## Directors' Report

The directors submit their report on Dusk Group Limited (the "Company") and its controlled entities (collectively, the "Group") for the 26 weeks ended 27 December 2020.

The Group utilises a 52 week retail calendar year for financial reporting purposes. The half-year represents 26 weeks which ended on 27 December 2020. The prior half-year was a 26 week retail calendar period, which ended on 29 December 2019.

### Directors

The names of the Company's directors in office during the 26 weeks ended and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Trent Peterson

Peter King

John Joyce

Gregory Milne

Resigned: 29 September 2020

David Maclean

Tracy Mellor

Appointed: 16 September 2020

Katherine Ostin

Appointed: 16 September 2020

### Dividends

The dividend of \$5,772,000 declared and provided for on 3 March 2020 was paid during the period on 20 July 2020. This dividend was adjusted for in retained earnings as at 28 June 2020.

In addition, a pre Initial Public Offer (IPO) dividend of \$4,000,000 was declared and provided for during the period (29 December 2019: \$nil). The dividend was paid in full on 21 December 2020.

### Principal activities

The principal activities of the Group for the 26 weeks ended 27 December 2020 comprised of retailing of scented and unscented candles, home decor, home fragrance and gift solutions.

There were no significant changes in the nature of the Group's principal activities during the period.

### Review and results for the period

The net profit after tax of the Group for 26 weeks ended 27 December 2020 was \$16,894,000 (29 December 2019: \$6,487,000)

Adjusted earnings before interest and tax ("EBIT") excluding the JobKeeper wage subsidy benefit was \$28,320,000 for the 26 weeks ended 27 December 2020 which is reconciled to statutory EBIT as follows (with comparatives):

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# Directors' Report

### Review and results for the period (continued)

	26 weeks ended 27 December 2020 \$000's	26 weeks ended 29 December 2019 \$000's
Statutory profit before income tax	24,140	9,270
<b>Add/(deduct):</b>		
Finance costs	858	649
Finance income	-	(1)
<b>Statutory EBIT</b>	<b>24,998</b>	<b>9,918</b>
<b>Add/(deduct) non recurring, one off items:</b>		
IPO costs (i)	6,518	46
Net JobKeeper receipts (ii)	(2,831)	-
Rental concessions received (iii)	(365)	-
Public company costs (iv)	-	(334)
<b>Adjusted EBIT</b>	<b>28,320</b>	<b>9,630</b>

(i) The Group incurred certain non-recurring items for the Initial Public Offering (IPO).

(ii) Net JobKeeper Receipts reflects the removal of the non recurring benefit to earnings of the JobKeeper Payment received from the Australian Government. It reflects the amount of subsidy received by the Group to the extent it subsidised amounts earned and payable to qualifying staff in relation to hours worked in the period, and therefore reduced the cost of doing business otherwise incurred by the Company. This adjustment does not include the additional JobKeeper Payment amounts of \$1.6 million received by the Company in the period and paid to staff who were not working, or where wages of staff who worked were below the relevant minimum threshold, as there was no net benefit to the Group's earnings from the receipt of these amounts as they were passed directly through to staff.

(iii) As an impact of COVID-19, the Group has negotiated with its landlords to achieve rent concessions. The rent concessions reflect credits received from landlords on contracted lease costs under the practical expedients of AASB 16 Leases.

(iv) This adjustment reflects the incremental costs associated with being a publicly listed company assuming these costs were incurred over the historical period.

### Significant changes in state of affairs

With effect from 25 September 2020, the name of the Company changed from Dusk Retail Group Holdings Pty Limited to Dusk Group Limited and converted from a large proprietary company to an unlisted public company limited by shares. On 2 November 2020, the Company then became a publicly listed company on the Australian Stock Exchange (ASX).

### Share-based payments

The 2,450,000 unissued ordinary shares under options were bought back from the option holders for \$5,057,385 on 29 October 2020 as disclosed in the prospectus.

As at the date of this report, there were 1,000,000 new unissued ordinary shares under the new option plan. Option holders are entitled to the issue of one ordinary share in the share capital of Dusk Group Limited.

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# Directors' Report

### Significant events after reporting period

On 28 January 2021, the Group entered into an Enforceable Undertaking with the Fair Work Ombudsman to ensure its ongoing compliance with Commonwealth workplace laws.

On 24 February 2021, the Directors determined that, based on the performance of the Company during the 26 weeks ended 27 December 2020, it was appropriate to return the net JobKeeper wage subsidy benefit of \$2.8m received during the period to the Australian Government. This will be repaid and recognised in the Company's financial results in the second half of FY21.

On 24 February 2021, the Directors declared an interim dividend on ordinary shares in respect of the 2021 financial year. The total amount of the dividend is \$9.34m which represents an interim fully franked dividend of 15.0 cents per share. The dividend has not been provided for in the 27 December 2020 interim condensed financial report.

Other than the above, no matters or circumstances have arisen since reporting date which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company.

### Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the 26 weeks ended 27 December 2020 has been received and can be found on page 4 of the interim consolidated financial report.

This report is signed in accordance with a resolution of the Board of Directors.



Director: .....  
Peter King

Dated 24 February 2021



**Building a better  
working world**

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## **Auditor's Independence Declaration to the Directors of Dusk Group Limited**

As lead auditor for the review of the half-year financial report of Dusk Group Limited for the half-year ended 27 December 2020, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dusk Group Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Lisa Nijssen-Smith".

Lisa Nijssen-Smith  
Partner  
24 February 2021  
Sydney

## Dusk Group Limited

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### Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 27 December 2020

		26 weeks ended 27 December 2020	26 weeks ended 29 December 2019
	Notes	\$000's	\$000's
Revenue from contracts with customers	4	90,948	58,600
Cost of sales		(29,374)	(20,705)
<b>Gross profit</b>		<b>61,574</b>	<b>37,895</b>
Other income	5	381	60
Depreciation and amortisation expense		(8,122)	(7,808)
Employee benefit expense		(14,205)	(13,518)
Asset, property and maintenance expenses		(61)	(71)
Occupancy expenses		(1,444)	(1,482)
Advertising expenses		(1,087)	(959)
IPO costs		(6,518)	(46)
Other expenses		(5,520)	(4,153)
Finance costs		(858)	(649)
Finance income		-	1
<b>Profit before tax</b>		<b>24,140</b>	<b>9,270</b>
Income tax expense	6	(7,246)	(2,783)
<b>Profit for the period</b>		<b>16,894</b>	<b>6,487</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>16,894</b>	<b>6,487</b>
<b>Earnings per share (EPS) (in dollars)</b>			
Basic, profit for the period attributable to ordinary equity holders of the parent	14	0.27	0.11
Diluted, profit for the period attributable to ordinary equity holders of the parent	14	0.27	0.10

The accompanying notes form part of these financial statements.



## Dusk Group Limited

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### Interim Consolidated Statement of Financial Position As at 27 December 2020

		27 December 2020	28 June 2020
	Notes	\$000's	\$000's
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash		34,869	28,354
Trade and other receivables		672	2,906
Inventories	7	18,684	8,634
Right-of-return assets		351	327
Prepayments		3,954	656
<b>TOTAL CURRENT ASSETS</b>		<b>58,530</b>	<b>40,877</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		8,376	8,150
Right-of-use assets	10	32,108	31,041
Intangible assets		1,778	1,824
Deferred tax assets		7,533	4,154
<b>TOTAL NON-CURRENT ASSETS</b>		<b>49,795</b>	<b>45,169</b>
<b>TOTAL ASSETS</b>		<b>108,325</b>	<b>86,046</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	23,497	16,687
Provisions	9	3,055	4,533
Employee benefit liabilities		1,247	867
Lease liabilities	10	12,022	10,181
Income tax payable		7,678	2,962
<b>TOTAL CURRENT LIABILITIES</b>		<b>47,499</b>	<b>35,230</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	929	578
Lease liabilities	10	24,924	24,821
Employee benefit liabilities		416	342
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>26,269</b>	<b>25,741</b>
<b>TOTAL LIABILITIES</b>		<b>73,768</b>	<b>60,971</b>
<b>NET ASSETS</b>		<b>34,557</b>	<b>25,075</b>
<b>EQUITY</b>			
Issued capital	11	3,487	3,415
Other capital reserves	12	(3,372)	112
Retained earnings		34,442	21,548
<b>TOTAL EQUITY</b>		<b>34,557</b>	<b>25,075</b>

The accompanying notes form part of these financial statements.

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### Interim Consolidated Statement of Changes in Equity

For the Half Year Ended 27 December 2020

	Issued capital \$000's	Retained earnings \$000's	Other capital reserves \$000's	Total equity \$000's
<b>Balance at 28 June 2020</b>	<b>3,415</b>	<b>21,548</b>	<b>112</b>	<b>25,075</b>
Profit for the period	-	16,894	-	16,894
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>16,894</b>	<b>-</b>	<b>16,894</b>
Dividends paid	-	(4,000)	-	(4,000)
Cash buyback of options	-	-	(4,900)	(4,900)
Deferred tax on cash buyback of options	-	-	1,463	1,463
Share-based payments for new options plan	-	-	25	25
Issue of shares	72	-	(72)	-
<b>Balance at 27 December 2020</b>	<b>3,487</b>	<b>34,442</b>	<b>(3,372)</b>	<b>34,557</b>
<b>Balance at 1 July 2019</b>	<b>3,415</b>	<b>17,823</b>	<b>96</b>	<b>21,334</b>
Profit for the period	-	6,487	-	6,487
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>6,487</b>	<b>-</b>	<b>6,487</b>
Share-based payments	-	-	8	8
<b>Balance at 29 December 2019</b>	<b>3,415</b>	<b>24,310</b>	<b>104</b>	<b>27,829</b>

The accompanying notes form part of these financial statements.

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### Interim Consolidated Statement of Cash Flows For the Half Year Ended 27 December 2020

	26 weeks ended 27 December 2020 \$000's	26 weeks ended 29 December 2019 \$000's
<b>OPERATING ACTIVITIES:</b>		
Receipts from customers (inclusive of GST)	102,658	64,666
Payments to suppliers and employees (inclusive of GST)	(68,585)	(40,706)
Interest received	-	1
Interest paid	(858)	(649)
Income taxes paid	(4,446)	(2,531)
Net cash flows from operating activities	<u>28,769</u>	<u>20,781</u>
<b>INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(1,737)	(3,371)
Purchase of intangible assets	(18)	(17)
Net cash flows used in investing activities	<u>(1,755)</u>	<u>(3,388)</u>
<b>FINANCING ACTIVITIES:</b>		
Cash buyback of options	(5,057)	-
Dividends paid by parent entity	(9,772)	-
Payment of principal portion of lease liabilities	(5,670)	(5,790)
Net cash flows used in financing activities	<u>(20,499)</u>	<u>(5,790)</u>
Net increase in cash and cash equivalents held	6,515	11,603
Cash and cash equivalents at beginning of the period	<u>28,354</u>	<u>13,871</u>
Cash and cash equivalents at 27 December/29 December	<u>34,869</u>	<u>25,474</u>

The accompanying notes form part of these financial statements.

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# Notes to the Financial Statements

## For the Half Year Ended 27 December 2020

The interim consolidated financial report of Dusk Group Limited (the "Company") and its controlled entities (collectively, the "Group") for the 26 weeks ended 27 December 2020 was authorised for issue in accordance with a resolution of the directors on the date the director's declaration was signed.

The Group utilises a 52 week retail calendar year for financial reporting purposes. The half-year represents 26 weeks which ended on 27 December 2020. The prior half-year was a 26 week retail calendar period, which ended on 29 December 2019.

Dusk Group Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The registered office and principal place of business of the Company is Building 1, Level 3, 75 O'Riordan Street, Alexandria, NSW 2015.

The nature of the operations and principal activities of the Group are described in the directors' report.

### 1 Summary of significant accounting policies

#### (a) Basis of preparation

The report is a half-year financial report for the 26 weeks ended 27 December 2020, which has been prepared in accordance with AASB 134 Interim Financial Reporting.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 28 June 2020 that is readily available on the Australian Stock Exchange (ASX) website.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand (\$000).

Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current period.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### (b) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## **Notes to the Financial Statements**

### **For the Half Year Ended 27 December 2020**

#### **2 Critical accounting estimates and judgments**

The preparation of the Group's interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 3 Segment information

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-maker (CODM). The CODM has been identified as the Chief Executive Officer (CEO) of the Group on the basis that they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Key internal reports received by the CODM, primarily the management accounts, focus on the performance of the Group as a whole. The performance of the operations is based on EBIT (earnings before interest and tax) and adjusted EBIT which excludes the effects of significant items of income and expenditure including the impact of AASB 16, JobKeeper and IPO related costs that may have an impact on the quality of earnings, as shown in the following table. The accounting policies adopted for internal reporting to the CODM's are consistent with those adopted in the interim consolidated financial statements.

	<b>26 weeks ended 27 December 2020 \$000's</b>	<b>26 weeks ended 29 December 2019 \$000's</b>
Statutory profit before income tax	24,140	9,270
<b>Add/(deduct):</b>		
Finance costs	858	649
Finance income	-	(1)
<b>Statutory EBIT</b>	<b>24,998</b>	<b>9,918</b>
<b>Add/(deduct) non recurring, one off items:</b>		
IPO costs	6,518	46
Net JobKeeper receipts	(2,831)	-
Rental concessions received	(365)	-
Public company costs	-	(334)
<b>Adjusted EBIT</b>	<b>28,320</b>	<b>9,630</b>

The Group has considered its internal reporting framework, management and operating structure and the directors' conclusion is that the Group has one operating segment being retail sales in the home fragrances and accessories category, operating in one geographical location, Australia.

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 4 Revenue from contracts with customers

	26 weeks ended 27 December 2020 \$000's	26 weeks ended 29 December 2019 \$000's
Sale of goods	89,015	57,416
Loyalty programme membership	1,933	1,184
<b>Total revenue from contracts with customers</b>	<b>90,948</b>	<b>58,600</b>

#### (a) Performance obligations

Information about the Group's performance obligations are summarised below:

##### *Sale of goods*

The performance obligation is satisfied upon delivery of the goods and payment is generally received at point of sale due to the high proportion of cash sales.

##### *Dusk Rewards Membership*

The performance obligation is satisfied upon the customer receiving the benefits of membership.

#### 5 Other income

	26 weeks ended 27 December 2020 \$000's	26 weeks ended 29 December 2019 \$000's
Rental concessions received (i)	365	-
Recoveries	16	60
	<b>381</b>	<b>60</b>

(i) As an impact of COVID-19, the Group has negotiated with its landlord to achieve rent concessions. The rent concessions reflect credits received from landlords on contracted lease costs under the practical expedients of AASB 16 Leases.

## Dusk Group Limited

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 6 Income tax

The major components of income tax expense in the interim consolidated statement of profit or loss and other comprehensive income:

	26 weeks ended 27 December 2020 \$000's	26 weeks ended 29 December 2019 \$000's
<b>Current tax expense</b>		
Current income tax charge	9,162	3,145
<b>Deferred tax expense</b>		
Relating to origination and reversal of temporary differences	(1,916)	(362)
<b>Income tax expense recognised in interim consolidated statement of profit or loss</b>	<b>7,246</b>	<b>2,783</b>

#### 7 Inventories

	27 December 2020 \$000's	28 June 2020 \$000's
Finished goods	14,026	8,602
Goods in transit	5,823	957
Provision for diminution in value	(1,165)	(925)
<b>Inventories at lower of cost and net realisable value</b>	<b>18,684</b>	<b>8,634</b>

During the half-year ended 27 December 2020, \$45,398 (29 December 2019: \$5,434) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

#### 8 Trade and other payables

	27 December 2020 \$000's	28 June 2020 \$000's
Current		
Trade payables	13,557	6,202
Accrued expense	4,256	3,430
Other payables	4,929	1,007
Contract liabilities	755	276
Dividends payable	-	5,772
	<b>23,497</b>	<b>16,687</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30-60 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.



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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 9 Provisions

	27 December 2020 \$000's	28 June 2020 \$000's
CURRENT		
Make good provision	242	341
Payroll provision (i)	450	1,993
Refund liabilities	1,940	1,907
Voucher liabilities	385	254
Other provisions	38	38
	<u>3,055</u>	<u>4,533</u>
NON-CURRENT		
Make good provision	862	502
Other provisions	67	76
	<u>929</u>	<u>578</u>
Total	<u><u>3,984</u></u>	<u><u>5,111</u></u>

## Dusk Group Limited

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 9 Provisions (continued)

	Lease incentives \$000's	Straight-line lease \$000's	Refund liabilities \$000's	Voucher liabilities \$000's	Make good provision \$000's	Payroll provision \$000's	Other provisions \$000's	Total \$000's
<b>At 29 June 2019</b>	<b>1,091</b>	<b>680</b>	<b>1,820</b>	<b>164</b>	<b>451</b>	<b>2,800</b>	<b>82</b>	<b>7,088</b>
Adoption of AASB 16 Leases	(1,091)	(680)	-	-	-	-	-	(1,771)
Arising during the year	-	-	1,995	243	436	-	104	2,778
Utilised	-	-	(1,908)	(153)	(44)	(807)	(72)	(2,984)
<b>At 28 June 2020</b>	<b>-</b>	<b>-</b>	<b>1,907</b>	<b>254</b>	<b>843</b>	<b>1,993</b>	<b>114</b>	<b>5,111</b>
Arising during the year	-	-	1,298	316	261	300	10	2,185
Utilised	-	-	(1,265)	(185)	-	(1,843)	(19)	(3,312)
<b>At 27 December 2020</b>	<b>-</b>	<b>-</b>	<b>1,940</b>	<b>385</b>	<b>1,104</b>	<b>450</b>	<b>105</b>	<b>3,984</b>

(i) The payroll provision arose from the request of five employees to review their wages regarding double time entitlements where there had been a less than 12 hour break between shifts. Whilst undertaking a detailed self audit of the issue an estimate of possible one off payments to be made to staff was made by management, including on costs. External consultants were subsequently engaged to identify the shifts affected and quantify the amounts. On 5 and 12 June 2020, The Company formally disclosed to the Fair Work Ombudsman (FWO) that contraventions of the Retail Award had occurred. Consequently, it was determined that 1,569 current or former employees had been underpaid and the Company began contacting all current and former employees impacted by this breach and commenced repayments. The Company has now entered into an Enforceable Undertaking with the FWO to ensure its ongoing compliance with Commonwealth workplace laws. The provision includes interest, penalties and contrition payments. During the half year period ended 27 December 2020, \$1,843,000 was paid out with a further \$450,000 to be paid subsequent to the half year end.

## Dusk Group Limited

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 10 Leases

##### Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property \$000's	Storage licenses \$000's	Total \$000's
<b>As at 29 June 2020</b>	<b>30,959</b>	<b>82</b>	<b>31,041</b>
Additions	7,569	45	7,614
Depreciation expense	(6,519)	(28)	(6,547)
<b>As at 27 December 2020</b>	<b>32,009</b>	<b>99</b>	<b>32,108</b>

##### Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 \$000's
<b>As at 29 June 2020</b>	<b>35,002</b>
Additions	8,304
Accretion of interest	773
Payments in accordance with lease agreements	(7,133)
<b>As at 27 December 2020</b>	<b>36,946</b>
Current	12,022
Non-current	24,924

## Dusk Group Limited

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 10 Leases (continued)

The following are the amounts recognised in profit or loss:

	<b>26 weeks ended 27 December 2020 \$000's</b>
Rental concessions received	(365)
Depreciation expense of right-of-use assets	6,547
Interest expense on lease liabilities	773
Expense relating to leases of low-value assets (included in administrative expenses)	11
Expenses relating to variable and holdover lease payments	<u>1,445</u>
<b>Total amount recognised in profit or loss</b>	<b><u><u>8,411</u></u></b>

The Group had total cash outflows for leases of \$6,454,000 in the 26 weeks ended 27 December 2020. The Group also had non-cash additions to right-of-use assets and lease liabilities of \$8,304,000 for the 26 weeks ended 27 December 2020.

#### 11 Issued capital

	<b>27 December 2020 \$000's</b>	<b>28 June 2020 \$000's</b>
62,267,865 (2020: 57,717,855) Ordinary shares	<u>3,487</u>	<u>3,415</u>

#### Movement in ordinary shares

	<b>Thousand no. of shares</b>	<b>Thousand no. of shares</b>
At the beginning of the reporting period	57,718	57,718
Shares issued during the year	<u>4,550</u>	-
At the end of the reporting period	<b><u><u>62,268</u></u></b>	<u>57,718</u>

## Dusk Group Limited

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 12 Other capital reserves

	Share-based reserve \$000's
<b>At 29 June 2020</b>	<b>112</b>
Issued shares	(72)
Share-based payments	25
Cash buyback of options	(4,900)
Deferred tax asset on cash buyback of options	1,463
<b>At 27 December 2020</b>	<b><u>(3,372)</u></b>

#### Nature and purpose of reserve

##### **Share-based reserve**

During the 2016 financial year, the Directors of Dusk Group Limited issued 7,000,000 options to the Chairman and CEO (3,500,000 each). Option holders were entitled to the issue of one ordinary share in the share capital of Dusk Group Limited for each option. Both individuals remain in their position as at 27 December 2020. Whilst 4,550,000 options had been exercised in prior year, the remaining 2,450,000 unissued ordinary shares under options in prior year were bought back for \$5,057,385 by way of a cash payment in the current period.

During the financial period, the Group has issued 1,000,000 new options pursuant to the equity incentive plan as disclosed in section 6.3.4.2 of the Prospectus. No other options have been exercised, granted or forfeited.

#### 13 Commitments and contingencies

##### **Contractual commitments**

The Parent entity did not have any contractual commitments as at 27 December 2020 (2019: \$nil).

For the 26 weeks ended 27 December 2020, the Parent has \$130,000 (2019: \$130,000) of bank guarantees.

##### **Contingent liabilities**

The Parent is a guarantor on the Commonwealth Bank of Australia banking facilities held by Dusk Australasia Pty Ltd.

The Parent has issued the following guarantees in relation to the debts of its subsidiaries:

- Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*, Dusk Group Limited have entered into a deed of cross guarantee on 9 June 2016. The effect of the deed is that Dusk Group Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Dusk Group Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The Parent did not have any other contingent liabilities as at 27 December 2020 (2019: none).

## Dusk Group Limited

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### Notes to the Financial Statements For the Half Year Ended 27 December 2020

#### 14 Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	<b>26 weeks ended 27 December 2020 \$000's</b>	<b>26 weeks ended 29 December 2019 \$000's</b>
Profit attributable to ordinary equity holders of the parent for basic earnings	<u>16,894</u>	<u>6,487</u>
Basic earnings per share (in dollars)	0.27	0.11
Diluted earnings per share (in dollars)	0.27	0.10
	<b>26 weeks ended 27 December 2020 Thousands No.</b>	<b>26 weeks ended 29 December 2019 Thousands No.</b>
<b>Weighted average number of ordinary shares for basic EPS</b>	<u>62,268</u>	<u>57,718</u>
Effect of dilution from:		
Share options	<u>1,000</u>	<u>7,000</u>
<b>Weighted average number of ordinary shares adjusted for the effect of dilution</b>	<u>63,268</u>	<u>64,718</u>

#### 15 Events occurring after the reporting date

On 28 January 2021, the Group entered into an Enforceable Undertaking with the Fair Work Ombudsman to ensure its ongoing compliance with Commonwealth workplace laws.

On 24 February 2021, the Directors determined that, based on the performance of the Company during the 26 weeks ended 27 December 2020, it was appropriate to return the net JobKeeper wage subsidy benefit of \$2.8m received during the period to the Australian Government. This will be repaid and recognised in the Company's financial results in the second half of FY21.

On 24 February 2021, the Directors declared an interim dividend on ordinary shares in respect of the 2021 financial year. The total amount of the dividend is \$9.34m which represents an interim fully franked dividend of 15.0 cents per share. The dividend has not been provided for in the 27 December 2020 interim condensed financial report.

Other than the above, no matters or circumstances have arisen since reporting date which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company.

#### 16 Statutory information

The registered office and principal place of business of the company is:

Dusk Group Limited  
Building 1, Level 3, 75 O'Riordan Street  
Alexandria NSW 2015

## Dusk Group Limited

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### Directors' Declaration

The directors of the Company declare that:

1. The interim consolidated financial statements and notes, as set out on pages 5 to 19 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Group's financial position as at 27 December 2020 and of its performance for the 26 weeks ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director .....  
Peter King

Dated 24 February 2021



**Building a better  
working world**

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## **Independent auditor's review report to the Members of Dusk Group Limited**

### **Report on the half-year financial report**

#### **Conclusion**

We have reviewed the accompanying half-year financial report of Dusk Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the interim consolidated statement of financial position as at 27 December 2020, the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 27 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 27 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.





A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dusk Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Lisa A Nijssen-Smith'.

Lisa A Nijssen-Smith  
Partner  
Sydney  
24 February 2021