MOA GROUP LIMITED

ANNUAL REPORT

Year ended 31st March 2020

MOA BREWING CO

savor group

Moa 440ml can range — limited edition brews for the craft enthusiast.

CONTENTS

CHAIR'S REPORT

Dear fellow shareholder,

On behalf of the Directors, I'd like to welcome you to the 2020 Annual Report and thank you for your continued support of our Group.

2020 was a transformational year from the beginning. On April 1st 2019, we welcomed Savor Group founders Lucien Law and Paul Robinson to the Board as the Group's vertical integration strategy came to life. The acquisition of Savor Group Limited saw Moa become New Zealand's own brewing and hospitality Group. The Group continued to expand throughout the year with the acquisition of Non Solo Pizza in Auckland's Parnell in September 2019, and the addition of Lobster & Tap at Auckland Fish Market opening in December 2019.

Moa Brewing Company, under the direction of CEO Stephen Smith, continued its turnaround during the year as the pipeline of innovation and new products coming to market saw market share improvements across all key channels. The business developed a new low calorie Genuine Lager which was launched in October 2019, and released a suite of limited edition brews in 440ml cans that will rotate every quarter. The most significant change of the year was the move of the Classics range of products from glass bottles to aluminium cans, which has been received very positively by the market.

The impact of COVID-19 was felt across the Group from early February 2020 when the first border restrictions were implemented. Savor Group venues saw significant decreases in customer numbers while Moa Brewing was unable to supply distribution centres as supermarkets prioritised their operations in response to panic buying. Fortunately, Moa Brewing were deemed an essential service as part of the supermarket supply chain and sales recovered during Alert Level 4. Savor Group venues were closed as mandated and the Group moved through a significant cost cutting process to right-size the business for the new normal. The Group moved online during Alert Level 3 with the launch of Savor Goods, providing fresh meals and meal kits for takeaway or delivery from each of our venues. The resumption of trading in Alert Level 2 was well received, with sales exceeding expectations as Kiwis returned to our venues.

The Group also moved during COVID-19 to solidify its Balance Sheet, welcoming a new cornerstone investor to the Group in April 2020 and undertaking a rights issue in May 2020 to allow existing shareholders to increase their investment.

Pleasingly, the rights issue was oversubscribed and the Directors elected to accept these in full. The total proceeds of the capital raising activities subsequent to year end were $8.3 million, with $6.1 million of this received in cash.

2021 has started strongly for both the Savor and Moa Brewing businesses, which is pleasing in light of the impact of COVID-19. We are excited for the next stage of growth for the Group as we continue to deliver iconic hospitality and beverage experiences for our shareholders and New Zealanders as a whole. Thank you for joining us on this journey.

Best regards,

Geoff Ross
Executive Chairman
Moa Group Limited

The acquisition of Savor Group Limited saw Moa become New Zealand's own brewing and hospitality Group.

→ Lobster & Tap, Auckland Fish Market

↓ Non Solo Pizza, Parnell

DIRECTOR PROFILES

GEOFF ROSS
EXECUTIVE CHAIRMAN

Geoff was the founder and CEO of 42 Below, which was a listed company for three years prior to its sale to Bacardi in late 2006. Geoff was also Chairman of Trilogy International, an NZX listed company focused on the home fragrances and body care products market. Prior to 42 Below and Trilogy International, he was a Managing Partner and Board Member of DDB Advertising for two years and was a Client Service Director and Management Team Member for Saatchi & Saatchi in Wellington for eight years. Geoff is a Trustee of Pure Advantage. Geoff has a Bachelor of Commerce (Agriculture).

LUCIEN LAW
MANAGING DIRECTOR

Over the past seven years, Lucien has led a new wave in Auckland hospitality, overseeing the building of a group of brands that have had a significant impact on the city's dining and entertainment scene.

His projects include award-winning modern Japanese restaurants Azabu and Ebisu, contemporary New Zealand brasserie Ostro, along with Fukoku, Las Vegas Club and Mission Bay Pavilion. One of his most ambitious developments is Seafarers, spanning several floors in the historic Seafarers building at Auckland's Britomart.

Prior to his involvement in hospitality, Lucien founded highly successful independent communications agency Shine, which has worked with brands including Spark, Hyundai, Fonterra and Lion Breweries.

PAUL ROBINSON
MANAGING DIRECTOR

Paul Robinson has twenty years experience in structured finance and strategy. From 1999 Paul spent nine years originating structured trades based in London, working for Barclays Capital and then Swiss Re Financial Products Corp. In 2008 Paul transferred to New York to set up and head Swiss Re's North American Structured Finance Team, with responsibility for over USD 10 billion of bespoke financial arrangements with multi jurisdiction clients. In 2018 Paul and his family moved back to New Zealand to enjoy life here, manage his investments and to take an active role in Savor Group where he had a long term shareholding. Paul has deep experience both inside and out of traditional corporate structures. His personal investments are across sectors as diverse as mining, manufacturing, pharmaceuticals and hospitality. He has strong networks in Europe, the USA and New Zealand.

RICH FRANK
INDEPENDENT DIRECTOR

Rich Frank founded the Frank Family Vineyards in the Napa Valley USA in 1992. His love of wine first stemmed from his extensive travel via a global career as the former President of Disney Studios.

He has served as Chairman of Walt Disney Television and Communications and headed Disney's syndication arm Buena Vista. He brings to the Board two decades of experience as President of Walt Disney Studios where he oversaw the development of the Disney Channel; President of the Paramount Television Group, President & Board member of Chris Craft Television and President of the Academy of Television Arts & Science.

Rich has board experience across many platforms including the Motion Picture Association of America (MPAA) and currently sits as Vice Chairman and Executive Board Member of the American Film Institute (AFI)

Rich graduated from the University of Illinois, Champaign-Urbana and in 2011 received an Honorary Doctorate degree from the AFI. He is also the recipient of one of only eight Television Academy's Syd Cassyd Founders Awards for his significant positive impact on the Academy through his efforts and service over many years of involvement.

Rich lives full time in the Napa Valley with his wife Leslie, an Emmy award winning journalist and is often found socialising with guests in their vineyards tasting room.

SHEENA HENDERSON
INDEPENDENT DIRECTOR AND CHAIR
OF THE AUDIT AND RISK COMMITTEE

Sheena has extensive FMCG knowledge, brand building and retail, both domestically and globally.

Sheena brings vast board experience in her capacity as an independent professional director.

DAVID POOLE
NON-EXECUTIVE DIRECTOR

David has been involved in sales, business ownership and directorships since 1992, primarily through Bayley Corporation, NZ's largest full service real estate company.

David brings to the Board executive experience in leading businesses through growth stages, including setting and achieving clear strategic goals and driving sales and brand growth.

↑ Moa Classic Range 330ml Cans — more cans means less transport impact, less broken glass, they're 100% recyclable, lighter to carry, and boast superior freshness.

CORPORATE GOVERNANCE

The overall responsibility for ensuring that the corporate governance and accountability of the Company is properly managed, thereby enhancing investor confidence, lies with the Board of Directors. A copy of Moa's Corporate Governance Code ("Code") is available on the Moa website at **www.moabeer.com/documents**.

The Code is generally consistent with the principles identified in the NZX Corporate Governance Code, except that as at 31 March 2020 the Company (due to the size and nature of its business):

1. did not have a Diversity Policy (per Recommendation 2.5);
2. did not have a majority of independent Directors (per Recommendation 2.8);
3. the Company's Chair is not independent, and is also its Chief Executive Officer (per Recommendation 2.9); and
4. does not have an audit committee comprising solely of non-executive directors (per Recommendation 3.1).

The Company will continue to monitor best practice in the governance area and update its policies to ensure it maintains the most appropriate standards.

An outline of the Company's governance arrangements are set out below. Further detail is available on the Moa website **www.moabeer.com**.

THE BOARD OF DIRECTORS

The Board has ultimate responsibility for the strategic direction of Moa and supervising Moa's management for the benefit of shareholders.

The specific responsibilities of the Board include:

- Working with management to review and approve the business and financial plans that set the strategic direction of Moa
- Monitor the Company's performance against its approved strategic, business and financial plans and oversee the Company's operating results on a regular basis so as to evaluate whether the business is being properly managed
- Establishing and overseeing succession plans for the Chief Executive Officer and senior management
- Monitoring compliance and risk management
- Establishing and monitoring Moa's health and safety policies
- Ensuring effective disclosure policies and procedures are adopted
- Ensuring effective reporting processes and procedures
- Ensuring the quality and independence of the Company's external audit process

BOARD MEETING AND COMMITTEE ATTENDANCE

During the year to 31 March 2020 the Company held 13 regular Board meetings. The Audit & Risk Committee met on two occasions. Attendance by individual Directors was as follows:

	BOARD MEETINGS		AUDIT & RISK COMMITTEE MEETINGS	
	ELIGIBLE	ATTENDED	ELIGIBLE	ATTENDED
Geoff Ross	13	13		
Craig Styris	8	6	2	2
Sheena Henderson	13	11	2	2
Rich Frank	13	11	2	2
David Poole	13	13		
Lucien Law	13	13		
Paul Robinson	13	13		

During the year, Lucien Law and Paul Robinson were appointed on 1 April 2019 and Craig Styris retired on 24 December 2019.

ETHICAL CONDUCT

The Code includes a policy on business ethics which is designed to govern the Board and management's conduct. The Code addresses conflicts of interest, receipt of gifts, confidentiality and fair business practices. A copy of the Code is available on the Moa website www.moabeer.com.

BOARD MEMBERSHIP

As at 31 March 2020, the Board consisted of two independent Directors, one non-executive Director and three executive Directors, who are elected based on the value they bring to the Board.

Each Moa Director is a skilled and experienced business person. Together they provide value by making quality contributions to corporate governance matters, conceptual thinking, strategic planning, policies and providing guidance to management.

As at 31 March 2020 the Company's Directors were:

Geoff Ross........Executive Chair and CEO
Sheena Henderson........Independent Director
Rich Frank........Independent Director
David Poole........Non-Executive Director
Lucien Law........Executive Director
Paul Robinson........Executive Director

Profiles of current Board members are shown on pages 6-7.

The number of elected Directors and the procedure for their retirement and re-election at annual meetings of shareholders is set out in the Constitution of the Company.

All new directors enter into a written agreement setting out the terms of their appointment. Directors also undertake appropriate training to remain current on how to best perform their duties, as and when required.

DIRECTOR INDEPENDENCE

In order for a Director to be independent, the Board has determined that he or she must not be an executive of Moa and must have no disqualifying relationship as defined in the Code and the Listing Rules.

The Board has determined that Sheena Henderson and Rich Frank are independent Directors.

NOMINATION AND APPOINTMENT OF DIRECTORS

The Board is responsible for identifying and recommending candidates. Directors may also be nominated by shareholders under the Listing Rules.

A Director may be appointed by ordinary resolution and all Directors are subject to removal by ordinary resolution.

The Board may at any time appoint additional Directors. A Director appointed by the Board shall only hold office until the next annual meeting of the Company but shall be eligible for election at that meeting.

A Director must not hold office past the third annual meeting at which they were elected or three years, whichever is longer, but are eligible for re-election by shareholders.

DISCLOSURE OF INTERESTS BY DIRECTORS

The Code sets out the procedures to be followed where Directors have an interest in a transaction or proposed transaction or are faced with a potential conflict of interest requiring the disclosure of that conflict to the Board. Moa maintains an Interests register in which particulars of certain transactions and matters involving Directors are recorded. The Interests register for Moa is available for inspection at its registered office.

DIRECTORS' SHARE DEALINGS

The Company has adopted a Securities Trading policy, which sets out the procedure to be followed by Directors, staff and associates trading in Moa listed securities, to ensure that trades are not made while that person is in possession of material information which is not generally available to the market. Details of Directors' share dealings during the 12 months to 31 March 2020 are outlined on page 36.

DIRECTORS' AND OFFICERS' GENDER COMPOSITION

	2020		2019	
	MALE	FEMALE	MALE	FEMALE
Directors	6	1	4	1
Officers	1	1	5	0
Total	7	2	9	1

The Board recognises that along with relevant skills, diversity is a key driver of effective Board performance. As the Moa business evolves the Board is committed to creating diversity among Directors while preserving the right mix of skills.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has Directors' and Officers' liability insurance with AIG Insurance New Zealand Limited which ensures that generally, Directors and Officers will incur no monetary loss as a result of actions undertaken by them. The Company entered into an indemnity in favour of its Directors under a Deed dated 10 October 2012.

BOARD COMMITTEES

The Board has two formally constituted committees. These committees, established by the Board, review and analyse policies and strategies which are within their terms of reference. The Committees examine proposals and, where appropriate, make recommendations to the Board. Committees do not take action or make decisions on behalf of the Board unless specifically authorised to do so by the Board.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is responsible for overseeing risk management, treasury, insurance, accounting and audit activities of Moa, reviewing the adequacy and effectiveness of internal controls, meeting with and reviewing the performance of external auditors, making recommendations on financial and accounting policies, and reviewing external financial and performance reporting and disclosures.

The members of the Audit and Risk Committee are Sheena Henderson (Chair), Rich Frank, and Paul Robinson.

All directors (who are not members of the Audit and Risk Management Committee) and employees only attend meetings of the Audit and Risk Committee at the invitation of the Committee.

TAKEOVER RESPONSE POLICY

The Board is well prepared in the event of a takeover, and has established a Takeover Response Policy, found in the Code.

HEALTH AND SAFETY

The Board is responsible for ensuring appropriate procedures are in place to identify and manage potential health and safety risks.

NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee operates within the full Board and is responsible for overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for the executive Directors and senior management, and recommending to the full Board the remuneration of Directors.

REMUNERATION

Remuneration of Directors and executives is the key responsibility of the Nominations and Remuneration Committee. Details of Directors and executives' remuneration and entitlements are set out on pages 36-37.

DIRECTORS' REMUNERATION

Directors' fees have been fixed at $75,000 per annum for the Executive Chair, $40,000 per annum for the Chair of the Audit & Risk Committee and $40,000 per annum for other Directors. To provide for flexibility, shareholders have previously approved an aggregate cap on non-executive Directors' fees of $300,000 for the purpose of the Listing Rules.

The Directors are also entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with Moa's business.

Via the Business Bakery LP then subsequently Southern Skies Holdings Limited, Moa Group entered into an agreement for discretionary consulting services of Geoff Ross (Executive Chairman) for $50,000 per annum. Under the agreement Moa recognised a consulting fee of $50,000 for the year ended 31 March 2020, which was paid in May 2020.

MANAGING RISK

The Board has overall responsibility for the Company's system of risk management and internal control and has procedures in place to provide effective control within the management and reporting structure.

Financial Statements are prepared monthly and reviewed by the Board progressively during the period to monitor performance against budget goals and objectives. The Board also requires managers to identify and respond to risk exposures.

A structured framework is in place for capital expenditure, including appropriate authorisations and approval levels.

The Board maintains an overall view of the risk profile of the Company and is responsible for monitoring corporate risk assessment processes.

DISCLOSURE

The Company adheres to the NZX continuous disclosure requirements which govern the release of all material information that may affect the value of the Company's listed shares. The Board and senior management team have processes in place to ensure that all material information flows up to the Executive Chair with a view to consultation with the Board and disclosure of that information if required.

AUDITOR

Grant Thornton acts as auditor of the Company and has undertaken the audit of the financial statements for the year ending 31 March 2020. Particulars of the audit and other fees paid during the period are set out on page 29.

Oversight of the Company's external audit arrangements is the responsibility of the Audit and Risk Committee. The Company does not have a dedicated internal audit resource but maintains an annual audit programme, which is overseen by the CEO. The external auditors shall attend the Company's annual meeting to answer questions from shareholders in relation to the audit.

SHAREHOLDER RIGHTS & RELATIONS

The Board is committed to achieving best practice investor relations. Financial and operational information and key corporate governance information can be accessed on the Company's website: www.moabeer.com/documents. Enquiries from shareholders can be voiced at the Annual Meeting, or emailed through using the contact details on our website. The Company posts a copy of its notice of annual meeting on its website at least 20 working days prior to its annual meeting of shareholders.

DIRECTORS' REPORT

The Board of Directors has pleasure in presenting the financial statements and audit report for Moa Group Limited for the year ended 31 March 2020.

The financial statements presented are signed for and on behalf of the Board of Directors and were authorised for issue on 26 June 2020.

Geoff Ross
Executive Chairman

Sheena Henderson
Chair of the Audit and Risk Committee

Grant Thornton

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Independent Auditor's Report

To the Shareholders of Moa Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Moa Group Limited (the "Company") and its subsidiaries ("the Group") on pages 16 to 32 which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2020 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no other relationship with, or interests in, the Group.

Material Uncertainty Related to Going Concern

We draw attention to the consolidated statement of comprehensive income which indicate the Group incurred a net loss before income tax of $4.0 million during the year ended 31 March 2020 and Note 2 which describes the Group's reliance upon sufficient cash flow generation from operations and dependency on future fundraising to enable the Group to continue its business operations. As stated in Note 2, these events and conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Why the audit matter is significant	How our audit addressed the key audit matter
Business Combinations - valuation of investments in new businesses During the reporting year 31 March 2020 the Group acquired two new hospitality businesses, Savor Group and Non Solo Pizza. Net consideration paid of $24.1m comprising net assets of $4.9m and goodwill recognised of $19.1m and other disclosures that can be seen in Note 2a and Note 9. Given the significance of the purchase, the degree of estimation and judgement involved by Directors and level of audit effort incurred, we considered the recognition, measurement, and disclosure of these business acquisitions to be a key audit matter.	The procedures we performed to conclude on the business combinations included: • Understanding the sale and purchase agreements for each acquisition, critically assessing the approach and assumptions used to identify and fair value all the assets as well as any liabilities. • We challenged the Directors estimates and judgements surrounding contingent consideration elements arising from future expected 'earn-out' payments to vendors based upon achieving specific hospitality venue sales targets over 24-month period from the acquisition date. • We reviewed the adequacy of the disclosures made in notes 2a and 9 of the financial statements relating to the acquisitions completed during the year.
Carrying Value of Intangible Assets Intangible assets (Note 9) primarily consists of goodwill of $19.1m arising from business acquisitions during the year as described in note 2a. Goodwill has been allocated to five cash generating units based on the respective hospitality site. The Group is required to test goodwill for impairment on an annual basis. The Group uses a value in use model to determine the recoverable amount of the individual cash generating units. The COVID19 global pandemic has impacted the New Zealand economy and hospitality sector in particular. COVID19 as described in note 2 creates significant uncertainty of trading at least in the short term which impacts cash flows generated by the cash generating units. The inherent uncertainty involved in forecasting and discounting future cash flows is one of the key judgement areas the Directors have concentrated on. The uncertainty is affected by a number of factors including economic factors in the New Zealand economy, which form the basis for the assessment of recoverability. Given the significance of intangible assets, the degree of estimation and judgement involved by Directors and level of audit effort incurred, we considered the carrying value of goodwill within intangible assets to be a key audit matter.	Our audit procedures included a detailed evaluation of the Group's cash flows forecast and value in use model for the cash generating units. Our procedures included: • Assessed the key inputs used in the value in use model being revenue growth rate, discount rate, terminal growth rate and utilisation of income tax losses available to the Group, and • Assessed the reliability and sensitivity of the Group's forecasting by comparing the current year results with the budgeted forecast, and • Inquiries and discussions with management and Directors in relation to future business plans ensuring consistency with forecasts used in the value in use model. In addition, we used our own valuation specialist to evaluate the assumptions and methodologies used by the Group in the value in use model. We also assessed whether the Group's disclosures about the sensitivity in key assumptions fairly reflected the risks inherent in the valuation of goodwill.

Other Information

The Directors are responsible for the other information. The other information comprises 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 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 identified above when it becomes available 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.

Directors' responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group 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 Consolidated 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) 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 consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body 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 its shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership

Grant Thornton

Kerry Price
Partner
Auckland

26 June 2020

FINANCIAL STATEMENTS

For the year ended 31 March 2020

MOA GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2020

	Note	**2020** **$000's**	2019 (restated) $000's
Revenue		**38,273**	15,902
Expenses:			
Direct costs	16	**(14,940)**	(7,567)
Excise taxes		**(4,246)**	(4,301)
Employee costs	16	**(12,464)**	(1,880)
Marketing costs		**(1,710)**	(1,726)
Utilities and operational expenses		**(1,735)**	(170)
Other expenses		**(1,686)**	(709)
Warehousing and freight costs		**(1,485)**	(1,527)
Other income		**3**	16
Earnings before depreciation, amortisation, interest, tax and business acquisition and restructuring expenses		**10**	(1,962)
Depreciation and amortisation		**(2,666)**	(433)
Business acquisition and restructuring costs	2b	**(99)**	(569)
Net interest expense		**(1,286)**	(23)
Loss before income tax		**(4,041)**	(2,987)
Taxation expense	14	**-**	**-**
Loss attributable to the shareholders		**(4,041)**	(2,987)
Other comprehensive income and expenses		**-**	-
Total comprehensive loss		**(4,041)**	(2,987)
Basic and diluted losses per share (cents)	13	**(4.8)**	(4.3)
Weighted average number of shares outstanding (thousands of shares) Basic and diluted		**85,035**	68,953

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

MOA GROUP LIMITED
CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
For the year ended 31 March 2020

Moa Group Limited
Consolidated Statement of Movements in Equity
For the year ended 31 March 2020

	Note	Share capital $000's	Unissued capital $000's	Accumulated losses $000's	Share-based payments reserve $000's	**Total equity** $000's
Total equity at 1 April 2018		26,528	-	(21,071)	116	5,573
Total comprehensive loss for the year		-	-	(2,987)	-	(2,987)
Share based payments		143	-	-	(52)	91
Issue of new shares		5,434	-	-	-	5,434
Total equity at 31 March 2019		32,105	-	(24,058)	64	8,111
Total equity at 1 April 2019		**32,105**	**-**	**(24,058)**	**64**	**8,111**
Total comprehensive loss for the year		**-**	**-**	**(4,041)**	**-**	**(4,041)**
Arising from business combination	2a, 11		**1,999**			**1,999**
Issue of new shares	11	**6,787**	**-**	**-**	**-**	**6,787**
Total equity at 31 March 2020		**38,892**	**1,999**	**(28,099)**	**64**	**12,856**

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

MOA GROUP LIMITED
CONSOLIDATED BALANCE SHEET
For the year ended 31 March 2020

	Note	2020 $000's	2019 $000's
Assets			
Current assets:			
Cash and cash equivalents		-	2,585
Derivatives		-	4
Trade and other financial receivables	4	2,021	2,982
Inventories	5	2,293	2,838
Total current assets		4,314	8,409
Non-current assets:			
Trade and other financial receivables	4	423	758
Property, plant and equipment	8	7,651	2,159
Intangible assets	9	19,673	403
Right of use asset	19	8,819	-
Total non-current assets		36,566	3,320
Total assets		40,880	11,729
Liabilities			
Current liabilities:			
Bank overdraft		597	-
Trade and other payables	6	4,569	3,089
Contract liabilities	7	610	528
Lease liability	19	1,038	-
Borrowings	10	1,643	-
Related party payables	2a	3,183	-
Total current liabilities		11,640	3,617
Non-current liabilities:			
Contract liabilities	7	1,294	-
Contingent consideration	2a	1,234	-
Lease liability	19	8,067	-
Borrowings	10	5,789	-
Total non-current liabilities		16,384	-
Total liabilities		28,024	3,617
Equity			
Share capital	11	38,892	32,105
Reserves		(26,036)	(23,993)
Total equity		12,856	8,112
Total liabilities and equity		40,880	11,729

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

MOA GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

	Note	2020 $000's	2019 $000's
Cash flow from operating activities			
Receipts from customers		39,944	14,508
Payments to suppliers, employees and other		(37,761)	(18,108)
Income tax paid		-	31
Net cash from/(used) in operating activities		2,183	(3,569)
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets		(845)	(330)
Purchase of businesses		(10,962)	-
Purchase of investments			(36)
Net cash used in investing activities		(11,807)	(366)
Cash flow from financing activities			
Interest paid		(392)	-
Borrowings drawn down		7,432	-
Lease liability principal repayment	19	(1,012)	-
Lease liability interest repayment	19	(534)	-
Issue of shares		947	5,534
Net cash from financing activities		6,441	5,534
Net movement in cash held		(3,183)	1,599
Add: opening cash and cash equivalents		2,586	987
Closing cash and cash equivalents		(597)	2,586

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

MOA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1 Significant accounting policies

Basis of preparation
Moa Group Limited ('the Parent' or 'Company') and its subsidiaries (together 'the Group') operate in the beverage sector, brewing and distributing super premium craft beer and cider, and the hospitality sector, operating a number of premium restaurants and bars. The Company has operations in New Zealand and sells predominantly to the New Zealand market. The address of its registered office is 6/46 Maki Street, Westgate, Auckland 0814.

The Group is a public company incorporated in New Zealand and is listed with the New Zealand Stock Exchange on the NZX. The consolidated financial statements presented are those of Moa Group Limited and its subsidiaries (the "Group"). Moa Group Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and is a Financial Markets Conduct Act 2013 reporting entity in terms of the Financial Reporting Act 2013 under which the financial statements are prepared. The Company is a for-profit entity. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The financial statements are presented in New Zealand dollars, which is the functional currency of both Moa Group Limited and its subsidiaries.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

Principles of consolidation
The financial statements incorporate the assets and liabilities of Moa Group Limited and its 100% owned subsidiaries Moa Brewing Company Limited, Savor Group Limited, and Red Claw Trading Company, as well as interests in joint operations (together the 'Group') as at 31 March 2020 and the trading results for the year then ended.

Subsidiaries are all entities (including structured 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. From that date they are deconsolidated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of the subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition costs are expensed as incurred.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies have been applied consistently across the Group.

Foreign currency translation
Foreign currency transactions on any date are translated into the functional currency using the exchange rates approximating the rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss component of the statement of comprehensive income.

Revenue recognition
The Group recognises revenue when it is highly probable that a significant reversal of revenue will not occur. The following accounting policies apply to the Group's businesses from 1 April 2019.

Hospitality
Venue revenue
The Group derives venue revenue through the sale of food and beverages and by hosting events. This revenue is recognised at a point in time, being the point of sale. For significant events, the Group receives deposits in advance to secure the booking. These deposits are deferred on the balance sheet as a contract liability and are recognised as revenue at a point in time, being the date of the event. The Group has determined that there is a single performance obligation for these transactions even though part-payment may be received in advance.

Supplier loan revenue
The Group enters into contracts with a number of suppliers and receives upfront cash payments in return. Typically these contracts relate to the supply of beverages and include an initial signing fee plus a prepaid rebate. The Group has determined that the initial fee and prepaid rebate constitute separate performance obligations and recognise the revenue accordingly. The initial fee is deferred onto the balance sheet as a contract liability and is recognised as revenue over time, evenly across the term of the contract. The prepaid rebate is also held as a contract liability and is recognised as revenue over time in line with the quantity of product consumed, based on the contracted rebate rate.

Brewing
Sale of goods
Brewing revenue consists of the sales of beer and cider products to distributors and end customers. Revenue is recognised at a point in time as the customer obtains control of individual sales orders, which occurs when the goods are accepted by the customer at the point of delivery. The Group has pricing agreements with individual customers that determine the terms of sale and revenue is measured net of returns, trade discounts and volume rebates. The Group has one customer who has prepaid for future orders and this balance is deferred on the balance sheet as revenue received in advance, to be recognised as orders are fulfilled.

Contract Assets and Contract Liabilities
The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Balance Sheet (see note 7). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in the Balance Sheet (see note 4), depending on whether something other than the passage of time is required before the consideration is due.

Income tax
The income tax expense or revenue for the year is the total of the current year's taxable income based on the national income tax rate for each jurisdiction adjusted for any prior years' under or over provisions, plus or minus movements in the deferred tax balance except where the movement in deferred tax is attributable to a movement in reserves. The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at balance date.

Movements in deferred tax are attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and any unused tax losses or credits. 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. 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 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 loss or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that 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 controlled entities where the parent entity 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. The income tax expense or credit attributable to amounts recognised in other comprehensive income is also recognised in other comprehensive income.

Current and deferred tax assets and liabilities of individual entities are reported separately in the consolidated financial statements unless the entities have a legally enforceable right to make or receive a single net payment of tax and the entities intend to make or receive such a net payment or to recover the current tax asset or settle the current tax liability simultaneously.

Goods and services tax (GST)
The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced. All items in the statement of cash flows are also stated net of GST.

Excise tax
Where excise tax is a production tax it is included in the statement of comprehensive income in both revenue and cost of sales. The excise tax component of sales is included in receipts from customers in the statement of cash flows, and the excise tax payments are included in payments to suppliers and employees.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held on call with financial institutions and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of non-financial assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Financial instruments
Recognition and derecognition
Financial assets and liabilities are recognised when the Group becomes a party to contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risk and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 (Revenue from Contracts with Customers), all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
• Amortised cost
• Fair value through profit or loss (FVTPL)
• Fair value through other comprehensive income (FVOCI)

In the periods presented the Group does not have any financial assets categorised as FVTPL or FVOCI.

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

Impairment of financial assets
Recognition of credit losses uses the 'expected credit loss (ECL) model'. The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of future cash flows of the instrument.

In applying this forward looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')
'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12 month expected credit losses' are recognised in Stage 1, while 'lifetime expected credit losses' are recognised for Stage 2.

Measurement of the expected credit losses is determined by probability weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument.

Classification and measurement of financial liabilities
The Group's financial liabilities include trade and other payables, contingent consideration, employee benefits, borrowings and related party payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

Changes in accounting policy

These financial statements are prepared using the same accounting policies as the prior year with the exception of NZ IFRS 16, the impact of which is outlined below.

New standards and interpretations adopted in the current period
NZ IFRS 16
The Group has adopted NZ IFRS 16, which replaces NZ IAS 17 Leases and removes the distinction between operating and finance leases for lessees, in the current financial year. NZ IFRS 16 requires the Group to recognise most leases, where it is a lessee, in the consolidated balance sheet, similar to the previous finance lease model. This has resulted in the recognition of 'right-of-use' assets and related lease liability balances.

Rental payments for leases previously classified as operating leases for property have moved from being included in operating expenses, to depreciation and finance expenses. The impact on net earnings before income tax of an individual lease over its term remains the same, however, the new standard results in a higher interest expense in the early years of a lease and lower in the later years, compared with the previous straight-line expense profile of an operating lease. A summary of the impact of the new standard on the Group's financial statements is provided in note 19.

Accounting Standards that are issued but not yet effective
Several other amendments and interpretations apply for the first time from 1 April 2019, but do not have an impact on the consolidated financial statements of the Group.

2 Key estimates and judgements

The Group has undertaken a number of key estimates and judgements when preparing these financial statements, the details of which are outlined in this note. These judgements have been formed using historical information and comparatives where available, and management's best judgement where there is no appropriate comparison. The Group continues to review all significant estimates along with the assumptions used and recognises any adjustments to these in the period in which a change occurs.

Going concern
The financial statements have been prepared on a going concern basis, the validity of which depends on the Group generating sufficient cash flows in future periods and if necessary, its ability to raise new equity. The uncertainty of meeting forecast financial performance and dependency on future fundraising creates a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

If the Group was unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets and liabilities may need to be realised at amounts other than those at which they are currently recorded in the statement of financial position and the Group may have to provide for further liabilities that may arise.

For FY20, the Group had positive cash inflows from operations of $2.2m (2019: cash outflows of $3.6m), however, due to the impact of non-cash items such as depreciation, amortisation, and lease liability interest, made a net loss before tax of $4.0m (2019: $3.0m).

The Group had net current assets/(liabilities) of ($7.3M) at balance date (2019: $4.8m). Subsequent to year end (refer to note 22), the Group reached an agreement to extend the payment date of the related party payable and obtained a debt principal repayment holiday. Adjusting for these transactions, net current liabilities were $3.3m.

Subsequent to year end (as outlined in note 22) the Group raised $8.3m of new equity, resulting in total cash receipts of $6.1m. While the trading environment continues to be uncertain due to COVID-19 (refer below and note 22), the three months of trading subsequent to year end have been solid for both the hospitality and brewing businesses which are positive cash contributors to the Group.

Given the above, the Directors are confident that there is no need to raise additional capital, as the Group is able to meet its forecast financial performance and remains a going concern for the foreseeable future, which is not less than 12 months from the date these financial statements are approved for issue.

Annual goodwill impairment testing

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units in the acquired businesses. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value.

The revenue assumption and other key inputs are based on management expectations of the budget period and balance of the forecast period. These assumptions and key estimates and judgements are disclosed in note 2c.

NZ IFRS 16: Leases - lease liabilities, right-of-use assets
In determining the discount rate to measure the present value of the lease payments remaining, the Group has used the incremental borrowing rate of the Group. When estimating this rate, the Group took into consideration the market interest rates on commercial property lending, and applied a risk factor to this for the current stage of the Group's growth. The incremental borrowing rate applied to the lease liabilities on 1 April 2019 was estimated at 5.54% by management.

Management has assessed the likelihood of exercising renewal options for each of the properties and has applied the minimum contractual lease term.

COVID-19 impact
The outbreak of the Coronavirus (COVID-19) was declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020. Since that time there has been an increased adverse impact on global financial markets. There have been travel restrictions implemented by many countries and economic stimulus packages announced by most governments. Market activity is being impacted in almost every sector and there has been a major reduction in hospitality activity. It is difficult at the current time to determine if this is a short term reduction or is indicative of a longer term change in consumer behaviour.

The Group's brewing operations primarily service the grocery market, supplying supermarkets on a distribution centre basis. While there has been a reduction in demand for on-premise customers, grocery demand has remained strong. For Hospitality, as the Government restrictions have been lifted progressively the uptake in trading has been strong, however, it remains uncertain as to whether this indicates a return to pre-COVID-19 levels or is only temporary.

The impact of COVID-19 has been estimated by management and incorporated into the forecast revenues which form part of the value in use models used for goodwill impairment testing. These models did not result in an impairment at 31 March 2020.

2a Business combinations
During the year the Group acquired two new businesses as outlined in note 2a below. The Group obtained control of these business by acquiring the assets, including property leases and employees. The acquisition of the businesses involved assessments and judgements by the Directors surrounding the fair value of assets acquired in the business combination, including identification of intangible assets and the determination of the value of contingent consideration, outlined further below.

Savor Group
On 1 April 2019, the Group acquired the Savor Group business, consisting of nine hospitality venues in downtown Auckland. The total purchase price of $20.3 million consisted of a $13 million upfront payment to the vendors, a further $4.9 million to be paid in April 2020 and a variable contingent consideration component. The upfront and deferred payments are split 60:40 between cash and the issue of shares in the Company and the contingent consideration is to be paid via the issue of shares.

The deferred consideration to be settled in shares has been recognised within an unissued capital reserve within equity.

The variable component of contingent consideration is dependent on the achievement of certain agreed commercial milestones within the first 24 months of settlement. Depending on the outcome of these milestones the sale and purchase agreements allow for an adjustment to the purchase price to be both positive and negative. Management have considered a range of possible outcomes including the complete achievement of the milestones, which would result in an additional $3 million to be payable. Management have assessed these possible outcomes based on their probabilities and applied a weighted average cost of capital of 10.1% to conclude the most likely outcome at the time of the acquisition to be the payment of $1.9 million. Management reassessed the most likely outcome at 31 March 2020 to be $1.2 million and has adjusted the provision accordingly. Subsequent to year end, the contingent consideration obligation was settled, refer to note 22 for further details.

In order to fund the acquisition, the Group took on long term borrowings of $5.5 million during FY20 and received $3 million from a share placement during FY19. In April 2019, the Group also raised a further $1.07 million through a rights issue.

Non Solo Pizza (NSP)
NSP was purchased on 30 September 2019 for total consideration of $3.8 million, consisting of $3.1 million cash and $550,000 in Moa Group Limited shares. This transaction resulted in the drawdown of a further $3.2 million of long term borrowings.

These transactions met the criteria of a business combination under NZ IFRS 3 *Business Combinations* , and the balances recognised on acquisition of each are outlined below.

	Savor Group $000's	**Non Solo Pizza** $000's	**Total** $000's
Purchase price	20,506	3,811	24,317
Less: settlement adjustments	(202)	(57)	(259)
Net consideration	20,304	3,754	24,058
Net consideration made up of the following:			
Cash paid	7,758	3,204	10,962
Value of shares issued	5,040	550	5,590
Deferred consideration	4,905	-	4,905
Contingent consideration	1,919	-	1,919
Settement of pre-existing receivable	682	-	682
Total net consideration	20,304	3,754	24,058
Recognised assets acquired and liabilities assumed:			
Property, plant and equipment	5,535	617	6,152
Intangible assets	52		52
Cash		1	1
Inventories	329	60	389
Right of use assets	8,162	1,432	9,594
Employee entitlements	(196)	(56)	(252)
Lease liabilities	(8,162)	(1,432)	(9,594)
Other liabilities	(1,295)	(137)	(1,432)
Identifiable net assets	4,425	485	4,910
Goodwill recognised	15,879	3,269	19,148
Consideration settled in cash	7,758	3,204	10,962
Cash and cash equivalents acquired		(1)	(1)
Net cash outflow on acquisition	**7,758**	**3,203**	**10,961**

Contribution to earnings

The net earnings of the Group include the full year of trading for Savor Group Limited totalling revenue of $21.9 million and earnings before interest, tax, depreciation and amortisation of $2.2 million. Non Solo Pizza's contribution for the six months from acquisition date totalled revenue of $2.4 million and earnings before interest, tax, depreciation and amortisation of $0.5 million. Had Non Solo Pizza been consolidated for the full financial year, this contribution would have been $4.8 million and $1 million respectively.

Earnings per share
The issue of additional shares during the period through an entitlement offer had the following impact on net earnings per share for the comparative periods:

	2019
Reported net earnings per share	(5.1)
Net earnings (NZ$000's)	(2,987)
Adjusted denominator (thousands of shares)	68,953
Restated net earnings per share (cents)	(4.3)

2b Restructuring and acquisition costs

	2020 $000's	2019 $000's
Acquisition costs	**237**	435
Restructuring and other costs	**546**	134
Reassessment of contingent consideration	**(684)**	
	99	569

Acquisition costs incurred during the year relate to Savor Group, Non Solo Pizza, and other potential acquisitions. Restructuring and other costs relate to right-sizing the Group subsequent to the acquisitions (including the restructure of the Group Executive), and disposal of surplus fixed assets.

2c Intangible asset impairment

Goodwill across the Group was tested for impairment in March 2020. Each cash generating unit (CGU) that carries goodwill is valued on a value-in-use basis using a discounted cash flow model. Management has used its past experience of sales growth, operating costs and margin, and external sources of information where appropriate, to determine their expectations for the future. These cash flow projections are principally based on the Group's budget, which is risk adjusted where appropriate. Cash flows beyond five years have been extrapolated using estimated terminal growth rates, which do not exceed the long-term average growth rate. The terminal growth rate used was 2.5%.

Trading was strong throughout the year, however, all hospitality venues saw a downturn later in the year as a result of the COVID-19 pandemic. Group management have performed a comprehensive review of the business in light of COVID-19 and have put a number of measures in place to mitigate the risk of a sustained downturn in trading and prepare each venue for long term margin growth. A number of these initiatives have been put in place subsequent to year end, however, the benefits of these will be achieved over the longer term and are, in part, dependent on the recovery of the New Zealand economy.

In preparing the goodwill impairment assessment the Group has been conservative in it's assumptions around the recovery of trading. While the early signs of economic recovery are positive, it is expected that trading will remain muted in the near to medium term. Accordingly, the Group has significantly risk-adjusted the expectations of earnings performance for the initial year of the 5 year forecast, assuming that the original budgeted performance will be achieved for years 2-5 of the assessment.

The key inputs and assumptions for each impairment assessment are outlined below:

	Seafarers	Ebisu & Fukuko	Azabu	Auckland Fish Market	Non Solo Pizza
Revenue decline in year 1 (compared to FY20 performance)	-42.0%	-41.0%	-42.0%	-22.0%	-38.0%
Revenue growth in year 2 (compared to FY20 performance)	7.2%	4.4%	6.0%	18.3%	2.3%
Revenue growth (Year 3-5)	nil	nil	nil	nil	nil
Earnings growth in year 2 (compared to FY20 performance)	39.4%	2.2%	11.7%	39.4%	-0.6%
Earnings growth (Years 3-5)	nil	nil	nil	nil	nil
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%
Pre-tax discount rate	13.2%	12.5%	11.9%	12.4%	12.1%

The resulting assessment has shown no impairment is required across any of the CGU's. Given the significant adjustment to forecast performance and the nil growth assumed in the later years of the value in use models, a reasonably possible change (i.e. +/- 1%) in any of the assumptions above would not result in an impairment across any of the CGU's.

3 Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segmental information is presented in respect of the Group's industry segments, and includes the businesses acquired during the period. Accordingly, there is no comparative information for the hospitality segment. The Group's primary place of business is New Zealand with some Moa Brewing sales to export markets. Export sales are individually and wholly immaterial and therefore do not require separate disclosure.

$000's	Hospitality	Brewing	Group	Total
2020				
Revenue	**24,090**	**14,183**		**38,273**
Earnings before depreciation, amortisation, interest, tax and business acquisition and restructuring expenses	**2,487**	**(1,440)**	**(1,037)**	**10**
Depreciation and amortisation	**(2,112)**	**(554)**		**(2,666)**
Non-current assets	**33,752**	**2,602**		**36,354**
Capital expenditure	**(637)**	**(208)**		**(845)**
2019				
Revenue		15,902		15,902
Earnings before depreciation, amortisation, interest, tax and business acquisition and restructuring expenses		(1,598)	(364)	(1,962)
Depreciation and amortisation		(433)		(433)
Non-current assets		3,320		3,320
Capital expenditure		(325)		(325)

4 Trade and other financial receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. Trade receivables are due for settlement between 30-90 days from invoice date.

	2020 $000's	2019 $000's
Trade receivables	**1,588**	2,693
Less provision for doubtful debts	**(63)**	(45)
Trade receivables	**1,525**	2,648
Contract assets	**207**	682
Convertible loans	**216**	216
Other receivables	**496**	194
	2,444	3,740
Current	**2,021**	2,982
Non-current	**423**	758
	2,444	3,740

The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables. Collectability of trade receivables is reviewed on an ongoing basis and a provision for doubtful debts is made when there is evidence that the Group will not be able to collect the receivable. Additionally, the Group has established an allowance for Expected Credit Loss (ECL) based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment. Receivables are written off when recovery is no longer anticipated. There are no overdue receivables considered impaired that have not been provided for.

	2020 $000's	2019 $000's
Current	**1,668**	2,720
0 - 30 days over standard terms	**149**	175
31 - 60 days over standard terms	**48**	40
61+ days over standard terms	**219**	92
Provision	**(63)**	(45)
Trade and other receivables	**2,021**	2,982

5 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials and where appropriate, either a contract manufacturing charge, or direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

	2020 $000's	2019 $000's
Raw materials	**1,040**	1,227
Work in progress	**168**	205
Finished goods	**1,085**	1,406
	2,293	2,838

6 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 and 60 days of recognition. Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date.

	2020 $000's	2019 $000's
Trade payables	**4,047**	3,006
Employee entitlements	**522**	83
	4,569	3,089

7 Contract liabilities

Contract liabilities arise from transactions with customers where funds have been received but control of the goods or services has not passed to the customer. Revenue in advance relates to Brewing sales to customers where the Group is party to a supply agreement and is recognised as orders are fulfilled. Supplier loans relate to inducements received for the long term supply to Hospitality venues. These loans are amortised over the life of the individual contract as the benefits are consumed.

	2020 $000's	2019 $000's
Revenue in advance	**436**	528
Supplier loans	**1,468**	
	1,904	528
Current	**610**	528
Non-current	**1,294**	
	1,904	528

The Group recognised $92,000 of revenue during the year that was recognised as revenue in advance at 31 March 2019.

8 Property, Plant & Equipment

All plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. 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. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to expense the cost of the assets over their useful lives. The rates are as follows:

Plant and equipment	5% - 25%
Leasehold improvements	7% - 10%
Fixtures & fittings	15 - 25%
Motor vehicles	20%

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. Any related gain or loss on disposal is recognised in the statement of comprehensive income as part of business acquisition and restructuring costs.

	Plant & Equipment	Fixtures & Fittings	Leasehold Improvements	Vehicles	Total
2020					
Carrying value at 1 April 2019	**1,820**	**60**	**251**	**28**	**2,159**
Additions	**295**	**129**	**258**		**682**
Acquisitions	**1,116**	**718**	**4,318**		**6,152**
Disposals	**(65)**	**(2)**			**(67)**
Depreciation	**(583)**	**(160)**	**(523)**	**(9)**	**(1,275)**
Carrying value at 31 March 2020	**2,583**	**745**	**4,304**	**19**	**7,651**
Represented by:					
Cost	**4,242**	**1,098**	**4,891**	**47**	**10,278**
Accumulated depreciation	**(1,659)**	**(353)**	**(587)**	**(28)**	**(2,627)**
	2,583	**745**	**4,304**	**19**	**7,651**
2019					
Carrying value at 1 April 2018	2,015	66	219	38	2,338
Additions	247	13	64		324
Impairments	(134)				(134)
Depreciation	(308)	(19)	(32)	(10)	(369)
Carrying value at 31 March 2019	1,820	60	251	28	2,159
Represented by:					
Cost	3,658	251	315	47	4,271
Accumulated depreciation and impairment	(1,838)	(191)	(64)	(19)	(2,112)
	1,820	60	251	28	2,159

The Group had no material capital commitments at 31 March 2020 (2019: nil).

The Group has a long term contract brewing agreement with McCashin's Brewery in Nelson where the Group has invested in plant and equipment at McCashin's Brewery and where at the end of the contract brewing agreement McCashin's may purchase the plant and equipment at fair value.

9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. Intangible assets with a definite life are amortised on a straight-line basis.

Resource consent assets relate to the Moa Brewery in Blenheim, New Zealand and is amortised over the life of the resource consent of 10 years. Trademarks and software, including the cost of development of venue concepts, are amortised over a period of 3-5 years.

Goodwill is stated at cost, less any impairment losses. Goodwill is allocated to cash-generating units (CGUs) and is not amortised but is tested annually for impairment, and when an indication of impairment exists.

For the purposes of considering whether there has been an impairment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. When the book value of a group of assets exceeds the recoverable amount, an impairment loss arises and is recognised in earnings immediately. Refer to note 2c for impairment considerations.

	Goodwill	Resource Consent	Trademarks and Software	Total
2020				
Carrying value at 1 April 2019		**385**	**18**	**403**
Additions			**161**	**161**
Disposals			**(2)**	**(2)**
Acquisitions	**19,148**		**52**	**19,200**
Amortisation expense		**(63)**	**(26)**	**(89)**
Carrying value at 31 March 2020	**19,148**	**322**	**203**	**19,673**
Represented by:				
Cost	**19,148**	**630**	**232**	**20,010**
Accumulated amortisation		**(308)**	**(29)**	**(337)**
	19,148	**322**	**203**	**19,673**
2019				
Carrying value at 1 April 2018		448	13	461
Additions			5	5
Adjustments/impairment		(4)	4	
Amortisation expense		(59)	(4)	(63)
Carrying value at 31 March 2019		385	18	403
Represented by:				
Cost		630	23	653
Accumulated amortisation		(245)	(5)	(250)
		385	18	403

Significant cash generating units

The Group recognised a total of $19 million of goodwill as a result of the acquisition of Savor Group and Non Solo Pizza during the year. These have been allocated to the following significant cash generating units.

	2020 $000's	2019 $000's
Seafarers	**4,320**	
Ebisu & Fukuko	**3,027**	
Azabu	**4,369**	
Auckland Fish Market	**4,163**	
Non Solo Pizza	**3,269**	
	19,148	

10 Borrowings

The Group has bank borrowings of $7.5 million at 31 March 2020 (2019: nil) that were drawn down in two tranches to fund the acquisitions during the year. The average interest rate on these borrowings during the year was 5.10% (2019: nil). The Group also has access to total overdraft facilities of $2 million (2019: $0.5 million).

The Group took on bank borrowings of $5.5 million to fund the Savor acquisition that expires on 6 March 2024. The Group borrowed a further $3.2 million from the bank to fund the NSP acquisition that expires on 30 September 2024. Subsequent to year end, the Group's facility was amended to permit a six month principal repayment holiday.

The bank borrowings are subject to the performance of the Group against three covenants:
- The sum of the Group inventory and trade receivables balances must be three times greater than the Group's bank overdraft.
- EBITDA less capital expenditure and tax payments must be greater than 1.5 times the total debt principal and interest payments on a rolling 12 month basis.
- The Group's revenue and EBITDA must be 90% of the budgeted amount on a rolling 12 month basis.

The Group was in compliance with the above covenants for the first two quarters of the year and received waivers from it's banking partner for the remaining quarters. The Group's banking partner continues to provide support as required, however, given the success of the rights issue subsequent to year end (refer note 22) the Board deemed it unnecessary to draw down further borrowings.

11 Capital

	2020 $000's	2019 $000's
Reported capital at the beginning of the year	**32,105**	26,528
Issue of shares (net of issue costs)	**6,787**	5,577
	38,892	32,105

	2020	2019
Number of ordinary shares:		
Number of shares on issue at the beginning of the year	**68,226,886**	54,655,131
Issue of shares	**18,066,656**	13,318,097
Share options exercised	**70,496**	253,658
Total number of shares on issue	**86,364,038**	68,226,886

All issued shares are fully paid. In addition, there are 53,475 unpaid shares held as treasury stock, which were cancelled subsequent to year end. Of the total shares issued during the year, approximately 14 million were to the vendors of Savor Group and Non Solo Pizza, with the balance of 4 million issued as part of equity raising activities.

Unissued capital
The consideration for the purchase of the Savor Group businesses during the year contained a deferred portion that will be settled through the issue of shares at a future date. This has been recognised as unissued capital in the statement of movements in equity for the year ended 31 March 2020. Subsequent to year end, these shares were issued and will be reclassified to share capital in the financial year ending 31 March 2021.

Share option plan
In July 2015 the Board approved the Company Employee Share Option Plan. Options allow eligible staff to subscribe for ordinary shares in the Company at an exercise price. Options are vested in equal tranches on the first to third anniversaries of the date of issuance while the eligible employees remain in full time employment with the Group. Once vested the options can be exercised at any time up to the second April following vesting. Employees can pay the exercise price in shares using the 20-day Volume Weighted Average Price of the Company shares up to the date of issuance. The Employee Share Option Plan allows employees to exercise all their vested options into ordinary shares for cash or a lower number of ordinary shares for no cash. The employee scheme was extended to certain customers of the Group on the achievement of certain performance goals.

	Number of options	**Weighted average exercise price (cents)**
Outstanding 1 April 2018	894,664	28.2
Granted	693,366	42.9
Forfeited	(189,882)	28.2
Exercised	(240,501)	28.2
Outstanding 31 March 2019	1,157,647	
Granted		
Forfeited	(156,170)	28.2
Exercised	(70,496)	28.2
Outstanding 31 March 2020	**930,981**	

The outstanding options have been valued at 31 March 2020 using the Black-Scholes pricing method at $63,862.

Subsequent to year end, the Group issued a further 1,642,857 options to employees at an exercise price of $0.21.

12 Related party disclosures

	2020	2019
Key management personnel compensation		
Directors' fees	**224**	211
Senior management remuneration paid, payable or provided for:		
Short-term employee benefits	**1,069**	400
Share based payments		10

During the year the Group provided cleaning services to other hospitality venues owned by Executive Directors Paul Robinson and Lucien Law totalling $55,000. At 31 March 2020, there was $53,000 of directors fees payable to the Non-Executive Directors.

The Group is party to a sales venture agreement with Constellation Brands New Zealand Limited ('MoBev') to provide sales and distribution services to the brand owners. The agreement is accounted for as a joint operation where each party accounts for its own sales and recognises its share of costs.

13 Earnings per share

	2020	2019
Basic and diluted net earnings per share (cents)	**(4.8)**	(4.3)
Net loss after tax (NZ$000's)	**(4,041)**	(2,987)
Weighted average number of shares outstanding (thousands of shares)	**85,035**	68,953

Comparative balances have been restated for the impact of the rights issue during the year, as outlined in note 2a.

14 Income tax expense

	2020 $000's	2019 $000's
Below is the reconciliation of earnings before taxation to taxation expense:		
Loss before taxation	**(4,041)**	(2,987)
Taxation at 28 cents per dollar	**(1,131)**	(836)
Adjusted for:		
Non-deductible expenses	**26**	(1)
Temporary differences not recognised	**177**	170
Non-assessable income	**(192)**	
Tax losses for which no deferred tax asset was recognised	**1,120**	667

15 Tax losses brought forward

	2020 $000's	2019 $000's
The Group has unrecognised deferred tax assets arising from tax losses as follows:		
Opening balance	**6,203**	5,536
Tax losses for the year	**1,120**	667
	7,323	6,203

The Group has no imputation credits available at 31 March 2020 (2019: nil).

16 Additional expense disclosures

	2020 $000's	2019 $000's
Direct costs includes the following:		
Cost of goods sold (including the purchase of raw materials)	**14,597**	8,088
Inventory written off	**137**	38
Venue consumables and operational costs	**699**	
Employee costs includes the following:		
Salaries and wage costs	**11,643**	1,838
Kiwisaver contributions	**70**	28
Bad debts written off	**30**	45
Lease payments		124
Foreign exchange (losses)/gains	**(7)**	10
Auditor's remuneration		
Audit of the financial statements		
Grant Thornton New Zealand	**81**	
KPMG New Zealand		78
Advisory services		
KPMG New Zealand		125
Total auditor remuneration	**81**	203

17 Reconciliation of net earnings to net cash from operating activities

	2020 $000's	2019 $000's
Net profit(loss) after tax	**(4,041)**	(2,987)
Add back:		
Interest paid	**392**	
Supplier loans received	**500**	
Add/(Less) non-cash items:		
Depreciation and amortisation	**2,666**	433
Non-cash interest on lease liability and deferred consideration	**894**	
Amortisation of contract liabilities	**215**	
(Gain)/loss on disposal property, plant and equipment	**69**	134
Foreign exchange (gains)/losses		10
Movements in working capital:		
Trade and other receivables	**1,123**	(900)
Inventories	**(659)**	(1,367)
Trade and other payables	**1,024**	1,108
Net cash from operating activities	**2,183**	(3,569)

18 Financial instruments

a) Categories of financial assets & liabilities
The varying amounts presented in the balance sheet relate to the following categories of assets and liabilities:

	2020	2019
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents		2,585
Trade and other receivables	**2,444**	3,740
Total financial assets	**2,444**	6,325
Financial liabilities		
Financial liabilities at amortised cost:		
Bank overdraft	**597**	
Trade and other payables	**4,047**	3,006
Employee benefits	**522**	83
Borrowings	**7,432**	
Total financial liabilities	**12,598**	3,089

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and aging analysis for credit risk.

b) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of derivative financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters while optimising the return on risk.

i) Interest rate risk
The Group's fair value interest rate risk as at 31 March 2020 arises from its borrowings. An analysis on the sensitivity of the Group's earnings due to movements in interest rates is shown below.

	2020 $000's	2019 $000's
Effect on net loss before tax		
1% increase in interest rate	**(190)**	
1% decrease in interest rate	**190**	

The above information is calculated by applying the effective movement to the average balance of borrowings on hand at 31 March 2020 of $7.3 million (2019: nil).

ii) Currency risk
The Group purchases raw materials that are denominated in foreign currencies (primarily USD) from time to time. These purchases were immaterial during the financial year, and the Group's exposure to movements in foreign exchange is immaterial.

c) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from the Group's receivables due from customers. Cash and deposit balances are held with financial institutions rated at least an A+ Credit Rating by Standard and Poors.

For Hospitality, sales are settled in cash at the point of sale, leaving minimal debtors. For Brewing, the four largest customers represent approximately 77% of sales, with no one customer more than 33% of sales. Credit risk is concentrated within New Zealand and in the fast-moving consumer goods market. The Group has established credit policies under which each new customer is assessed for creditworthiness before payment and delivery terms and conditions are agreed.

The Group has adopted the simplified approach to ECL (expected credit loss) in NZ IFRS 9: Financial Instruments which apply to trade receivables that are in the scope of IFRS 15. The impact is limited as trade receivables are predominantly less than 90 days.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in Note 4.

d) Liquidity risk
Liquidity risk is the risk that the Group will not be able 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. Refer also to note 2.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following maturity analysis table sets out the remaining contractual undiscounted cash flows for financial liabilities.

	Total $000's	**0-6 months** $000's	**7-12 months** $000's	**1-2 years** $000's	**2-5 years** $000's
2020					
Trade and other payables	**4,047**	**4,047**			
Employee benefits	**522**	**522**			
Related party payables	**3,183**	**3,183**			
Contingent consideration	**1,234**		**1,234**		
Borrowings	**7,432**		**822**	**1,719**	**4,891**
Total principal cash flows	**16,418**	**7,752**	**2,056**	**1,719**	**4,891**
Contractual interest cash flows	**970**	**190**	**177**	**290**	**313**
Total contractual cash flows	**17,388**	**7,942**	**2,233**	**2,009**	**5,204**
2019					
Trade and other payables	3,006	3,006			
Employee benefits	83	83			
Total principal cash flows	3,089	3,089			
Contractual interest cash flows					
Total contractual cash flows	3,089	3,089			

19 Leases

The Group leases premises for office space, hospitality venues, and the Moa Brewery in Blenheim, New Zealand. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the payment of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost, comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and;
- restoration costs.

NZ IFRS 16 - Leases
The Group has adopted the modified retrospective approach on transition and used the practical expedient of relying on hindsight for determining the term of the property leases. Under this approach, NZ IFRS 16 has been applied to leases from transition date as the majority of Group leases were acquired with the acquisition of Savor Group on 1 April 2019 (transition date). Accordingly, there is no cumulative catch-up adjustment to retained earnings. Prior year comparatives have not been restated.

The Group holds no short-term or low value leases, however, should these arise in future, the Group intends to apply the exemptions allowed under NZ IFRS 16 which recognises payments for leases of 12 months or less or leases of a low value on a straight-line basis as an expense in the income statement.

The Group has adopted transition relief where available including: the determination of a lease contract, to exclude initial direct costs in the measurement of the right-of-use asset as at 1 April 2019, and application of a single discount rate to a similar lease portfolio.

The Group's lease arrangements consist of property leases for offices and Moa Hospitality venues. The Group has applied judgement in determining the impact of adoption on the Group. These were primarily regarding the lease term (which can be complex where leases include rights of renewal or cancellation), and the discount rate applicable to each lease and the lease payments.

A reconciliation of operating lease commitments at 31 March 2019 to lease liability recognised at 1 April 2019 is shown below:

	Total $000's
Operating lease commitments disclosed at 31 March 2019	228
Discounted using the lessee's incremental borrowing rate at the date of initial application	(62)
Different treatment of extensions and incentives	642
Lease liabilities recognised as at 1 April 2019	808

Right of use assets

	Property	**Total**
Opening net book value	808	808
Acquisition of Savor Group	8,162	8,162
Acquisition of Non Solo Pizza	1,432	1,432
Disposal of Moa Brewing head office lease	(284)	(284)
Depreciation charge	(1,299)	(1,299)
Closing net book value	8,819	8,819
Cost	10,118	10,118
Accumulated depreciation	(1,299)	(1,299)
Closing net book value	8,819	8,819

Lease liability

	Property	**Total**
Opening lease liability balance	808	808
Acquisition of Savor Group	8,162	8,162
Acquisition of Non Solo Pizza	1,432	1,432
Disposal of Moa Brewing head office lease	(290)	(290)
Interest expense	534	534
Principal repayments	(1,541)	(1,541)
Closing lease liability balance	9,105	9,105
Current	1,038	1,038
Non-current	8,067	8,067
Total lease liabilities	9,105	9,105

20 Financial statements presentation

The acquisition of the Hospitality venues significantly altered the composition of the Group and led management to review the disclosures within these financial statements to ensure they remained appropriate. That review led to a change in the presentation of the consolidated Statement of Comprehensive Income to classify expenses by nature from the previous presentation of by function. Given the differences in each of the Group's segments this change provides better visibility of the underlying operations of the Group. Comparative information has been restated in order to be consistent with the current year reporting in these financial statements.

21 Contingent liabilities

There were no contingent liabilities at 31 March 2020 (2019: nil).

22 Subsequent events

Capital raise

On 7 April 2020, the Group announced the placement of $2.5 million of shares to a new cornerstone shareholder and a renounceable rights issue to existing shareholders to raise a further $3 million of capital. The rights issue closed on Monday 11 May 2020 oversubscribed, and the new shares were issued on 14 May 2020. The total proceeds from all equity raising activities were $6.1 million.

Bank facility

Subsequent to year end the Group was granted a six month principal repayment holiday by its banking partner, representing a total of $0.8 million of payments.

Related party payables

In addition to this, the Group came to an agreement with the vendors of Savor Group to defer the $3.2 million cash portion of the related party payable for an additional 12 months, to 1 April 2021. The unissued capital of $2.0 million was issued to the vendors in shares as part of the rights issue. The exercise price of these shares was amended to be $0.14, in exchange for the cancellation of the contingent consideration from the Savor transaction ($1.23 million at 31 March 2020).

COVID-19

The Group's Hospitality business continues to be significantly impacted by the COVID-19 impact at the date of these financial statements. The Group is operating at reduced levels as the hospitality industry recovers and is focussed on controlling costs and right-sizing the business. The Group expects the reduction in trading levels to continue throughout FY21, which has been incorporated into both the goodwill impairment and going concern assessments contained in these financial statements (refer to note 2).

Our successful partnership with Lewis Road continues, this time delivering a classic milk stout with luscious caramel and toffee notes.

SHAREHOLDER AND STATUTORY INFORMATION

COMPANY SHARES

The Company's ordinary shares are listed on the main board of the equity security market operated by NZX Limited. On 30 June 2020 the Company had issued voting securities comprising 146,271,626 fully paid, ordinary shares.

TWENTY LARGEST REGISTERED SHAREHOLDERS

The following table shows the names and holdings of the 20 largest registered holdings of listed ordinary shares of the Company as at 30 June 2020:

Investor Name	Shares held:	% Issued Capital
Colin Neal	28,571,429	19.53%
Lucien Nicholas Law	10,822,206	7.40%
Paul Richard Robinson	9,419,129	6.44%
Geoff Ross[1]	8,030,931	5.49%
FNZ Custodians Limited	7,778,512	5.32%
David Gerald Poole & Warren James Ladbrook & Gaylene Johanne Cadwallader	4,359,279	2.98%
Allan Scott Wines & Estates Limited	3,023,676	2.07%
New Zealand Depository Nominee	2,893,098	1.98%
NZVIF Investments Limited	2,775,289	1.90%
Richard Frank & Leslie Frank	2,430,656	1.66%
Accident Compensation Corporation	2,163,942	1.48%
Pioneer Capital I Nominees Limited	1,874,579	1.28%
Foster Capital NZ Limited	1,802,900	1.23%
Justin Matthew Bade & Dorota Agata Bade & RCA Trustees 2016 Limited	1,615,284	1.10%
Antonio Crisci & Vivienne Joy Farnell & Toto Trustees Limited	1,595,327	1.09%
David Bruce Lugton	1,558,974	1.07%
Lucien Nicholas Law & Stacey Susan Law & Paul Richard Robinson <Ika Roa Investment Trust>	1,502,814	1.03%
Paul Richard Robinson & Susannah Clare Robinson & Lucien Nicholas Law <El Pilar A1 Trust>	1,502,814	1.03%
Keano's Trustee Company Limited	1,290,708	0.88%
Stephen Sinclair & Jacqueline Sinclair & Roger Wallis <Sinclair Investment>	1,261,382	0.86%
	96,272,929	**65.82%**

1. Includes shares held by the Ross Venture Trust and by Moa Investments (2014) Limited.

SUBSTANTIAL PRODUCT HOLDERS

This information is given pursuant to the Financial Markets Conduct Act 2013.

As at 31 March 2020, the Company had 146,271,626 quoted shares on issue.

SUBSTANTIAL SECURITY HOLDER	NOTES	SHARES HELD
Ross Venture Trust	1	9,043,233
Lucien Law	2	5,970,691
Paul Robinson	3	4,567,614

Notes:
1. Includes shares held directly and by Moa Investments (2014) Limited.
2. Includes shares held directly and by the El Pilar A1 and Ika-Roa Investment Trusts.
3. Includes shares held directly and by the El Pilar A1 and Ika-Roa Investment Trusts.

SPREAD OF SHAREHOLDERS AT 30 JUNE 2020

SIZE OF HOLDING	INVESTORS	SECURITIES	% ISSUED CAPITAL
1-1000	171	118,304.00	0.1%
1001-5000	685	1,946,806.00	1.3%
5001-10000	359	2,677,489.00	1.8%
10001-50000	499	11,364,242.00	7.8%
50001-100000	88	6,275,078.00	4.3%
Greater than 100000	108	123,889,707.00	84.7%

STATEMENT OF DIRECTORS' RELEVANT INTERESTS

Directors held the following relevant interests in equity securities in the Company as at 30 June 2020:

DIRECTOR	SHARES
Lucien Law	13,827,834
Paul Robinson	12,424,757
Geoff Ross	9,098,567
David Poole	4,359,279
Rich Frank	2,430,656
Craig Styris[1]	2,003,950
Sheena Henderson	nil

Notes:

1. Craig Styris retired as a Director on 24 December 2019. Relevant interest in listed ordinary shares as beneficial owner jointly with Amanda Styris in shares held by Styris Investments Limited and also a relevant interest in the shares held by Pioneer Capital.

DIRECTORS' REMUNERATION AND OTHER BENEFITS

The names of the directors of the Company who held office and the details of their remuneration and value of other benefits received for services to Moa Group Limited for the year ended 31 March 2020 were:

DIRECTOR	$	NATURE OF REMUNERATION	NOTES
Geoff Ross	125,000	Director and consulting fees	1
David Poole	40,000	Director fees	2
Sheena Henderson	40,000	Director fees	
Rich Frank	40,000	Director fees	3
Craig Styris	28,500	Director fees	4

Notes:

1. Paid to Southern Skies Limited and disclosed as "Director remuneration"
2. Paid to 1st Seed Capital Ltd and disclosed as "Director remuneration"
3. Paid in Shares to Rich Frank and disclosed as "Director remuneration"
4. Paid to Pioneer Capital and disclosed as "Director remuneration"

Lucien Law and Paul Robinson are salaried employees and do not receive Directors fees. Their remuneration is included in note 12 of the consolidated financial statements.

ENTRIES RECORDED IN THE INTERESTS REGISTER

The following entries were recorded in the Interests register of the Company during the year ended 31 March 2020.

	NUMBER OF SHARES ACQUIRED	NATURE OF RELEVANT INTEREST	CASH CONSIDERATION PAID	DATE OF ACQUISITION OR DISPOSAL
Lucien Law	5,970,691	Voting shares	N/A	01/04/20
Paul Robinson	4,567,614	Voting shares	N/A	01/04/20
Rich Frank	60,122	Voting shares	N/A	10/04/19
Rich Frank	193,217	Voting shares	73,422	10/04/19
Craig Styris	43,801	Voting shares	N/A	04/10/19
Craig Styris	3,675	Voting shares	N/A	15/10/19

OTHER DIRECTORSHIPS AND SHAREHOLDINGS

The following represents the interests of directors in other companies as at 31 March 2020 disclosed to the Company and entered in the Interests Register:

GEOFF ROSS	Southern Skies Holdings Limited - Director Moa Investments (2014) Limited - Director
DAVID POOLE	1st Seed Limited - Director MyEnviro Limited - Director & Co-Owner
SHEENA HENDERSON	Natural Pet Food Group Limited – Director Cluster Consulting Group – Managing Director Young Enterprise Trust – Trustee
RICH FRANK	First Media LLC, USA - Director American Film Institute - Trustee & Board Vice Chair
LUCIEN LAW	Mizu Group Limited - Director Mizu Holdings Limited - Director Remuera Upland Limited - Director MBP Hospitality Limited - Director Ika-Roa Limited - Director The Mesmeric Limited - Director Nevada Entertainment Limited - Director BH Group Limited - Director
PAUL ROBINSON	Mizu Holdings Limited - Director MBP Hospitality Limited - Director Ika-Roa Limited - Director Nevada Entertainment Limited - Director BH Group Limited - Director

INDEMNITY AND INSURANCE

The Company entered an indemnity in favour of its directors under a deed dated 10 October 2012. The Company has insured all its directors against liabilities and costs in accordance with section 162(5) of the Companies Act 1993.

EMPLOYEES' REMUNERATION

During the period, the number of employees, not being directors of the Company, who received remuneration and the value of other benefits exceeding NZ$100,000 was as follows

REMUNERATION RANGE

REMUNERATION RANGE $NZ '000	NUMBER OF EMPLOYEES
100-110	3
120–130	2
140-150	1
200-210	1
240-250	1
250-260	1
290-300	1

NZX WAIVERS

Moa Group Ltd has relied on the class waivers granted by NZX on 19 March 2020 in relation to listing rules 3.6.1 and 3.6.2 which provided issuers with additional time to release their audited annual financial statements and annual reports.

AUDIT FEES

The amount payable to Grant Thornton as auditor of the Company are set out in the notes to the financial statements.

DONATIONS

The Company made no donations during the year ended 31 March 2020.

CORPORATE DIRECTORY

DIRECTORS

GEOFF ROSS	Executive Chairman	
DAVID POOLE	Non Executive Director	
SHEENA HENDERSON	Independent Director	
RICHARD FRANK	Independent Director	
LUCIEN LAW	Executive Director	
PAUL ROBINSON	Executive Director	
CRAIG STYRIS	Non Executive Director	Ceased 24 December 2019

FINANCIAL CALENDAR

Interim results announced	November
Interim report published	December
End of financial year	31 March 2020
Annual results announced	June
Annual report published	August

REGISTERED OFFICE AND ADDRESS FOR SERVICE

Shop 6, 46 Maki Street, Westgate, Auckland, 0814, New Zealand
Phone +64 9 367 9841 www.moabeer.com

AUDITOR

Grant Thornton

BANKER

Bank of New Zealand

LAWYERS

Chapman Tripp

COMPANY PUBLICATIONS

The Company informs investors of the Company's business and operations by issuing an Annual Report and regular trading updates.

SHARE REGISTER AND SHAREHOLDER ENQUIRIES

Shareholders with enquiries about transactions or changes of address should contact the share register.

Link Market Services Limited

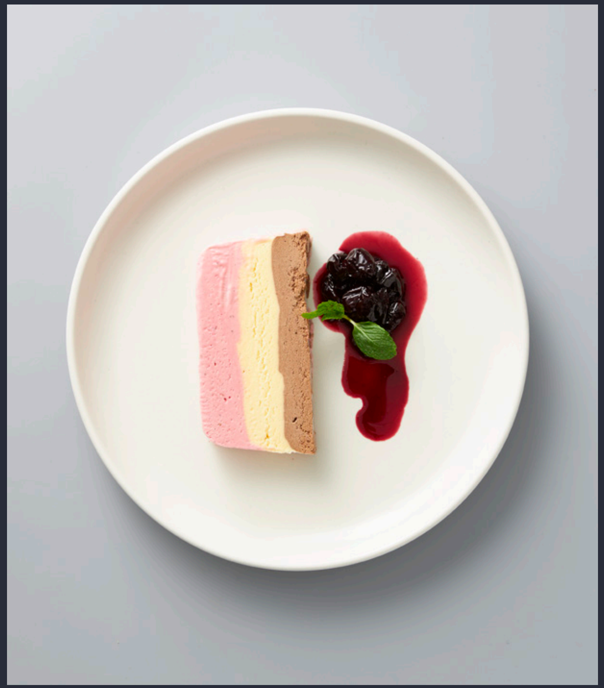
L11, Deloitte Centre, 80 Queen Street, Auckland, PO Box 91976, Auckland 1142

Phone +64 9 375 5998 | Facsimile +64 9 375 5990

Other questions should be directed to the Company's Secretary at the registered address.

STOCK EXCHANGE

The Company's shares trade on the NZX main board equity security market operated by NZX under the code MOA.



Non Solo Pizza — a visual
and gastronomic feast, with a
beautiful courtyard designed
for al fresco enjoyment.

Lobster & Tap at Auckland Fish Market
— serving mouth-watering premium
wild caught Canadian lobster, perfect
with a refreshing Moa beer.

MOA BREWING CO

savor group