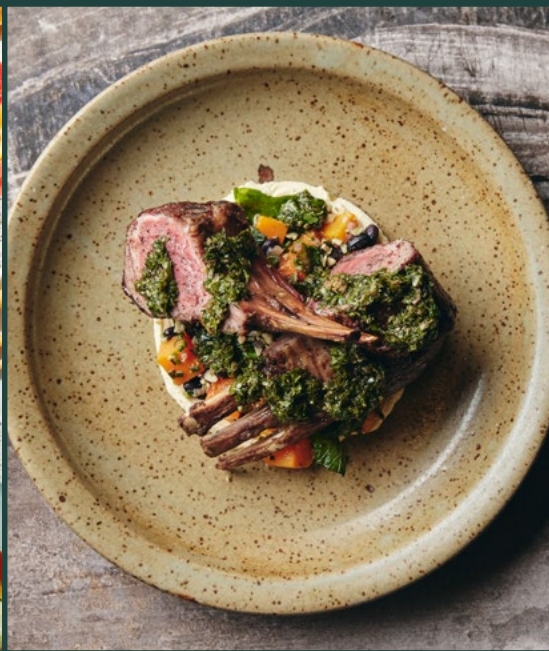


Annual  
Report 2022

New Zealand's premier  
hospitality group

# savor

group











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## New Zealand's premier hospitality group

Creating original food and entertainment experiences at iconic Auckland locations.





AMANO

azabu.  
PONSONBY | MISSION BAY

ESTD **LOBSTER & TAP** 2019

轰轰厨 **BANG BANG  
KITCHEN**



ONE  
MARKET  
SQUARE

tommy's

ORTOLANA



MoVIDA



THE  
STORE  
BRITOMART

OJI  
伯父

# Our numbers at a glance

## REVENUE

\$31m

↑ 90%

## EBITDA\*

\$3m

↑ 63%

## ADDITIONAL VENUES ADDED

4 (17<sub>total</sub>)

## PRINCIPAL DEBT REPAYD

\$1.7m

## TOTAL ASSETS

\$55m

↑ 51%

## OPERATING CASH FLOWS

\$3m

↑ 636%

## CAPITAL RAISED

\$2m

## EMPLOYEES

376

\*EBITDA is earnings before interest, tax, depreciation, amortisation, impairment, restructuring costs and contingent consideration.





OSTRO  
←

LEVEL 2

BAR HONOR







## Chair and CEO Letter

Dear Shareholders,

As we reflect on the past year, we are particularly grateful to our staff, who remained committed and resilient despite the enormous strain caused by Auckland's COVID-19 lockdowns and ongoing restrictions.

Their outstanding efforts, along with our loyal customer base, strong fundamentals and operational agility, ensured the Group maintained its momentum throughout 2021 and into 2022.

We are proud to report the Group has been positive cash generating for the first three months of this year. Our April results, including what is a traditionally quiet Easter break, exceeded expectations with revenue of \$3.5m, or 10% in excess of the pre-COVID 2019 comparable trade, and a cash build in excess of \$500k for the month.

Furthermore, despite the industry-wide COVID-19 headwinds, the Group continued to improve its balance sheet by paying down \$1.7m of debt over the year and raising an additional \$2m of new equity via private placement. This continued support from our core shareholders provides the Group with the means and confidence to maintain our focus on opportunities for growth, as articulated at the Annual Shareholders Meeting (ASM) in November 2021.

### Evolving our offering

Strategic investments in complementary offerings and organic growth are at the heart of our group strategy. Highlights from this year include:

- The acquisition of Amano, Ortolana and The Store from Hipgroup Limited; exciting, complementary additions to our growing portfolio of venues, while the addition of the bustling Bar Non Solo to Britomart has also been met with great enthusiasm as workers return to the area.
- The acceleration of our 'grab and go' sushi brand Oji, acquired in 2021, continues to go from strength to strength, with expansion into Britomart and a convenience offering that underpins our wholesale channel strategy.
- Commencing in July 2022, Savor's fresh 'grab and go' meal solutions, including Oji sushi as well as fresh baked goods and ready-to-eat meals, will be available in select convenience stores across Auckland.
- Under a new partnership with a number of independent schools, commencing in Term 2 of 2022, Oji sushi will be delivered fresh daily to an initial tranche of Auckland-based schools.
- We are excited to announce a step-change in our organic growth strategy with the addition of a new Italian restaurant and bar at One Market Square in the Viaduct – the former harbourside home of Headquarters.
- In May, we announced a partnership with the team at Melbourne's iconic MoVida to bring this destination eatery to sophisticated domestic and international clientele in Auckland's Britomart.

We expect our new Viaduct venue, and MoVida, will add significant top and bottom-line growth to Savor Group when they open ahead of summer 2022.

Nevertheless, the Board is anticipating a complicated year ahead with inflationary pressures putting further strain on business and customers alike. In addition, the acute shortage of hospitality staff will no doubt pose greater challenges than merely domestic wage inflation.

Overall, though we see that the New Zealand consumer is in relatively good shape with low levels of unemployment and high levels of savings. Savor will continue to work hard to minimise cost pressures and improve productivity, leveraging our brand strength and elastic demand to protect margin compression to the greatest extent possible.

Finally, it is encouraging to see corporates returning to the CBD and supporting hospitality operators in an unprecedented way to reinvigorate the city. This support is recognition that a large reason we choose to live and work in city centres is the offerings and environments hospitality operators like Savor create.



## The year in detail

At the Group's ASM in November, we outlined the significant change that had been achieved since the beginning of 2021. The divestment of the Moa Brewing business and capital raise in March 2021 provided a solid platform for growth, with a better direction of funds and use of capital. This allowed the acquisition of Amano, Ortolana, and The Store which, in turn, provided an opportunity for the Group to benefit from significant operating cost efficiencies.

Through the middle of 2021 the Board was refreshed and the Group acquired a distribution centre in Kumeu, providing much more vertical integration with the ability to buy direct, buy local, and maintain quality control.

The Group acquired Oji Sushi in July 2021, an affordable sushi range that complements our offerings while leveraging our credentials in Japanese cuisine. Sushi is one of New Zealand's quickest growing fast food categories and we believe the Oji model and brand allows Savor to expand its wholesale offering into 'grab and go' segments. Alongside the acquired venues at Commercial Bay in Auckland, we expanded Oji into a new location in Britomart in August 2021.

In addition to the above, we continued our organic growth with the opening of Bar Non Solo in the Seafarers Building in August 2021.

## Solid financial performance despite COVID-19

The Group started the year with a strong trading performance, with the business performing extremely well and the contribution from the Hipgroup acquisitions surpassing our expectations. This continued through the autumn and winter trading months, notably the off-season for hospitality, where the Group was building on average \$500,000 of trading cash per month. The strong winter trading solidified the Board's confidence in the support for our venues and the strength of our brands.

However, the impact of COVID-19 was significant, with the Delta lockdown forcing the mandated closure of all venues and the drawn-out return to trading placing the Group under severe cash flow pressures. As outlined at the ASM, the Group anticipates the repercussions of the Delta lockdown to adversely impact Group earnings by approximately \$3 million. The progressive return to trading through October and November once again showed the resilience and popularity of our offerings, as online orders for takeaways and home deliveries performed well.

This would not have been possible without the dedication and professionalism of our incredible venue teams, who were often producing more orders than a normal Friday or Saturday night but in half the time, putting them under incredible pressure to deliver the same high quality as ever.

December 2021 saw the return to in-venue dining under Red level restrictions. While positive, there was a noticeable decrease in the number of customers through the CBD venues during this time. Pleasingly, the events business bounced back well and was able to take advantage of significant pent-up demand for group occasions and corporate events alike. This continued through January, with a strong revenue performance compared to most years. Unfortunately, this was short-lived, with the Omicron outbreak having a significant impact on customer sentiment. This meant that often our venues were running significantly below capacity. This appears to have been limited to a six-week period, with sales recovering towards the end of March 2022. The Group expects the effect of the Omicron restrictions further impacted earnings by \$1 million.

The new financial year has started ahead of expectations, with the Group delivering positive cash flows and operating earnings for the month of April 2022. The progressive reopening of international borders is expected to continue to support trading levels, and the return of major events to the central city will provide a further boost.

In such a difficult year we must acknowledge our gratitude for the dedication of our fantastic venue staff and those in head office. Their unwavering professionalism and commitment to excellence in customer service have carried the business through this difficult time.

Thank you again for your investment and support. Savor has had a strong start to the new financial year and we look forward to looking after you at one of our venues soon.



Paul Robinson  
Chairman



Lucien Law  
Chief Executive Officer







HIGHLIGHTS OF GROWTH 1

# We're excited to secure Viaduct Harbour's most desirable corner

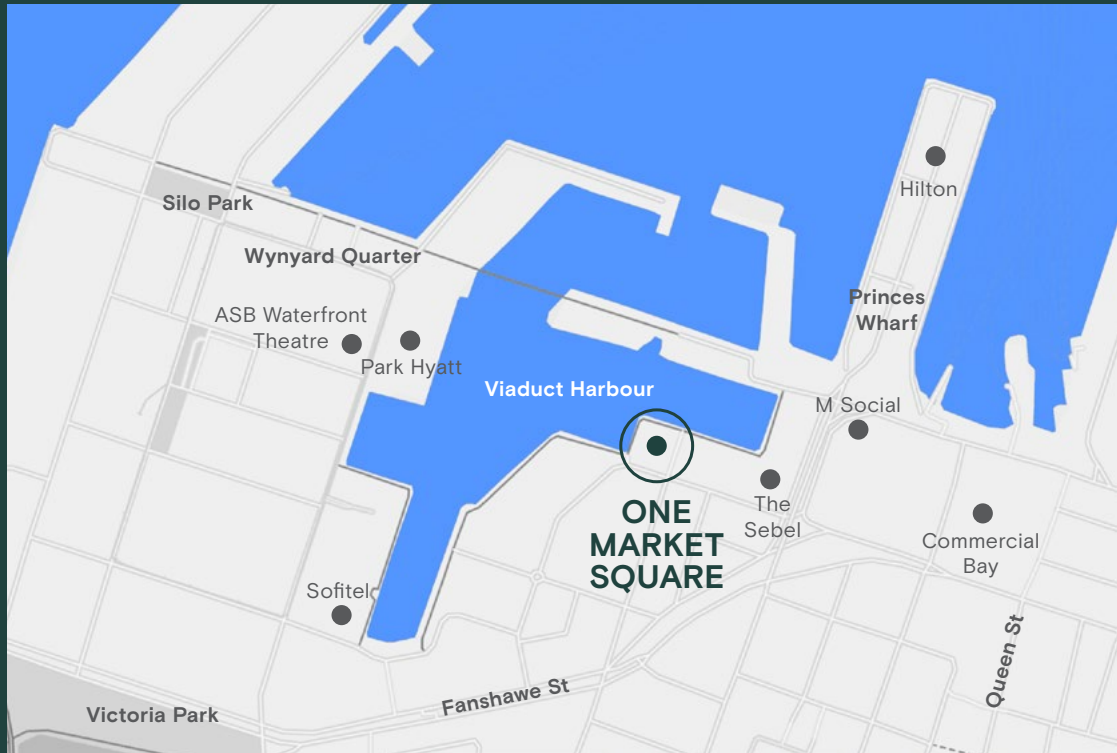


Artist's impression.

The position and size of the corner waterfront site makes it unquestionably one of the jewels in the crown of Auckland's waterfront, allowing patrons to bask in all-day sun with uninterrupted views of the marina and harbour.

We look forward to creating an incredible dining experience for customers that adds to the vibrancy of the precinct and confirms Viaduct Harbour as one of the most desirable hospitality locations in the city.





Restaurant & Verandah  
seating 543 sqm

Back of house  
72 sqm

Outdoor seating  
327 sqm



Artist's impression.



Artist's impression.

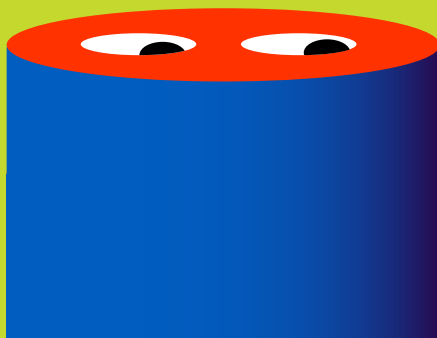
“ The unparalleled prominence and outlook give us the rare opportunity to create a truly iconic venue for Auckland City. ”



## HIGHLIGHTS OF GROWTH 2

# OJI 伯父

# Fast food with slow food values



Premium fast food providing quality sushi and other healthy, fresh, Asian inspired food.

After significant COVID disruption for the last year we're pleased with the start of a channel strategy that will see Oji sushi available in select schools, convenience stores and CBD offices.

Oji has been designed to be flexible and scalable it can house a range of retail formats in a host of environments, tailored to suit a location need.



### Oji Stand-alone stores

Currently operating 3 standalone stores in busy hubs – Commercial Bay, Britomart and Wynyard Quarter with the return of the CBD workers we're seeing volumes return to levels that we expected.

### Oji Inside

Savor are proud to announce a new retail partnership with Four Square in Auckland, bringing our freshly baked goods and ready-to-eat meals from Savor's wholesale range, along with Oji Sushi, to Four Square's new generation Auckland stores. The partnership will play an important role in Four Square's transformation strategy in the North Island, as they look to expand their Auckland store network with a series of modern, customer centred stores that focus on making life a little bit easier for Auckland shoppers with high quality, convenient food for now and food for later options. The rollout will see at least five Four Square stores across Auckland carrying Savor's products.



### Oji Delivered

Savor is set to launch an innovative lunch order and delivery service that maximises convenience. Launching in July 2022, lunch orders placed through the Savor app will be made to order, to the specifications of the customer, and delivered direct to offices. The menu will include Oji sushi as well as salads, sandwiches and baked goods.



## Oji in schools

Oji sushi will be delivered fresh daily to an initial tranche of Auckland-based independent schools. The rollout is expected to commence in Term 2 of 2022. We see a significant opportunity for our Oji product into schools as both students and schools look for healthier options.



“A product that is healthy, ethical, sustainable and delicious. For a customer that deserves nothing less.”

## A market in growth;

### The market

**3.7m**

Kiwis have eaten fast food in the last month

**897,000**

Kiwis have eaten sushi in the last month

### Spend per head

The largest density of spend comes from your **typical \$1-\$20 sushi order**. These will be your lunches, dinners and snacks in-between. There is also the **potential to grow** into the market for **larger sushi orders**. Be this platters or possibly some sort of family deal.

**252,000** sushi goers spend **\$1-\$9**

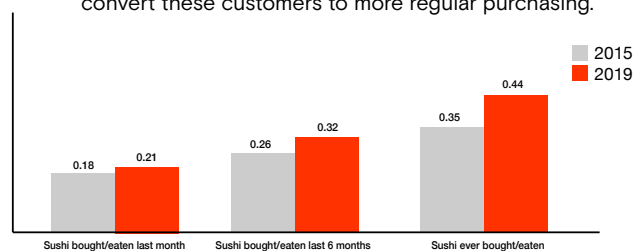
**487,000** sushi goers spend **\$10-\$20**

**123,000** sushi goers spend **\$21-\$60**

**3,000** sushi goers spend **\$61+**

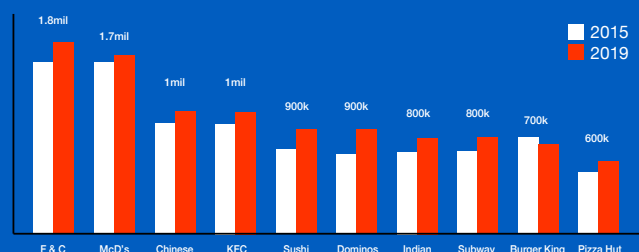
### Growth trend

Along with the **growth** in the number of people who **consume sushi on a monthly basis**, there has also been **increases in occasional sushi customers** i.e. those who purchase every 6 months or less often. This represents a **great opportunity** to convert these customers to more regular purchasing.



### Top 10 penetration

**Fish and chips** remains the popular Kiwi staple that we all know and love at number one. **McDonald's** leads the charge for fast food chains in second, **almost doubling its nearest rival (KFC)**. **Sushi** features 5th, showing positive growth since 2015.





HIGHLIGHTS OF GROWTH 3

# Melbourne icon MoVida arriving in Britomart

Britomart's Seafarers Level 2, previously home to Ostro and boasting uninterrupted harbour views, will be transformed by a major refurbishment, with MoVida Auckland expected to open in September this year.

With a bustling bar and restaurant, MoVida Auckland will indulge the senses with vibrant tapas dining and an open kitchen, while patrons are enveloped by dark wood panelling and deep leather banquettes.

Chef Frank Camorra, who revolutionised dining culture downunder when he opened MoVida in 2002, will be in Auckland from July to oversee menu development, training and sourcing. Two senior MoVida chefs will be making the move to Auckland permanently and joining Savor's team, ensuring the local MoVida experience remains authentic in every detail.

“Melbourne is one of the great culinary cities of the world, so the arrival of one of its iconic restaurants in Auckland is incredibly exciting and, arguably, a first. MoVida will be right at home in the Britomart precinct alongside quality eateries such as Amano, Ebisu, Mr Morris and Alma to name a few.”

– Lucien Law, CEO.



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For chef and co-founder, Frank Camorra, opening MoVida Auckland had been a long-held ambition.

“We have been looking for the right opportunity to open in Auckland for some time,” he said. “Having done a pop up with Savor previously, we know they are a world-class hospitality group and we are delighted to be partnering with them to realise our shared vision for MoVida Auckland.

I’m excited about coming down and getting the opportunity to utilise New Zealand’s world class local produce in all its forms. We have a large wood fired grill going into the new kitchen something that will be unique to Auckland and will showcase the produce in all its glory.

Like Melbourne, Auckland diners are sophisticated and well-travelled, and they want memorable dining experiences that celebrate the very best produce. While each MoVida venue is unique, they all share the same philosophy of celebrating and sharing Spanish food and culture and MoVida Auckland will be no exception. ”

– Frank Camorra, Executive Chef and co-founder of MoVida.



## Movida awards and recognition

<b>2009 – 2021</b>	MoVida awarded ‘Two Chef’s Hats’ – The Age Good Food Guide	<b>Nov 2009</b>	MoVida Aqui restaurant opens in the commercial centre of Melbourne at 500 Bourke Street
<b>2015</b>	Frank Camorra won the Melbourne Food and Wine Festival’s Legend Award	<b>2009</b>	Publication of ‘MoVida Rustica’. Won the prestigious World Cordon Bleu Award for the Best Hard Cover cook book 2010. 40,000 copies sold to date
<b>April 2012</b>	MoVida Bakery opens in South Yarra	<b>2009</b>	Frank Camorra awarded ‘Chef of the Year’ – The Age Good Food Guide
<b>Jan 2012</b>	Bar Pulpo by MoVida opens gate side at the Melbourne International Airport	<b>2008</b>	Awarded the Best Book by a Chef 2008 in the Food Media Awards. Best designed book of 2008 in the APA awards. 50,000 copies sold to date
<b>2011</b>	Publication of ‘MoVida Cocina – Food From 5 Kitchens’ and ‘MoVida Barcelona’ – a food guide to that wonderful city	<b>2007</b>	‘MoVida’ cookbook published
<b>2010</b>	MoVida Next Door awarded ‘Donleavy Fitzpatrick award’ – The Age Good Food Guide	<b>2007</b>	MoVida awarded ‘Dish of the Year’ – The Age Good Food Guide
<b>2011 – 2013</b>	MoVida Aqui awarded ‘One Chef Hat’ – The Age Good Food Guide	<b>2007 &amp; 2008</b>	MoVida awarded ‘One Chef Hat’ – The Age Good Food Guide











# 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 Savor's Corporate Governance Code ("Code"), current as at 31 March 2022, is available on the Savor website at [www.savor.co.nz](http://www.savor.co.nz).**

The Code is generally consistent with the principles identified in the NZX Corporate Governance Code, except that throughout the year and as at 31 March 2022:

- The Company did not have a majority of independent Directors (per Recommendation 2.8);
- The Company did not disclose information about each director in its annual report or on its website, including a profile of experience and length of service (per recommendation 2.4);
- The Board does not have a procedure to regularly assess director, board and committee performance (per recommendation 2.7);
- A majority of Savor's Remuneration Committee is not comprised of Independent Directors (per recommendation 3.3);
- A majority of Savor's Nomination Committee is not comprised of Independent Directors (per recommendation 3.4); and
- The Company does not have an Audit and Risk Committee comprising solely of Non-Executive Directors (per Recommendation 3.1), having regard to the size and needs of the Group.

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 Company's website [www.savor.co.nz](http://www.savor.co.nz).

## The Board of Directors

The Board has ultimate responsibility for the strategic direction of Savor and supervising Savor'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 Savor
- 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 Savor'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 2022 the Company held 8 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
Lucien Law	8	8		
Paul Robinson	8	8	2	2
Ryan Davis	8	8	2	2
Louise Alexander	8	8	2	2
Geoff Ross <sup>1</sup>	1	1	1	1

<sup>1</sup> Geoff Ross ceased to be a Director of the Company on 28 May 2021

## 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.

## Board Membership

As at 31 March 2022, the Board consisted of two Independent Directors and two Executive Directors, who are elected based on the value they bring to the Board.

Each Savor 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 2022 the Company's Directors were:

Lucien Law	Executive Director & CEO
Paul Robinson	Executive Chairman
Ryan Davis	Independent Director
Louise Alexander	Independent Director

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.

## Director Independence

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

The Board has determined that Ryan Davis and Louise Alexander 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.

One third of Directors shall retire from office at the annual meeting each year. 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. Savor maintains an Interests register in which particulars of certain transactions and matters involving Directors are recorded. The Interests register for Savor 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 Savor 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 2022 are outlined on page 47.

## Directors' and Officers' Gender Composition

	2022		2021	
	Male	Female	Male	Female
Directors'	3	1	5	1
Officers'	1	1	1	1
Total	4	2	6	2

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

Savor has adopted a Diversity and Inclusion Policy. Savor's Board have been working on the initial implementation of the Diversity and Inclusion Policy and has not yet set annual targets to meet (as the Corporate Governance Code recommends, at recommendation 2.4). The Board will, however, set measurable objectives against which to measure Savor's performance against its Diversity and Inclusion Policy for disclosure in its next annual report.

## Indemnification and Insurance of Directors and Officers

The Company has Directors' and officers' liability insurance with Ando Insurance Group 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 three 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 Savor, 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 Audit and Risk Committee operates in accordance with the Audit and Risk Management Committee Charter.

The members of the Audit and Risk Committee are Ryan Davis (Chair), Louise Alexander, and Paul Robinson.

## 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.



## People and Culture Committee

The People and Culture Committee operates within the full Board and is responsible for ensuring appropriate procedures are in place to identify and manage potential health and safety risks, as well as overseeing human resource management, recruitment and employee welfare. The Board receives monthly reporting on Health and Safety risks which includes any matters that require further attention. Once presented to the Directors, the mitigation of these risks are delegated throughout the management team to those with appropriate oversight and process improvements are made regularly.

## 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 page 37.

## Directors' Remuneration

Following a benchmarking review, for the year ended 31 March 2022 Directors' fees have been fixed at \$100,000 per annum for the Chairman (2021: \$75,000), and \$60,000 per annum for other Directors (2021: \$40,000). Directors receive no additional fees as membership of Board Committees. 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 (2021: \$300,000).

## CEO Remuneration

For the year ended 31 March 2022, Lucien Law received a base salary of \$350,000 (2021: Voluntary reduction to \$200,000 as a result of COVID-19) and received no short or long term incentives during the year (2021: nil).

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 Savor's business.

## 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.

## Takeover Response Policy

The Board is well prepared in the event of a takeover, and has adopted a Takeover Preparedness Protocol.

## 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 Chairman with a view to consultation with the Board and disclosure of that information if required.

## Auditor

EY acts as auditor of the Company and has undertaken the audit of the financial statements for the year ending 31 March 2022. Particulars of the audit and other fees paid during the period are set out on page 38.

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 CFO. 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. Enquiries from shareholders can be raised at the Annual Meeting of shareholders, or emailed through using the contact details on our website.

As required by the NZX Listing Rules, the Company will seek shareholder approval of major transactions, and related party transactions, that trigger the relevant thresholds in the listing rules, and any other major decisions where the listing rules require shareholder approval. All voting at meeting of shareholders is conducted by a poll.

The Company seeks to offer new equity pro rata to existing shareholders, or with shareholder approval. In April 2021 the Company undertook a placement to the vendors of the Hipgroup acquisition of \$1m contemporaneously to a fully underwritten 1 for 4.3077 rights issue to raise \$6m. The offers were made at issue prices of 18.22 and 17.67 cents per share respectively.

The Company aims to post a copy of its notice of annual meeting on its website at least 20 working days prior to its annual meeting of shareholders.







# Financial Statements

For the year ended 31 March 2022





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24	Consolidated Statement of Comprehensive Income
25	Consolidated Statement of Movements in Equity
26	Consolidated Balance Sheet
27	Consolidated Statement of Cash Flows
28	Notes to the Financial Statements
43	Auditor's Report

The Board of Directors has pleasure in presenting the financial statements and audit report for Savor Limited for the year ended 31 March 2022.

The financial statements presented are signed for and on behalf of the Board of Directors and were authorised for issue on 30 May 2022.

**Paul Robinson**  
Executive Chairman

**Ryan Davis**  
Director



# Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

		2022	2021
Continuing operations	Notes	\$'000's	\$'000's
Revenue		30,581	16,134
Expenses:	15		
Direct costs		(8,974)	(5,286)
Employee costs		(14,202)	(6,141)
Marketing costs		(188)	(379)
Utilities and operational expenses		(2,622)	(1,289)
Other expenses		(2,317)	(1,200)
Other income	18	717	-
		2,995	1,839
Depreciation and amortisation		(4,001)	(2,191)
Restructuring costs	2.3	(1,200)	(921)
Impairment of goodwill	8	(1,564)	(2,000)
Contingent consideration release		-	1,033
Interest expense		(1,266)	(850)
<b>Loss before income tax</b>		<b>(5,036)</b>	<b>(3,090)</b>
Taxation expense	14	-	-
<b>Net loss from continuing operations</b>		<b>(5,036)</b>	<b>(3,090)</b>
Net loss from discontinued operations net of tax	19	-	(3,496)
<b>Loss attributable to the shareholders</b>		<b>(5,036)</b>	<b>(6,586)</b>
Other comprehensive income and expenses		-	-
<b>Total comprehensive loss</b>		<b>(5,036)</b>	<b>(6,586)</b>
Net losses per share (cents)	13		
Basic and diluted		(8.2)	(13.9)
Net losses per share from continuing operations (cents)	13		
Basic and diluted		(8.2)	(6.5)
Weighted average number of shares outstanding (thousands of shares)			
Basic and diluted		61,753	47,297

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

# Consolidated Statement of Movements in Equity

For the year ended 31 March 2022

\$000's	Notes	Share capital	Unissued capital	Accumulated losses	Share-based payments reserve	Total equity
Total equity at 1 April 2020		38,892	1,999	(28,094)	64	12,861
Total comprehensive loss for the year		-	-	(6,586)	-	(6,586)
Share based payments		-	-	-	91	91
Issue of new shares		8,359	(1,999)	-	-	6,360
<b>Total equity at 31 March 2021</b>		<b>47,251</b>	<b>-</b>	<b>(34,680)</b>	<b>155</b>	<b>12,726</b>
Total equity at 1 April 2021		47,251	-	(34,680)	155	12,726
Total comprehensive loss for the year		-	-	(5,036)	-	(5,036)
Issue of new shares	11	6,887	-	-	-	6,887
Repurchase of shares	11	(233)	-	-	-	(233)
<b>Total equity at 31 March 2022</b>		<b>53,905</b>	<b>-</b>	<b>(39,716)</b>	<b>155</b>	<b>14,344</b>

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



# Consolidated Balance Sheet

As at 31 March 2022

	Notes	2022 \$'000's	2021 \$'000's
<b>Assets</b>			
Current assets:			
Cash		1,350	3,402
Trade and other receivables	4	586	435
Inventories	5	620	460
<b>Total current assets</b>		<b>2,556</b>	<b>4,297</b>
Non-current assets:			
Property, plant and equipment	7	11,118	6,691
Intangible assets	8	25,261	17,271
Right of use asset	9	16,069	8,171
<b>Total non-current assets</b>		<b>52,448</b>	<b>32,133</b>
<b>Total assets</b>		<b>55,004</b>	<b>36,430</b>
<b>Liabilities</b>			
Current liabilities:			
Trade and other payables	6	6,094	3,450
Lease liability		2,278	1,607
Borrowings	10	2,671	1,719
Deferred consideration payable	2.2	1,000	-
Related party payables	12	112	3,077
<b>Total current liabilities</b>		<b>12,155</b>	<b>9,853</b>
Non-current liabilities:			
Trade and other payables	6	831	1,135
Lease liability		15,069	7,302
Borrowings	10	10,755	5,302
Related party payables		-	112
Deferred consideration payable	2.2	1,850	-
<b>Total non-current liabilities</b>		<b>28,505</b>	<b>13,851</b>
<b>Total liabilities</b>		<b>40,660</b>	<b>23,704</b>
<b>Equity</b>			
Share capital	11	53,905	47,251
Reserves		(39,561)	(34,525)
<b>Total equity</b>		<b>14,344</b>	<b>12,726</b>
<b>Total liabilities and equity</b>		<b>55,004</b>	<b>36,430</b>

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

# Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 \$000's	2021 \$000's
<i>Cash flow from operating activities</i>			
Receipts from customers		30,325	24,789
Payments to suppliers, employees and other		(27,373)	(24,338)
<b>Net cash from operating activities</b>		<b>2,952</b>	<b>401</b>
<i>Cash flow from investing activities</i>			
Purchase of property, plant and equipment and intangible assets		(1,798)	(924)
Payments for venue development costs	2.3	(137)	(364)
Repayment of related party payables		(2,125)	(531)
Sale of business		-	1,900
Purchase of businesses	2.2	(7,975)	-
<b>Net cash (used in)/from investing activities</b>		<b>(12,035)</b>	<b>81</b>
<i>Cash flow from financing activities</i>			
Interest paid		(1,266)	(786)
Borrowings drawn down		15,130	-
Repayments of borrowings		(8,726)	(411)
Lease liability principal repayment		(2,738)	(1,253)
Transaction costs from issue of shares		(182)	(103)
Repurchase of shares	11	(233)	-
Issue of shares		5,046	6,070
<b>Net cash from financing activities</b>		<b>7,031</b>	<b>3,517</b>
Net movement in cash held		(2,052)	3,999
Add: opening cash		3,402	(597)
<b>Closing cash</b>		<b>1,350</b>	<b>3,402</b>

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



# Notes to the Financial Statements

## 1. Significant accounting policies

### Basis of preparation

Savor Limited ('the Parent' or 'Company') and its subsidiaries (together 'the Group') operate in the hospitality sector, operating a number of premium restaurants and bars. The address of its registered office is Level 4, Seafarers Building, 114 Quay Street, Auckland, 1142.

Savor Limited is a company domiciled in New Zealand, registered under the Companies Act 1993 and is a Financial Markets Conduct Act 2013 reporting entity. These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the requirements of the Financial Markets Conduct Act 2013. For the purposes of complying with NZ GAAP the Group is a for-profit entity. The consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards (IFRS). The financial statements are presented in New Zealand dollars.

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

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. 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. The difference between the consideration paid and the fair value of net assets acquired is recognised as goodwill. Acquisition costs are expensed as incurred.

### Revenue recognition

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 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.

### Changes in accounting policy

These financial statements are prepared using the same accounting policies as the prior year. Several other amendments and interpretations apply for the first time from 1 April 2021, but do not have an impact on the consolidated financial statements of the Group.

The Group continues to improve the disclosures in these financial statements where required. Some comparative balances have been adjusted or reclassified for consistency.

## 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.

### 2.1. Intangible asset impairment

Goodwill across the Group is tested annually for impairment. Each cash generating unit (CGU) that carries goodwill is valued on a value-in-use basis using a discounted cash flow model, as a fair value less costs to sell basis is considered to result in a lower valuation. 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 over five years 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% (2021: 2.0%) and the Group employed a weighted average cost of capital of 11% (2021: 10%).

Following the COVID-19 challenges experienced during the current and prior years, it is inherently difficult to forecast future performance of the Group's operations. The Group has prepared a budget and forecasts based on current expectations, however there remains risk which is primarily dependent on general market conditions. The forecasts anticipate a staged recovery throughout the coming year, depending on the circumstances of each individual venue. This is particularly relevant to new or renovated venues, where the return of customers to the central city is a key variable. Venue performance has demonstrated improvements in margins and operating earnings recently, which are budgeted to be maintained or continue to improve throughout the forecast period.

### Impairment recognised

The Oji Sushi business (Oji) has been significantly impacted during the year following the mandated COVID-19 closures and the slow return of trade to the Commercial Bay precinct. The strength of the Oji offering is being proven through a number of initiatives underway at the date of these financial statements for the continued roll-out of stores as well as wholesale supply. While the Group is confident in the underlying performance of the current business and the benefits of the expansionary business, these are inherently uncertain and the accounting standards do not permit their inclusion in the assessment of future cash flows for the purposes of the annual impairment test. Therefore, the Group has recognised an impairment of goodwill of \$1.6m in these financial statements.

A change in any of the following key assumptions would lead to the elimination of the excess of the recoverable amount over carrying amount for the below venues.

Key assumption	Value attributed	Sensitivity
<i>Seafarers</i>		
Terminal year EBITDA margin	21.7%	-2.9%
Terminal growth rate	2.5%	-1.7%
Discount rate	11.0%	+1.3%
<i>Auckland Fish Market</i>		
Terminal year EBITDA margin	14.4%	-2.7%
Terminal growth rate	2.5%	-3%
Discount rate	11.0%	+2.2%

## 2.2. Business combinations

In line with the Group's expansion strategy, Savor has pursued a number of acquisitions during the year. These add size and scale to the Group, allowing economies of scale and improving the efficiency of the Group's cost base. Each acquisition has been assessed in line with NZ IFRS 3, with the assets and liabilities recognised at their fair value.

### Amano, Ortolana, The Store

On 8 April 2021, the Group acquired the operations of venues Amano, Ortolana and The Store from Hipgroup Limited. The total purchase price of \$11 million consisted of a \$7.15 million upfront payment to the vendors, \$1 million of shares in Savor Limited, and a further \$2.85 million to be paid in April 2022. In March 2022, the terms of the deferred payment were modified with payment to occur in quarterly instalments, plus a 5% interest charge, with the Group maintaining the option of a balloon payment to settle the obligation in full.

### Distribution centre

On 30 June 2021, the Group acquired a distribution centre operation from Hipgroup Limited, trading as Matua Road Farms. The total purchase price of \$195,000 included payments for inventories on hand and was paid in cash. The property, plant and equipment balances for this operation were acquired as part of the Amano transaction. The purchase price was funded from cash on hand.

### Oji Sushi (Oji)

Oji Sushi was purchased on 5 July 2021 for total consideration of \$1.2 million, paid in cash. The vendor was Mizu Group Limited, a company owned by Executive Directors Lucien Law and Paul Robinson, refer to note 12 for related party considerations.

The Group acquired the assets and liabilities of the business as outlined below. Following the acquisition, the Group opened Oji Sushi Britomart in August 2021.

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. Business acquisition costs of \$0.1 million were expensed during the period and are disclosed as restructuring costs in the Statement of Comprehensive Income.



	Amano, Ortolana, The Store \$000'S	Distribution Centre \$000'S	Oji Sushi \$000'S	Total \$000'S
Purchase price	11,000	195	1,200	<b>12,395</b>
Less: settlement adjustments	(607)	(49)	111	<b>(545)</b>
Net consideration	10,393	146	1,311	<b>11,850</b>
Net consideration made up of the following:				
Cash paid	6,543	121	1,311	<b>7,975</b>
Value of shares issued	1,000	-	-	<b>1,000</b>
Deferred consideration	2,850	25	-	<b>2,875</b>
Total net consideration	10,393	146	1,311	<b>11,850</b>
Recognised assets acquired and liabilities assumed:				
Assets:				
Inventories	143	154	7	<b>304</b>
Property, plant and equipment	3,242	-	1,073	<b>4,315</b>
Right of use assets	9,125	242	929	<b>10,296</b>
Liabilities:				
Employee entitlements	(626)	(49)	(14)	<b>(689)</b>
Other liabilities	(233)	(11)	(189)	<b>(433)</b>
Borrowings	-	-	(1,130)	<b>(1,130)</b>
Lease liabilities	(9,125)	(242)	(929)	<b>(10,296)</b>
Total assets and liabilities	2,526	94	(253)	<b>2,367</b>
Goodwill recognised	7,867	52	1,564	<b>9,483</b>
Contribution to earnings (year to date)				
Revenue	12,339	1,228	685	<b>14,252</b>
Operating earnings (EBITDA)	2,149	(108)	(106)	<b>1,935</b>
Expected contribution to earnings (full period)				
Revenue	12,616	1,596	978	<b>15,190</b>
Operating earnings (EBITDA)	2,197	(140)	(151)	<b>1,906</b>

The distribution centre provides the supply of goods for primarily internal Group customers as well as a small number of external customers. The balances disclosed include both internal and external customers.

## 2.3. Restructuring costs

	2022 \$000's	2021 \$000's
Acquisition costs	<b>(804)</b>	(186)
Restructuring and other costs	<b>(149)</b>	(40)
Loss on disposal of fixed assets	<b>(110)</b>	(331)
Concept development expenses	<b>(137)</b>	(364)
	<b>(1,200)</b>	(921)

Restructuring costs occur outside the normal course of operating the venues on a day to day basis, and are unrelated to the Group's trading operations. These have been separated out on the face of the Statement of Comprehensive Income to allow the reader of these financial statements to understand the day to day operations for the year without the impact of these items. These items typically include the impairment or disposal of assets, costs related to restructuring or M&A activity, concept development or unrelated to Group's trading operations, as well as those expenses related to COVID-19 such as the closure costs of venues.

## 2.4. Government grants

During the year the Group has qualified for a range of support payments available from the New Zealand Government to assist with mitigating the impact of COVID-19. The Group met the eligibility criteria requirements of the wage subsidy, leave support payments, COVID-19 resurgence payments and the COVID-19 support payments and in total \$3.9 million was received by the Group during the year. The funds received by the Group were used to mitigate employee-related costs during the eligibility period. Funds received as part of the wage subsidy scheme have been accounted for in line with NZ IAS 20 – Government Grants and Disclosure of Government Assistance. The Group has elected to present income received from the wage subsidy as an offsetting deduction to its employee costs. Funds received as part of the scheme have no unfulfilled conditions or other attached contingencies as at 31 March 2022. The Group had recognised \$0.1m of other receivables relating to COVID-19 support payments outstanding at 31 March 2022 which remains unpaid at the date of these financial statements.

## 2.5. Going concern

The Group recorded positive operating cash flows from continuing operations during the year, has a cash balance in excess of \$1m at the date of the approval of these financial statements and access to a further \$1m of undrawn overdraft facilities. The Group also raised additional capital of \$2m subsequent to 31 March 2022. The nature of the Group's operations means that the Group holds minimal receivables and inventory balances compared to its current liabilities. Therefore, the Group has negative working capital at 31 March 2022, a key driver of this is also the deferred payable to Hipgroup Limited following the acquisitions during the year.

Following the progressive lifting of COVID-19 restrictions from March and through April, the Group has seen a recovery in trading results, particularly through the city centre with the return of corporates to their offices. The Group has prepared trading forecasts with a view to a gradual post-COVID recovery during the year, and early results have shown the Group is able to outperform these forecasts. While the continued trading landscape remains uncertain, the Group has demonstrated throughout the pandemic that it can generate positive operating cash flows in light of restrictions. A return to the Alert Level system and mandated closure of venues currently seems highly unlikely, but should this occur then it would result in increased pressure on the Group's financial position. The Group has reviewed relevant commentary and guidance available, both in New Zealand and internationally, and considers the risk of such a return to be remote.

The Group has successfully renegotiated its suite of banking covenants, including a waiver for all covenant breaches or anticipated breaches for the financial year ended 31 March 2022, as well as the suspension of covenants for the June and September 2022 quarter. The Group's covenants return in effect from the December 2022 quarter and now includes revised terms with greater flexibility. Based on current forecasts the Group is expected to meet the requirements of its covenants for the foreseeable future. In addition, the Group has also performed a range of sensitivity analyses on the covenant measures, noting there would need to be a material downturn in forecast performance before any of the covenant obligations would be breached.

As a result of the considerations above the Directors have concluded that the preparation of the financial statements on a going concern basis remains appropriate.

## 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 segment, Hospitality. Corporate and discontinued operations are not operating segments as they do not meet the recognition criteria under NZ IFRS 8.

	2022 Revenue	2021 Revenue	2022 EBITDA*	2021 EBITDA*
Hospitality	30,581	16,134	4,598	3,571
Corporate	-	-	(1,603)	(1,732)
Continuing operations	30,581	16,134	2,995	1,839
Discontinued operations	-	8,100	-	(846)
Total	30,581	24,234	2,995	993

\*EBITDA means earnings before interest, tax, depreciation, amortisation, restructuring costs, impairment charges, and release of contingent consideration as disclosed in the Statement of Comprehensive Income.

	2022 Depreciation and amortisation	2021 Depreciation and amortisation	2022 Capital expenditure	2021 Capital expenditure
Hospitality	(4,001)	(2,191)	(1,936)	(923)
Corporate	-	-	-	-
Continuing operations	(4,001)	(2,191)	(1,936)	(923)
Discontinued operations	-	(404)	-	-
Total	(4,001)	(2,595)	(1,936)	(923)

	2022 Non-current assets	2021 Non-current assets
Hospitality	52,448	32,133
Corporate	-	-
Continuing operations	52,448	32,133
Discontinued operations	-	-
Total	52,448	32,133



## 4. Trade and other 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. All receivables are due within 12 months of balance date.

	2022 \$000's	2021 \$000's
Trade receivables	235	208
Less: provision for doubtful debts	-	-
Trade receivables	235	208
Other receivables	351	227
	586	435

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.

	2022 \$000's	2021 \$000's
Current	506	359
0 - 30 days over standard terms	60	70
31 - 60 days over standard terms	6	6
61+ days over standard terms	14	-
Provision	-	-
Trade and other receivables	586	435

## 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.

	2022 \$000's	2021 \$000's
Raw materials	273	139
Finished goods	347	321
	620	460

## 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, and annual 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. 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.

	2022 \$000's	2021 \$000's
Trade payables	1,938	1,128
Employee entitlements	1,116	423
Other payables	2,655	1,554
Supplier loans	1,216	1,480
	6,925	4,585
Current	6,094	3,450
Non-current	831	1,135
	6,925	4,585

## 7. 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. Work in progress assets are those under construction that are not yet in use and do not incur depreciation.

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	7% – 67%
Leasehold improvements	6% – 20%
Fixtures & fittings	7% – 67%
Motor vehicles	10% – 21%

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 restructuring costs.

	Plant & Equipment	Fixtures & Fittings	Leasehold Improvements	Vehicles	Work in progress	Total
<b>2022</b>						
Carrying value at 1 April 2021	1,040	677	4,974	-	-	6,691
Additions	296	30	1,115	-	248	1,689
Acquisitions (refer note 2.2)	1,016	604	2,625	70	-	4,315
Disposals	(93)	(27)	-	-	-	(120)
Depreciation	(460)	(306)	(680)	(11)	-	(1,457)
<b>Carrying value at 31 March 2022</b>	<b>1,799</b>	<b>978</b>	<b>8,034</b>	<b>59</b>	<b>248</b>	<b>11,118</b>
Represented by:						
Cost	2,608	1,573	9,294	70	248	13,793
Accumulated depreciation	(809)	(595)	(1,260)	(11)	-	(2,675)
	1,799	978	8,034	59	248	11,118
<b>2021</b>						
Carrying value at 1 April 2020	2,583	745	4,304	19	-	7,651
Additions	99	196	616	-	-	911
Acquisitions	296	18	890	-	-	1,204
Disposals	(355)	(7)	(208)	-	-	(570)
Disposal of business	(1,143)	(94)	(240)	(10)	-	(1,487)
Depreciation	(440)	(181)	(388)	(9)	-	(1,018)
<b>Carrying value at 31 March 2021</b>	<b>1,040</b>	<b>677</b>	<b>4,974</b>	<b>-</b>	<b>-</b>	<b>6,691</b>
Represented by:						
Cost	1,508	1,004	5,818	-	-	8,330
Accumulated depreciation	(468)	(327)	(844)	-	-	(1,639)
	1,040	677	4,974	-	-	6,691

The Group had no material capital commitments at 31 March 2022 (2021: nil).



## 8. 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. Software and other intangibles, including trademarks and the cost of development of venue concepts, are amortised over a period of 2-4 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 2.1 for impairment considerations.

	Goodwill	Resource Consent	Software and other intangibles	Total
<b>2022</b>				
Carrying value at 1 April 2021	17,148	-	123	17,271
Additions	-	-	109	109
Acquisitions (refer note 2.2)	9,483	-	-	9,483
Disposals	-	-	-	-
Impairment (refer note 2.1)	(1,564)	-	-	(1,564)
Amortisation expense	-	-	(38)	(38)
<b>Carrying value at 31 March 2022</b>	<b>25,067</b>	<b>-</b>	<b>194</b>	<b>25,261</b>
Represented by:				
Cost	28,631	-	274	28,905
Accumulated amortisation and impairment	(3,564)	-	(80)	(3,644)
	25,067	-	194	25,261
<b>2021</b>				
Carrying value at 1 April 2020	19,148	322	203	19,673
Additions	-	-	66	66
Disposals	-	-	(81)	(81)
Impairment	(2,000)	-	-	(2,000)
Disposal of business	-	(261)	(14)	(275)
Amortisation expense	-	(61)	(51)	(112)
<b>Carrying value at 31 March 2021</b>	<b>17,148</b>	<b>-</b>	<b>123</b>	<b>17,271</b>
Represented by:				
Cost	19,148	-	167	19,315
Accumulated amortisation and impairment	(2,000)	-	(44)	(2,044)
	17,148	-	123	17,271

### Prior year impairment charge:

The Auckland Fish Market venues were impacted significantly as a result of the sharp reduction in tourism in central Auckland. These venues faced an uncertain outlook in terms of returning to prior levels of revenue in order to sustain the required profitability. Management revised its expectations of a return to pre-COVID levels of trading, which led to a reduction of the value in use of the Auckland Fish Market venues. An impairment of goodwill of \$2m was recognised in the prior year, resulting in a remaining goodwill balance of \$2.3m.

## Significant cash generating units

Goodwill is allocated to the following significant cash generating units:

	2022 \$000's	2021 \$000's
Azabu	4,369	4,369
Ebisu	3,027	3,027
Auckland Fish Market	2,163	2,163
Non Solo Pizza	3,269	3,269
Seafarers	4,320	4,320
Amano (refer note 2.2)	7,483	-
Ortolana (refer note 2.2)	384	-
Other (refer note 2.2)	52	-
	25,067	17,148

## 9. Leases

### As lessee

The Group recognises right-of-use assets and lease liabilities for most property leases. On inception of a new lease, the lease liability is measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at that date. The right-of-use assets are measured at an amount equal to the lease liability, and are depreciated over the estimated remaining lease term on a straight line basis. The Group presents the right-of-use assets and lease liabilities separately on the Balance Sheet.

The Group applies the following practical expedients when applying NZ IFRS 16:

- Exemption to not recognise right-of-use assets for low-value leases; and
- Exemption to not recognise right-of-use assets for leases with a term of less than 12 months.

The Group as the lessee has various non-cancellable leases predominantly for the lease of land and buildings. The leases have varying terms and renewal rights. On renewal, the terms of the lease are renegotiated.

Right-of-use assets	2022 \$000's	2021 \$000's
Carrying value at 1 April	8,171	8,400
Additions (refer to note 2.2)	10,296	1,144
Modification to lease terms	-	224
Variable lease payment adjustments	108	(179)
Disposals	-	(99)
Depreciation	(2,506)	(1,319)
Carrying value at 31 March	16,069	8,171

Amounts recognised in profit or loss	2022 \$000's	2021 \$000's
Lease depreciation	2,506	1,319
Interest expense on lease liabilities	769	394
Lease expense on low value leases	38	17
Rental concessions received	357	225

During the year the Group received a number of rent concessions from landlords in response to the impact of COVID-19. The treatment of individual leases varied depending on the contractual positions of each site. The Group elected to apply the practical expedient permitted under NZ IFRS 16 para 46A for the Auckland Fish Market, Oji Sushi, and Non Solo Pizza leases and recognised the benefit of these concessions directly in the Statement of Comprehensive Income.

### As lessor

During the year the Group has rationalised its lease footprint, leading to the early exit from some leases and the subleasing of leasehold office space that are excess to Group requirements. These are operating leases and amounts have been recognised in these financial statements as follows:

Amounts recognised in profit or loss	2022 \$000's	2021 \$000's
Sublease income	116	-

## 10. Borrowings

The Group has bank borrowings of \$13.4 million at 31 March 2022 (2021: \$7.0 million). The average interest rate on these borrowings during the year was 3.84% (2021: 4.38%). The Group also has access to total overdraft facilities of \$1 million (2021: \$0.5 million), none of which was drawn at year end.

On 8 April 2021, the Group refinanced its existing borrowings and borrowed a further \$7 million to fund the acquisition of the Hipgroup Limited venues. The Group incurred transaction costs of approximately \$0.1m. There were no fees associated with the repayment of the previous borrowings to BNZ recognised during the current year.

The Group received a principal amortisation holiday for four months during the year, to assist with cash flow pressures due to the COVID-19 Delta restrictions.

The Group is subject to a suite of covenants including interest cover, debt service cover, leverage and equity ratios. Refer to note 2.5 for consideration of covenant waivers received during the year and forecast covenant compliance.



## 11. Capital

	2022 \$000's	2021 \$000's
Reported capital at the beginning of the year	47,251	38,892
Issue of shares (net of issue costs)	6,887	8,359
Repurchase and cancellation of shares	(233)	-
	53,905	47,251
<i>Number of ordinary shares:</i>		
Number of shares on issue at the beginning of the year	146,271,626	86,364,038
Issue of shares	39,778,689	59,907,588
1 for 3 share consolidation - 9 August 2021	(124,033,548)	-
Repurchase of shares	(534,598)	-
Total number of shares on issue	61,482,169	146,271,626

All issued shares are fully paid and have no par value. The cost of issuing shares during the year amounted to \$0.2m (2021: \$0.1m).

### Equity raise - April 2021

On 8 April 2021, the Group issued 34 million shares raising a total \$6 million in new funds to secure the Group's future growth aspirations. The Savor vendors took up their full rights, totalling \$0.9m, opting to offset these against the related party payable due on 1 April 2021. In addition, the Group also issued \$1 million of shares at \$0.18 to be held in escrow for the vendors of the Hipgroup Limited acquisitions. Those shares were released from escrow in July 2021 after being sold to third party investors.

### Issue of shares

On 28 May 2021, the Group issued 334,359 shares worth a total of \$68,543 as compensation for Directors fees and short term employee incentives.

### Share consolidation

On 9 August 2021, the Group undertook a 1 for 3 share consolidation, reducing the number of shares and employee share options on issue.

### Repurchase of shares

On 19 October 2021, the Group completed the repurchase of 534,598 shares held by holders with less than the minimum holdings level of \$1,000 as outlined in the Company's constitution. These shares were repurchased and subsequently cancelled.

## 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.

	2022 \$000's	2021 \$000's
Expense arising from equity-settled share-based payment transactions	-	91

	Number of options	Weighted average exercise price (cents)
Outstanding 31 March 2020	930,981	
Granted	1,642,857	21.0
Forfeited	(610,371)	24.6
Cancelled	(1,068,145)	21.0
Outstanding 31 March 2021	895,322	
<b>Forfeited</b>	<b>(108,065)</b>	21.0
<b>1 for 3 share consolidation 9 August 2021</b>	<b>(524,838)</b>	63.0
<b>Granted</b>	<b>66,667</b>	63.0
<b>Cancelled</b>	<b>(45,752)</b>	63.0
<b>Outstanding 31 March 2022</b>	<b>283,334</b>	

The outstanding options have been valued at grant date using the Black-Scholes pricing method at \$0.2m (2021: \$0.2m), the key inputs for which are outlined below.

	2022	2021
Weighted average fair values at the measurement date (\$)	0.56	0.21
Dividend yield (%)	0.0	0.0
Expected volatility (%)	0.03	0.06
Risk-free interest rate (%)	3.3	2.0
Expected life of share options (years)	4.01	3.00
Weighted average share price (\$)	0.41	0.39

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## 12. Related party disclosures

Key management personnel compensation	2022 \$000's	2021 \$000's
Directors' fees	280	195
Senior management remuneration paid, payable or provided for:		
Short-term employee benefits	1,086	907

## Related party balances outstanding

At 31 March 2022, the Group had recognised liabilities of \$0.1m payable to Lucien Law and Paul Robinson for the acquisition of Mission Bay Pavilion. The remaining balance is being settled in equal monthly payments until August 2022.

At 31 March 2022, there was \$0.3m of directors fees payable to the Directors.

## Transactions during the year

The Group acquired the Oji Sushi business from Mizu Group Limited, a company owned by Executive Directors Paul Robinson and Lucien Law. The transaction was completed following a review of the operations of the business and Mr Law and Mr Robinson recused themselves from the decision making process for this acquisition. Refer to note 2.2 for further details.

During the year, the Group purchased products from Oji Sushi prior to acquisition (when owned by Executive Directors Paul Robinson and Lucien Law) totalling approximately \$1,000, none of which was outstanding at year end. The Group employed the services of Cannings Strategic Communications, a communications firm with personal connections to Lucien Law, during the year that totalled \$1,000.

The Group engaged Greenmount Advisory, of which Director Ryan Davis is the Founder and Executive Chairman, to complete financial and tax due diligence for potential acquisitions during the year. Mr Davis recused himself from the appointment process due to his conflict. The total fees incurred during the year for the services were \$0.4m

Name	Principal activities	Country of incorporation	Equity interest (%)	
			2022	2021
Savor Group Limited	Hospitality	New Zealand	100	100
Amano Group Limited	Hospitality	New Zealand	100	100
Savor Quick Service Limited	Hospitality	New Zealand	100	100
The Red Claw Trading Company Limited	Importation of goods	New Zealand	100	100
Savor Goods Limited	Distribution	New Zealand	100	-
Amano Britomart 1 Limited	Employment	New Zealand	100	-
Amano Britomart 2 Limited	Employment	New Zealand	100	-
Savor Italian 1 Limited	Employment	New Zealand	100	-
Savor Britomart Limited	Employment	New Zealand	100	-
Savor Japanese 1 Limited	Employment	New Zealand	100	-
Savor Japanese 2 Limited	Employment	New Zealand	100	-

## 13. Earnings/(losses) per share

Earnings/(losses) per share is the portion of a company's profit allocated to each outstanding ordinary share and is calculated by dividing the earnings attributable to shareholders by the weighted average of ordinary shares on issue during the year. Comparative measures have been restated following the share consolidation that occurred during the year.

	2022	2021		2022 \$000's	2021 \$000's
Net losses per share (cents)			<b>Numerator</b>		
Basic and diluted	(8.2)	(13.9)	Net loss attributable to shareholders	(5,036)	(6,586)
Net losses per share from continuing operations (cents)			Net loss from continuing operations	(5,036)	(3,090)
Basic and diluted	(8.2)	(6.5)	Net loss from discontinued operations	-	(3,496)
Net losses per share from discontinued operations (cents)			<b>Denominator (thousands of shares)</b>		
Basic and diluted	-	(7.4)	Weighted average number of shares outstanding	61,753	47,297
			<b>Denominator for net earnings per share</b>	<b>61,753</b>	<b>47,297</b>



## 14. Taxation

### Income tax expense

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 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.

Below is the reconciliation of earnings before taxation to taxation expense:

	2022 \$000's	2021 \$000's
Loss before taxation	(5,036)	(6,586)
Taxation at 28 cents per dollar	(1,410)	(1,844)
Adjusted for:		
Non-deductible expenses	697	592
Temporary differences not recognised	337	365
Non-assessable income	(200)	(289)
Tax losses for which no deferred tax asset was recognised	576	1,176
	-	-

### Deferred tax

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.

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.

	2022 \$000's	2021 \$000's
<b>Tax losses brought forward</b>		
The Group has unrecognised deferred tax assets arising from tax losses as follows:		
Opening balance	8,107	7,323
Tax losses for the year	576	784
	8,683	8,107

The Group has no imputation credits available at 31 March 2022 (2021: nil).

## 15. Additional expense disclosures

	2022 \$000's	2021 \$000's
Direct costs includes the following:		
Cost of goods sold (including the purchase of raw materials)	9,271	4,570
Inventory written off / wastage	25	91
Employee costs includes the following:		
Salaries, wages, and kiwisaver contributions	13,883	5,976
Auditor's remuneration		
Audit of the financial statements		
EY	218	178
<b>Total auditor remuneration</b>	<b>218</b>	<b>178</b>

## 16. Reconciliation of net earnings to net cash from operating activities

	2022 \$000's	2021 \$000's
<b>Net profit(loss) after tax</b>	<b>(5,036)</b>	<b>(6,586)</b>
Add back:		
Interest paid	1,266	786
Venue development costs expensed	137	364
Add/(Less) non-cash items:		
Depreciation and amortisation	4,001	2,595
Supplier loan income recognised	(312)	(236)
Loss on disposal of fixed assets	110	454
Impairment of goodwill	1,564	2,000
Release of contingent consideration	-	(1,033)
Share based payments	-	91
Movements in working capital:		
Trade and other receivables	(256)	556
Inventories	143	550
Trade and other payables	1,335	860
<b>Net cash from operating activities</b>	<b>2,952</b>	<b>401</b>

## 17. 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 less any provision for expected credit losses. Discounting is omitted where the effect of discounting is immaterial. The Group's cash 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

The Group makes use of a simplified approach in accounting for trade and other receivables 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, deferred consideration, 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 effective interest method. Deferred consideration is measured at fair value with movements recognised in profit or loss.



## a) Categories of financial assets & liabilities

The varying amounts presented in the balance sheet relate to the following categories of assets and liabilities:

	2022 \$000's	2021 \$000's
<i>Financial assets</i>		
Financial assets at amortised cost:		
Cash	1,350	3,402
Trade and other receivables	586	435
<b>Total financial assets</b>	<b>1,936</b>	<b>3,837</b>
<i>Financial liabilities</i>		
Financial liabilities at amortised cost:		
Trade and other payables	6,925	4,585
Borrowings	13,426	7,021
Financial liabilities at fair value through profit or loss:		
Deferred consideration	2,850	-
<b>Total financial liabilities</b>	<b>23,201</b>	<b>11,606</b>

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, input costs, or interest rates on the Group's borrowings. 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 2022 arises from its borrowings. An analysis on the sensitivity of the Group's earnings due to movements in interest rates is shown below.

	2022 \$000's	2021 \$000's
<b>Effect on net loss before tax</b>		
1% increase in interest rate	(134)	(70)
1% decrease in interest rate	134	70

The above information is calculated by applying the movement to the average balance of borrowings on hand at 31 March 2022 of \$13.4m (2021: \$7.0m).

## ii) Currency risk

The Group purchases services that are denominated in foreign currencies (primarily AUD) 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 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.

Sales are settled in cash at the point of sale, leaving minimal debtors. 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 30 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.

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	5+ years \$000's
<b>2022</b>						
Trade and other payables	6,925	5,946	148	264	433	134
Related party payables	112	112	-	-	-	-
Deferred consideration payable	2,850	500	500	1,000	850	-
Lease liabilities	20,374	1,452	1,522	3,075	8,247	6,078
Borrowings	13,425	1,335	1,335	2,671	8,084	-
<b>Total principal cash flows</b>	<b>43,686</b>	<b>9,345</b>	<b>3,505</b>	<b>7,010</b>	<b>17,614</b>	<b>6,212</b>
Contractual interest cash flows	2,130	375	618	629	508	-
<b>Total contractual cash flows</b>	<b>45,816</b>	<b>9,720</b>	<b>4,123</b>	<b>7,639</b>	<b>18,122</b>	<b>6,212</b>
<b>2021</b>						
Trade and other payables	4,585	2,927	523	860	275	-
Related party payables	3,189	2,927	150	112	-	-
Lease liabilities	10,438	812	831	1,586	5,123	2,086
Borrowings	7,021	851	867	1,735	3,568	-
<b>Total principal cash flows</b>	<b>25,233</b>	<b>7,517</b>	<b>2,371</b>	<b>4,293</b>	<b>8,966</b>	<b>2,086</b>
Contractual interest cash flows	697	158	139	239	161	-
<b>Total contractual cash flows</b>	<b>25,930</b>	<b>7,675</b>	<b>2,510</b>	<b>4,532</b>	<b>9,127</b>	<b>2,086</b>

## 18. Other Income and Guarantees

At 31 March 2021 the Group disclosed two contingent assets. One related to the non-payment of balances arising from the adjustment to the purchase price on completion of the sale of Moa Brewing Company Limited, and one relating to a claim against a former Moa Brewing Company Limited supplier. During the year, both claims were settled and funds were received for 100% of the claim against the supplier, and 85% against the Moa Brewing Company purchaser. These proceeds are recognised in the Statement of Comprehensive Income as Other Income.

At 31 March 2022 the Group had \$0.5m of bank guarantees and letters of credit outstanding (2021: \$0.3m).



## 19. Discontinued operations

On 26 February 2021, the Group divested Moa Brewing Company for total proceeds of \$1.9 million.

	2021 \$000's
Consideration	1,900
Carrying value	2,103
Net loss on sale	(203)

There was no tax benefit in any jurisdiction arising from the loss on sale recognised.

### Financial performance

The financial performance information presented is for the period ended 26 February 2021 and the year ended 31 March 2020. The expenses recognised including the trading operations for the year as well as certain provisions held for liabilities associated with Moa Brewing Company Limited.

	Period ended 26 Feb 2021 \$000's	Year ended march 2020 \$000's
Revenue	8,100	14,283
Expenses	(11,393)	(16,821)
Earnings before taxation	(3,293)	(2,538)
Taxation expense	-	-
	(3,293)	(2,538)
Loss on sale	(203)	-
Loss after taxation from discontinued operations	(3,496)	(2,538)

### Cash flow performance

The cash flow information presented is for the period ended 26 February 2021 and the year ended 31 March 2020.

	Period ended 26 Feb 2021 \$000's	Year ended march 2020 \$000's
Net cash outflow from operating activities	(1,018)	(943)
Net cash outflow from investing activities	-	(207)
Net cash outflow from financing activities	(33)	(127)
Net decrease in cash generated by the discontinued operation	(1,051)	(1,277)

## Assets and Liabilities

The carrying amounts of assets and liabilities as at the date of sale were:

	26 Feb 2021 \$000's	March 2020 \$000's
Cash	-	(318)
Trade and other receivables	532	1,661
Inventories	988	1,926
Contract assets	186	207
Right of use asset	99	128
Property, plant and equipment	1,487	1,925
Intangible assets	275	338
Total assets	3,567	5,867
Trade and other payables	(910)	(2,345)
Contract liabilities	(446)	(636)
Lease liability	(108)	(133)
Total liabilities	(1,464)	(3,114)
Net assets	2,103	2,753

## 20. Subsequent Events

On 30 May 2022, the Group completed a private placement to raise a total of \$2.1m of new equity at \$0.40 per share. The allotment of 5.3 million new shares is expected to take place on 31 May 2022.

# Independent Auditor's Report



## Independent auditor's report to the shareholders of Savor Limited

### Opinion

We have audited the financial statements of Savor Limited (the "Company") and its subsidiaries (together the "Group") on pages 24 to 42, which comprise the consolidated balance sheet of the Group as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 24 to 42 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

### Basis for opinion

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, 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.

The firm deals with the Group on normal terms within the ordinary course of trading activities of the business of the Group. Also, partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



## Going Concern

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 2.5 of the financial statements, the directors concluded in their opinion there are reasonable grounds to believe the Group has the ability to pay its debts as and when they fall due. The financial statements have been prepared on a going concern basis.</p> <p>In making this assessment, consideration has been given to potential impacts of COVID-19 on the Group's operations and forecast cash flows based on best estimates within a range of future market scenarios.</p> <p>For the year ended 31 March 2022, the Group generated a net loss after tax of \$5 million, had \$1.4 million of cash on hand and was in a net current liability position of \$9.6m.</p> <p>The Group raised additional capital of \$1.94m subsequent to year end and also negotiated a variation to the covenants related to its banking facilities.</p> <p>The going concern assumption is fundamental to the basis of preparation of the financial statements. Given the judgement involved in the preparation of cash flow forecasts to support the going concern conclusion, this was considered a Key Audit Matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the assumptions made in the forecasts approved by the Board.</li> <li>• Assessed the reasonableness of revenue and earnings before interest, tax, depreciation and amortisation ("EBITDA") margin assumptions included in the forecasts by comparing forecast performance to historical trading levels and considering the Group's plans in relation to each venue.</li> <li>• Considered the impact of a range of sensitivities to the forecasts, including consideration of financial covenants related to the Group's borrowing facilities.</li> <li>• Assessed the adequacy of the going concern disclosures contained in Note 2.5.</li> </ul>

## Goodwill Impairment

Why significant	How our audit addressed the key audit matter
<p>The Group holds goodwill of \$25.1 million as at 31 March 2022.</p> <p>Given the nature of the Group's operations, each of its venues are determined to be a separate cash generating unit ("CGU"). Goodwill is allocated to each of these CGUs. To consider whether this goodwill is impaired, the recoverable amount of each CGU is determined each reporting period by reference to valuations prepared to assess their value-in-use using discounted cash flow models (DCF models).</p> <p>DCF models contain significant judgement and estimation in respect of future cash flow forecasts, discount rate and terminal growth rate assumptions. Changes in certain assumptions can lead to significant changes in the assessment of the recoverable amount and so the assessment of whether goodwill is impaired or not.</p> <p>The Group has recorded an impairment of goodwill of \$1.56m in the current year in relation to the Oji Sushi CGU.</p> <p>Disclosures regarding the Group's key assumptions adopted and the sensitivity to reasonably possible changes in key assumptions which could result in impairment for certain CGUs are included in Note 2.1 of the financial statements.</p>	<p>In obtaining sufficient appropriate audit evidence, we:</p> <ul style="list-style-type: none"> <li>• Understood the Group's goodwill impairment assessment process.</li> <li>• Assessed the Group's determination of CGUs based on our understanding of the nature of the Group's venues.</li> <li>• Obtained the Group's DCF models and agreed the forecasts within them to the Board approved forecasts.</li> <li>• Assessed key inputs to the DCF models including revenue and EBITDA margin forecasts, which were compared to historic trading performance, discount rates and terminal growth rates.</li> <li>• Involved our valuation specialists to assess the Group's discount and terminal growth rates. Our valuation specialists were also involved in assessing the DCF models for valuation methodology, including the treatment of assumptions for capital expenditure, working capital, and terminal value.</li> <li>• Performed sensitivity analysis for CGUs which appeared to have a higher risk of impairment to consider the potential impact of changes in assumptions.</li> <li>• Assessed whether consideration of the fair value less cost to sell would alter the impairment conclusion.</li> <li>• Considered the appropriateness and quantum of impairment charge recognised in the financial statements.</li> <li>• Considered the adequacy of the associated disclosures in the financial statements, including the disclosure related to the CGUs where the impairment assessment is sensitive to reasonably possible changes in assumptions.</li> </ul>





## Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

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

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

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity 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 cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing (New Zealand) 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 at the External Reporting Board's website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Simon O'Connor.

A stylized, handwritten-style signature of 'Ernst &amp; Young' in black ink.

Chartered Accountants  
Auckland  
30 May 2022

# Shareholder and Statutory Information

## Company Shares

The Company's ordinary shares are listed on the NZX Main Board equity security market operated by NZX Limited. On 31 March 2022 the Company had issued voting securities comprising 61,482,169 fully paid, quoted ordinary shares (NZX: SVR).

During the financial year ended 31 March 2022, Savor undertook a share consolidation, by which all of the Company's shares as at 5:00pm on Friday 6 August 2021 were consolidated on a ratio of one ordinary share for every three ordinary shares then held.

## 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 31 March 2022:

Holder Details	Shares held	% Held
H & G Limited	9,156,653	14.89
Custodial Services Limited	8,876,982	14.44
Paul Robinson	3,984,859	6.48
Lucien Law	3,894,455	6.33
New Zealand Central Securities Depository Limited	3,665,952	5.96
JBWERE (NZ) Nominees Limited	3,109,955	5.06
B & S Custodians Limited	1,922,745	3.13
David Poole & Warren Ladbrook & Gaylene Cadwallader	1,790,418	2.91
David Lyall Holdings Limited	1,172,352	1.91
New Zealand Depository Nominee Limited (Sharesies)	1,122,697	1.83
Philip Bowman	1,105,000	1.80
Vanessa Neal	862,068	1.40
Waihinahina Capital Limited	666,667	1.08
William Davidson	590,000	0.96
Justin Bade & Dorota Bade & Rca Trustees 2016 Limited	538,428	0.88
Antonio Crisci & Vivienne Farnell & Toto Trustees Limited	531,776	0.87
David Lugton	519,658	0.85
Lucien Law & Stacey Law & Paul Robinson	500,938	0.82
Paul Robinson & Susannah Robinson & Lucien Law	500,938	0.82
Pamela Lugton	455,320	0.74
Pioneer Capital I Nominees Limited	454,698	0.74

## Substantial Product Holders

This information is given as required by the Financial Markets Conduct Act 2013.

As at 31 March 2022, the Company had 61,482,169 quoted ordinary shares on issue (NZX code: SVR).

Substantial product Holder	Notes	Ordinary Shares held	Date of Notice	% Issued Capital
H&G Limited		9,020,173	21 July 2021	14.67%
Colin Neal		9,140,476	9 April 2021	14.87%
Paul Robinson	1	4,141,585	15 May 2020	6.74%
Lucien Law	2	4,896,331	16 June 2021	7.96%

Notes:

- 1 Includes shares held directly and by the El Pilar A1 and Ika-Roa Investment Trusts.
- 2 Includes shares held directly and by the El Pilar A1 and Ika-Roa Investment Trusts.

## Spread of Shareholders at 31 March 2022

Range	Investors	Securities	Issued Capital %
1-1000	8	5,326	0.01%
1001-5000	482	1,440,815	2.34%
5001-10000	201	1,451,498	2.36%
10001-50000	222	4,856,935	7.90%
50001-100000	30	2,078,296	3.38%
Greater than 100000	55	51,649,299	84.01%

## Statement of Directors' Relevant Interests

Directors held the following relevant interests in shares in the Company as at 31 March 2022:

Director	Shares
Paul Robinson	4,485,797
Lucien Law	4,395,393
Ryan Davis	666,667
Louise Alexander	231

## 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 the Group for the year ended 31 March 2022 were:

Director	Director fee \$	Executive remuneration	Nature of remuneration	Notes
Paul Robinson	100,000	350,000	Director fees / Executive remuneration	
Lucien Law	60,000	350,000	Director fees / Executive remuneration	
Ryan Davis	60,000		Director fees	1
Louise Alexander	60,000		Director fees	
Geoff Ross	12,500	30,000	Director fees / Consulting fees	2
David Poole	3,333		Director fees	3
Rich Frank	3,333		Director fees	4
Sheena Henderson	3,333		Director fees	5

Notes:

1 Satisfied in shares issued to Waihinahina Capital Limited.

2 Paid to Southern Skies Limited, a company controlled by Geoff Ross. Geoff Ross ceased to be a director of the Company on 28 May 2021.

3 Paid to 1st Seed Capital Ltd and disclosed as "Directors remuneration". David Poole ceased to be a director of the Company on 8 April 2021.

4 Satisfied in shares issued to Rich Frank. Rich Frank ceased to be a director of the Company on 8 April 2021.

5 Sheena Henderson ceased to be a director of the Company on 8 April 2021.

## Entries recorded in the Interests Register

The following entries were recorded in the interests register of the Company during the year ended 31 March 2022.

Director	# of shares acquired	Nature of relevant interest	Consideration (\$)	Date of acquisition
Lucien Law	2,861,160	Voting shares	505,567	8/04/2021 <sup>1</sup>
Paul Robinson	2,535,447	Voting shares	448,013	8/04/2021 <sup>1</sup>
Ryan Davis	2,000,000	Voting shares	400,000	16/06/2021

Notes:

<sup>1</sup> Participation in 1 for 4.3077 rights issue at 17.67 cents per share (pre consolidation).

## Other Directorships and shareholdings

The following represents the interests of directors in other companies as at 31 March 2022 disclosed to the Company and entered in the Interests Register:

Lucien Law	Mizu Group Limited - Director Mizu Holdings Limited - Director MBP Hospitality Limited - Director Ika-Roa Limited - Director BH Group Limited - Director
Paul Robinson	Mizu Holdings Limited - Director Mizu Group Limited - Director MBP Hospitality Limited - Director Ika-Roa Limited - Director BH Group Limited - Director
Ryan Davis	Waihinahina Capital Limited - Director Waihinahina Limited - Director Greenmount Capital NZ Limited - Director Greenmount New Zealand Limited - Director
Louise Alexander	Bell Gully - Employee

## 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.

## Employee's 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 \$NZ '000	Number of employees
120-130	1
130-140	1
150-160	1
200-210	1

## Audit Fees

The amount of audit fees payable to EY during the period ending 31 March 2022 is set out in the notes to the financial statements. During the period ended 31 March 2022, EY did not provide any non-audit services to the Group.

## Donations

The Group made no donations during the year ended 31 March 2022.







# Corporate Directory

## Directors

### Lucien Law

Executive Director & CEO

### Paul Robinson

Executive Chairman

### Ryan Davis

Independent Director  
Appointed 8 April 2021

### Louise Alexander

Independent Director  
Appointed 8 April 2021

**The following persons ceased to hold office as directors of the Company during the year ended 31 March 2022:**

### Geoff Ross

Former Non-Executive Chairman  
Resigned 28 May 2021

### David Poole

Former Non-Executive Director  
Resigned 8 April 2021

### Sheena Henderson

Former Independent Director  
Resigned 8 April 2021

### Richard Frank

Former Independent Director  
Resigned 8 April 2021

## Financial Calendar

Interim results announced: November

End of financial year: 31 March

Annual results announced: May

Annual Report published: May

## Registered Office and address for service

Level 4, Seafarers Building, 114 Quay Street, Auckland, 1010, New Zealand

contact@savor.co.nz

## Auditor

EY

## Banker

Kiwibank

## Lawyers

Chapman Tripp

## Company Publications

The Company informs investors of the Group's business and operations by publishing 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

Level 30, PwC Tower, 15 Customs Street West, Auckland, PO Box 91976, Auckland 1142

Phone: +64 9 375 5998

Fax: +64 9 375 5990

Other questions should be directed to the Company 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 SVR.

Signed for and on behalf of the Board by:



Paul Robinson  
Executive Chairman



Ryan Davis  
Director

30 May 2022



New Zealand's premier hospitality group