Moa Group Limited
Financial Statements
for the year ended
31 March 2014

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The Board of Directors has pleasure in presenting the financial statements and audit report for Moa Group Limited ("the Group") for the year ended 31 March 2014.

The financial statements presented are signed for and on behalf of the Board of Directors and were authorised for issue on 27 May 2014.

Grant Baker
Chairman
27 May 2014

Alistair Ryan
Chair of the Audit and Risk Committee
27 May 2014

Independent Auditor's Report

to the shareholders of Moa Group Limited

Report on the Financial Statements

We have audited the financial statements of Moa Group Limited ("the Company") on pages 6 to 33, which comprise the statements of financial position as at 31 March 2014, the statements of comprehensive income, statements of movements in equity and statements of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for both the Company and the Group. The Group comprises the Company and the entities it controlled at 31 March 2014 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company and the Group's preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor and providers of other assurance services we have no relationship with, or interests in, Moa Group Limited or its subsidiary.

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Opinion

In our opinion, the financial statements on pages 6 to 33:

(i) comply with generally accepted accounting practice in New Zealand; and

(ii) comply with International Financial Reporting Standards; and

(iii) give a true and fair view of the financial position of the Company and the Group as at 31 March 2014, and their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2014:

(i) we have obtained all the information and explanations that we have required; and

(ii) in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

Chartered Accountants | Auckland
27 May 2014

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Moa Group Limited
Statements of Comprehensive Income
For the year ended 31 March 2014

	Notes	Group		Parent	
		2014	**2013**	**2014**	**2013**
		$000	**$000**	**$000**	**$000**
Revenue	5	4,597	2,451	-	-
Cost of sales		(3,805)	(1,603)	-	-
Gross profit		**792**	**848**	-	**-**
Other gains/(losses)	6	(146)	(23)	-	-
Distribution expenses		(1,244)	(492)	-	-
Administration expenses		(3,650)	(1,436)	(793)	(474)
Listing expenses		-	(395)	-	(395)
Sales and marketing expenses		(1,304)	(586)	(6)	-
Cellar door expenses		(73)	(31)	-	-
Payment under bank guarantee	7	(184)	-	-	-
Other expenses	8	(340)	-	-	-
Finance income and expenses	9	332	191	-	-
Total expenses	10	**(6,463)**	**(2,749)**	**(799)**	**(869)**
Profit/(Loss) before income tax		**(5,817)**	**(1,924)**	**(799)**	**(869)**
Income tax expense	11	-	-	-	-
Profit/(Loss) for the period		**(5,817)**	**(1,924)**	**(799)**	**(869)**
Other comprehensive income		-	-	-	-
Total comprehensive profit/(loss) for the period		**(5,817)**	**(1,924)**	**(799)**	**(869)**
Earnings per share					
Basic losses (cents per share)	24	(19.2)	(7.3)		
Diluted losses (cents per share)	24	(19.2)	(7.3)		

Notes:

1. All profit/(loss) and total comprehensive profit/(loss) is attributable to the Parent Company shareholders and is from continuing operations.
2. The comparative figures for 2013, represent the period since incorporation on 27 August 2012, and include the first six months of trading of Moa Brewing Company Limited which was acquired on 1 October 2012.

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

Moa Group Limited
Statements of Financial Position
As at 31 March 2014

	Notes	Group 2014 $000	Group 2013 $000	Parent 2014 $000	Parent 2013 $000
Current assets					
Cash and cash equivalents	12	4,073	11,485	-	-
Trade and other receivables	13	1,789	1,499	5	75
Advances to subsidiary	22	-	-	13,416	13,933
Inventories	14	1,933	777	-	-
Tax receivable		3	4	-	-
Total current assets		**7,798**	**13,765**	**13,421**	**14,008**
Non-current assets					
Plant and equipment	15	3,069	2,369	-	-
Investment in subsidiary	16	-	-	1,670	1,670
Deferred tax asset	17	-	-	-	-
Total non-current assets		**3,069**	**2,369**	**1,670**	**1,670**
Total assets		**10,867**	**16,134**	**15,091**	**15,678**
Liabilities					
Trade and other payables	18	2,039	1,599	190	88
Total liabilities		**2,039**	**1,599**	**190**	**88**
Net assets		**8,828**	**14,535**	**14,901**	**15,590**
Equity					
Contributed equity	19	16,440	16,360	16,440	16,360
Reserves	20	129	99	129	99
Accumulated losses	20	(7,741)	(1,924)	(1,668)	(869)
Total equity		**8,828**	**14,535**	**14,901**	**15,590**

The above statements of financial position should be read in conjunction with the accompanying notes.

Group	**Notes**	**Share capital $000**	**Accumulated losses $000**	**Reserves $000**	**Total equity $000**
Balance at incorporation		-	-	-	-
Total comprehensive loss for the period		-	(1,924)	-	(1,924)
Share based payments	20	-	-	99	99
Issue of shares:					
On acquisition of subsidiary		1,670	-	-	1,670
For cash at IPO		16,000	-	-	16,000
IPO share issue cost		(1,310)	-	-	(1,310)
Closing balance as at 31 March 2013		**16,360**	**(1,924)**	**99**	**14,535**
Opening balance as at 1 April 2013		**16,360**	**(1,924)**	**99**	**14,535**
Total comprehensive loss for the period		-	(5,817)	-	(5,817)
Share based payments	20	-	-	91	91
Redeemable shares vested	19	61		(61)	-
Issue of shares in lieu of directors' fees	19	19	-	-	19
Closing balance as at 31 March 2014		**16,440**	**(7,741)**	**129**	**8,828**

Parent	**Notes**	**Share capital $000**	**Accumulated losses $000**	**Reserves $000**	**Total equity $000**
Balance at incorporation		**-**	**-**	**-**	**-**
Total comprehensive loss for the period		-	(869)	-	(869)
Share based payments	20	-	-	99	99
Issue of shares:					
On acquisition of subsidiary		1,670	-	-	1,670
For cash at IPO		16,000	-	-	16,000
IPO share issue cost		(1,310)	-	-	(1,310)
Closing balance as at 31 March 2013		**16,360**	**(869)**	**99**	**15,590**
Opening balance at 1 April 2013		**16,360**	**(869)**	**99**	**15,590**
Total comprehensive loss for the period		-	(799)	-	(799)
Share based payments	20	-	-	91	91
Redeemable shares vested	19	61	-	(61)	-
Issue of shares in lieu of directors' fees	19	19	-	-	19
Closing balance as at 31 March 2014		**16,440**	**(1,668)**	**129**	**14,901**

The above statements of movements in equity should be read in conjunction with the accompanying notes.

Moa Group Limited
Statements of Cash Flows
For the year ended 31 March 2014

	Notes	Group		Parent	
		2014 $000	2013 $000	2014 $000	2013 $000
Operating activities					
Receipts from customers		5,252	3,330	-	-
Payments to suppliers and employees		(12,082)	(5,378)	(517)	(757)
Interest received		335	146	-	-
Interest paid		(3)	(15)	-	-
Indirect taxation (paid)/received		(65)	26	-	-
Net operating cash flows	23	**(6,563)**	**(1,891)**	**(517)**	**(757)**
Investing activities					
Cash acquired with subsidiary		-	90	-	-
Purchase of plant and equipment		(850)	(808)	-	-
Sale of plant and equipment		1	4	-	-
Net investing cash flows		**(849)**	**(714)**	-	**-**
Financing activities					
Funds advanced to subsidiary	22	-	-	517	(13,933)
Proceeds from borrowing		-	400	-	-
Repayment of bank borrowing		-	(1,000)	-	-
Net proceeds from issue of shares		-	14,690	-	14,690
Net financing cash flows		**-**	**14,090**	**517**	**757**
Net increase/(decrease) in cash and cash equivalents		**(7,412)**	**11,485**	-	**-**
Cash and cash equivalents at beginning of period		11,485	-	-	-
Cash and cash equivalents at end of period	12	**4,073**	**11,485**	**-**	**-**

Note:
The comparative figures for 2013, represent the period since incorporation on 27 August 2012, and include the first six months of trading of Moa Brewing Company Limited which was acquired on 1 October 2012.

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 General information

Moa Group Limited ('the Parent' or 'Company') and its subsidiary (together 'the Group') operate in the beverage sector, brewing and distributing super premium craft beer and cider. The Company has operations in New Zealand and sells predominantly to New Zealand businesses with growing exports to USA, Australia and Asia.

The Group is subject to the impacts of seasonality with the six month period September to March representing the high period of the year. The prior period comparative results to 31 March 2013 represent the equivalent of the initial six months trading post acquisition of Moa Brewing Company Limited which includes this traditional high period.

The financial statements cover the first full trading year of Moa Group Limited with comparative figures for the corresponding prior period, representing the period since incorporation on 27 August 2012, and includes the first six months of trading of Moa Brewing Company Limited which was acquired on 1 October 2012.

The address of its registered office is Level 1, Union Fish Co. Building, 116-118 Quay Street, Auckland 1010.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied throughout the periods presented unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards as appropriate for profit-oriented entities. The parent and consolidated financial statements of Moa Group Limited also comply with International Financial Reporting Standards (IFRS). The financial statements for the Parent and Group have been prepared on a going concern basis. See note 3(e) for discussion of capital adequacy and financial support from the major shareholders.

The financial statements presented as at the balance date of 31 March 2014 are the second financial statements of the Company as a separate legal entity, with the comparatives covering the period since incorporation on 27 August 2012 and representing the equivalent of six months of trading.

The preparation of financial statements in accordance with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The financial statements for the Parent are for Moa Group Limited as a separate legal entity. Moa Group Limited is a limited liability company which is domiciled and incorporated in New Zealand. It is registered under the Companies Act 1993. The Company was incorporated on 27 August 2012. The consolidated financial statements for 'the Group' are for the economic entity comprising Moa Group Limited and its subsidiary.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993. The information is presented in thousands of New Zealand dollars.

The Group has adopted the following new and amended NZ IFRS standards of relevance to the Group and Parent in preparing these financial statements:

NZ IFRS 10 Consolidated Financial Statements, NZ IFRS 11 Joint Arrangements, NZ IFRS 12 Disclosure of Interests in Other Entities, revised NZ IAS 27 Separate Financial Statements and NZ IAS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2013)

NZ IFRS 10 replaces all of the guidance on control and consolidation in NZ IAS 27 and NZ SIC 12. The core principle that a consolidated entity represents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. This new standard does not have a significant impact on the Group.

NZ IFRS 11 introduces a principles based approach to accounting for joint arrangements, focusing on how rights and obligations are shared by the parties to the joint arrangement rather than on the legal structure. A joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. The Group does not currently have any joint arrangements.

NZ IFRS 12 sets out the required disclosures for entities reporting under the two new standards, NZ IFRS 10 and NZ IFRS 11, and replaces the disclosure requirements currently found in NZ IAS 28. Application of this standard by the Group does not affect any of the amounts recognised in the financial statements or impact the type of information disclosed in relation to the Group's investments.

NZ IAS 27 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by the Group and Parent does not affect any of the amounts recognised in the financial statements or information disclosed in relation to the Parent's investments in the separate Parent entity financial statements.

Amendments to NZ IAS 28 provide clarification that an entity continues to apply the equity method and does not re-measure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a 'partial disposal' concept. The amendment does not have a material impact on the Group's financial statements.

NZ IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

NZ IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard does not have a material impact on the Group's financial statements.

NZ IAS 1 Amendments Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. This will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period.

Amendments to NZ IFRS arising from Annual Improvements 2009-2011 cycle (effective for annual periods beginning on or after 1 January 2013)

In June 2012 a number of amendments were made to NZ IFRS as a result of the 2009-2011 annual improvements project. No material adjustments were necessary as a result of applying the revised rules.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Moa Group Limited ('Parent') and Moa Brewing Company Limited ('Subsidiary') as at 31 March 2014 and the trading results for the period then ended. Moa Group Limited and its subsidiary together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are entities that are controlled, either directly or indirectly, by the Group. Control exists when the Group has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition of the subsidiary, Moa Brewing Company Limited on 1 October 2012, has been accounted for as a capital restructuring. The cost of the acquisition is measured as the predecessor value of the assets and liabilities assumed at the date of exchange.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, 'the functional currency'. The consolidated and parent financial statements are presented in New Zealand dollars, which is the functional and presentation currency of Moa Group Limited and its subsidiary.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss component of the statement of comprehensive income.

(d) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, Excise Tax, rebates and discounts. Revenue is recognised as follows:

(i) Sales of goods – wholesale
Sales of goods are recognised when a Group entity has delivered products to the customer and collectability of the related receivables is reasonably assured.

(ii) Finance income
Interest income is recognised on a time-proportion basis using the effective interest method.

(e) Income tax

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

Movements in deferred tax are attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements and any unused tax losses or credits. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or loss or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. The income tax expense or credit attributable to amounts recognised in other comprehensive income is also recognised in other comprehensive income.

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

(f) Goods and services tax (GST)

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

(g) Excise tax

All amounts in the statement of comprehensive income are shown exclusive of excise tax.

(h) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss component of the statement of comprehensive income on a straight-line basis over the term of the lease.

(i) Financial instruments

Financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables.

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(j) Cash and cash equivalents

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

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement between 30-90 days from invoice date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence, such as default or delinquency in payment, that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit or loss component of the statement of comprehensive income.

The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the profit or loss component of the statement of comprehensive income within 'administration expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administration expenses' in the statement of comprehensive income.

(l) Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The Group determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. The Group and Parent entity's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'receivables from subsidiaries' in the statement of financial position.

Purchases and sales of financial assets are recognised on transaction date, being the date on which the Group commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(m) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of cash and cash equivalents, receivables, payables and accruals and the current portion of borrowings are assumed to approximate their fair values due to the short-term maturity of these investments. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(n) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, 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.

(o) Investments in subsidiary

Investments in the subsidiary in the Parent financial statements are stated at cost less impairment, if any.

(p) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 period in which they are incurred.

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

Plant and equipment	4.0%	-	50.0%
Leasehold improvements	10.0%		
Furniture and office equipment	8.3%	-	33.3%
Cellar door equipment	10.0%	-	33.3%
Marketing and trade equipment	20.0%		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss component of the statement of comprehensive income.

(q) Impairment of non-financial assets

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

(r) 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 period which are unpaid. The amounts are unsecured and are usually paid within 30 and 60 days of recognition.

(s) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(t) Share schemes

The fair value of director and senior employee share schemes, under which the Company receives services from directors and employees as consideration for equity instruments of the Company, is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any equity market performance conditions and excluding the impact of any service and non-market performance vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity over the remaining vesting period. When the options are exercised the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(v) Standards, amendments and interpretations to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2014 or later periods.

(i) Standards and Interpretations early adopted by the Group

The Group and Parent have not early adopted any new accounting standard and IFRIC interpretations in the current financial period.

(ii) Standards, amendments and interpretations to existing standards that are relevant to the Group, not yet effective and have not been early adopted by the Group

NZ IFRS 9: Financial instruments (effective for annual periods beginning on or after 1 January 2015)

NZ IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces those parts of NZ IAS 39. NZ IFRS 9 requires financial instruments to be classified into two measurement categories: amortised cost and fair value. The determination is made at initial recognition. All equity investments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss.

For financial liabilities the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

This new standard is not anticipated to have a material impact on the Group or Parent's financial statements.

3 Financial risk management

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.

(a) Market risk

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

(i) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group's entities, being NZ dollars (NZD). The currency risk arises primarily with respect to sales to international customers in US dollars (USD) and Australian dollars (AUD), and to the purchase of materials, services and plant in US dollars (USD), Canadian dollars (CAD) and Euros (EUR).

The Group uses natural hedges where possible and monitors its estimated foreign currency exposure in respect of forecast revenue received from international customers and in respect of forecast material purchases. The Group will continue to review its currency risk strategy as the business grows and the proportion of international sales and purchases changes.

The table below summarises the Group's exposure at the reporting date to foreign currency risk on the monetary assets and liabilities against its functional currency, expressed in NZ dollars.

NZ$000	USD	AUD	GBP	EUR	CAD
Trade and other receivables	79	154	19	-	35
Trade and other payables	(8)	8	-	(244)	-
Cash and cash equivalents	-	-	-	-	-
Total as at 31 March 2013	**71**	**162**	**19**	**(244)**	**35**
Trade and other receivables	194	397	-	-	19
Trade and other payables	(12)	(18)	-	(11)	-
Cash and cash equivalents	-	83	-	513	-
Total as at 31 March 2014	**182**	**462**	**-**	**502**	**19**

Sensitivity analysis – underlying exposures

A 10% weakening of the NZ dollar against the US and Australian currencies as at 31 March 2014 would have increased/(decreased) equity and the net result for the period by the amounts shown below. This analysis assumes that all other variables remain constant.

US dollar
The Group's net result and equity for the period would have been $20,000 higher. The Parent's net result and equity for the period would have been unchanged.

Australian dollar
The Group's net result and equity for the period would have been $51,000 higher. The Parent's net result and equity for the period would have been unchanged.

A 10% strengthening of the NZ dollar against the US and Australian currencies as at 31 March 2014 would have increased/(decreased) equity and the net result for the period by the amounts shown below. This analysis assumes that all other variables remain constant.

US dollar
The Group's net result and equity for the period would have been $17,000 lower. The Parent's net result and equity for the period would have been unchanged.

Australian dollar
The Group's net result and equity for the period would have been $42,000 lower. The Parent's net result and equity for the period would have been unchanged.

The Group's exposure to other foreign exchange movements is not material. The Euro balance as at 31 March 2014 is currency held to pay for a capital purchase and is not representative of ongoing trading exposure.

(ii) *Interest rate risk*
The Group's fair value interest rate risk as at 31 March 2014 arises from its bank deposits. This risk is managed by the Group placing its capital raising proceeds on fixed rate term deposits with partial breaks to meet operating and capital expenditure requirements.

(iii) *Price risk*
The Group does not enter into commodity contracts other than to meet the Group's expected usage and sale requirements; such contracts are not settled net.

(iv) *Fair value hierarchy*
Financial instruments are measured at fair value using the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

At balance date the Group does not have any financial instruments that require classification in accordance with the fair value hierarchies. The carrying values for trade and other receivables and trade and other payables are reasonable approximations for fair value.

Financial liabilities measured at amortised cost are fair valued using the contractual cash flows. The effects of discounting are generally insignificant.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from the Group's receivables due from customers. Only major banks are accepted for cash and deposit balances.

The Group has five large customers which represent 50% of Group sales. Credit risk is concentrated predominantly within New Zealand, USA and Australia and the market for wholesale beer and cider. The Group has established credit policies under which each new customer is analysed for creditworthiness before payment and delivery terms and conditions are agreed.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance is based on specific losses that relate to individually significant exposures.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in Note 13.

(c) 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. Also refer Note 3(e).

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

The tables below analyse the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows in respect of financial liabilities. Balances due within 12 months equal their carrying value as the impact of discounting is not significant.

		Group		Parent	
Maturities of financial liabilities	**Notes**	**2014**	**2013**	**2014**	**2013**
		$000	**$000**	**$000**	**$000**
Non-derivative financial liabilities					
Trade and other payables – less than 3 months	18	1,970	1,476	190	88
Trade and other payables – more than 3 months	18	-	-	-	-
Total		**1,970**	**1,476**	**190**	**88**

Employee entitlements and GST payable do not meet the definition of a financial liability and have been excluded from the table above.

(d) Financial instruments by category

		Group		Parent	
Assets as per balance sheet	**Notes**	**2014**	**2013**	**2014**	**2013**
		$000	**$000**	**$000**	**$000**
Trade and other receivables	13	1,642	1,261	-	-
Advances to subsidiary	22	-	-	13,416	13,933
Cash and cash equivalents	12	4,073	11,485	-	-
Total		**5,715**	**12,746**	**13,416**	**13,933**

Prepayments and GST receivable do not meet the definition of a financial asset and have been excluded from the table above.

Liabilities as per balance sheet	Notes	Group 2014 $000	Group 2013 $000	Parent 2014 $000	Parent 2013 $000
Trade and other payables	18	1,970	1,476	190	88
Total		**1,970**	**1,476**	**190**	**88**

Employee entitlements and GST payable do not meet the definition of a financial liability and have been excluded from the table above.

(e) Capital adequacy

The Board's aim is to maintain a strong capital base to sustain future development of the business and to maintain investor and creditor confidence. In the previous financial year the Group raised $16,000,000 through an IPO offer. The major shareholders, The Business Bakery LP and Pioneer Capital Partners I, have provided the Company with a letter of commitment, subject to normal commercial terms, to provide financial support for 12 months from the date these financial statements are authorised. The directors believe that this financial support is sufficient to allow the Group to continue to operate and meets its obligations for at least the next year.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the judgements applied are as follows.

Judgement is exercised in determining the timing and extent of recognition of the benefit of tax losses. The benefit of tax losses can be recognised as an asset if its recovery is 'probable' (more likely than not). In the absence of any track record of profitability, convincing evidence is needed of how the losses will be recovered in the future, before any deferred tax asset is recognised.

The Group has not recognised any benefit as at 31 March 2014 in respect of the tax losses generated, given the history of losses and the expectation that it will be at least two years before taxable profits are available against which these tax losses will be able to be utilised.

The carrying values of the Company and Group's assets principally rely on the expectation of continued growth in sales, which supports the current assessment that there are no impairments. If those growth expectations change, or the expected profitability of the Group otherwise changes, there may be impairments of the Company and/or Group's assets in future periods.

5 Segment 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.

Although certain geographies do not currently meet the NZ IFRS 8 quantitative thresholds, management has concluded that these segments should be reported as they are closely monitored by the chief operating decision maker as potential growth segments and are expected to materially contribute to Group revenue in the future.

The chief operating decision maker assesses the performance of the operating segments based on a measure of EBITDA (Earnings before interest, taxation, depreciation and amortisation). This measurement basis excludes the effects of non-recurring expenditure from operating segments. Interest income and costs are not allocated to segments as this type of activity is driven by the Group's head office function which manages the cash position of the Group. Head office costs are allocated to New Zealand sales as this segment represents the largest proportion of the Group's sales.

The segment information provided to the chief operating decision maker for the reportable segments is as follows:

	New Zealand	Australia	USA	Rest of World	Total
	$000	$000	$000	$000	$000
Year ending 31 March 2013					
Segment revenue	1,951	216	87	197	2,451
EBITDA*	(1,848)	(5)	(217)	46	(2,024)
Depreciation and amortisation	82	-	-	-	82
Income tax expense	-	-	-	-	-
Capital expenditure	1,112	-	-	-	1,112
Year ending 31 March 2014					
Segment revenue	2,689	562	771	575	4,597
EBITDA*	(4,716)	(497)	(861)	131	(5,943)
Depreciation and amortisation	197	-	-	-	197
Income tax expense	-	-	-	-	-
Capital expenditure	907	-	-	-	907

**EBITDA – Earnings before interest, tax, depreciation and amortisation*

A reconciliation of EBITDA to the Group's loss before tax for the year is as follows:

	Group	
	2014	2013
	$000	$000
EBITDA for reportable segments	(5,943)	(2,024)
Depreciation and amortisation	(197)	(82)
Loss on disposal of assets	(9)	(9)
Finance income and expenses	332	191
Profit/(Loss) before income tax	**(5,817)**	**(1,924)**

Revenues from external customers are derived from sale of goods in the beverage sector.

The total of non-current assets is $3,069,000 (2013: $2,369,000), all of which are located in New Zealand.

Segment assets and liabilities are not included within the reporting to the chief operating decision maker and hence have not been included within the segment information tables above.

6 Other gains/(losses)

	Group		Parent	
	2014	2013	2014	2013
	$000	$000	$000	$000
Foreign exchange gains/(losses)	(142)	(14)	-	-
Disposal of fixed assets gains/(losses)	(9)	(9)	-	-
Sundry Income	5	-	-	-
Total	**(146)**	**(23)**	**-**	**-**

7 Payment under bank guarantee

Clooney (San Francisco) Limited is a New Zealand entity which had interests in a venture operating a restaurant and bar in San Francisco during the America's Cup competition. Moa Brewing Company Limited had provided a guarantee to the Bank of New Zealand in respect of a Committed Cash Advance Facility of $675,000 in favour of Clooney (San Francisco) Limited to support the financing of the venture. Following completion of the project the guarantee was called for the remaining balance of the loan of $183,000.

Under the terms of the agreement between the Group and Clooney (San Francisco) Limited, the Group agreed to share 50% of profits and underwrite 50% of any losses. The Group's share of the losses was $110,000 and so it is now seeking recovery of the net amount of $73,000. A provision has been recognised in the current period for this amount as the prospect for recovery is assessed as unlikely.

8 Other expenses

The Group had significant one-off costs totalling $340,000.The main item is the termination expenses in respect of the New Zealand and Australian distribution agency agreements.

9 Finance income and expenses

	Group		**Parent**	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Interest payable	(3)	(15)	-	-
Interest receivable	335	206	-	-
Net finance income and expenses	**332**	**191**	**-**	**-**

10 Expenses

	Group		**Parent**	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Profit/(Loss) before income tax includes the following expenses:				
Depreciation:				
Plant and equipment	106	42	-	-
Furniture and office equipment	10	4	-	-
Leasehold improvements	3	1	-	-
Cellar door	11	4	-	-
Marketing and trade equipment	67	31	-	-
Total depreciation	**197**	**82**	**-**	**-**
Expenses relating to operating leases:				
Minimum lease payments	78	40	-	-
Total rental expense relating to operating leases	**78**	**40**	**-**	**-**
Sundry expenses:				
Donations	-	1	-	-
Total sundry expenses	**-**	**1**	**-**	**-**
Employee benefits:				
Salaries and wages (1)	2,349	885	-	-
Kiwisaver	43	12	-	-
Total employee benefits	**2,392**	**897**	**-**	**-**
Audit and other services:				
Audit financial statements	86	77	86	77
Other assurance services (2)	-	95	-	95
Other services (3)	8	-	8	-
Total remuneration for audit and other services	**94**	**172**	**94**	**172**

(1) The employee benefit expense disclosed above does not include the consultancy fees payable to key management (refer Note 22).
(2) The other assurance services in 2013 related to the statutory auditor's report included in the October 2012 prospectus.
(3) The other services in 2014 related to agreed upon procedures in relation to the interim financial statements.

11 Income tax

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows.

	Notes	Group		Parent	
		2014	**2013**	**2014**	**2013**
		$000	**$000**	**$000**	**$000**
Loss from continuing operations before income tax		(5,817)	(1,924)	(799)	(869)
Tax at 28%		(1,629)	(539)	(224)	(243)
Tax effect of non-deductible items:					
Non-deductible expenses		31	142	26	138
Temporary differences not recognised		60	3	26	-
Tax benefit asset/(liability) not recognised	17	1,538	394	172	105
Income tax expense		**-**	**-**	**-**	**-**

12 Cash and cash equivalents

	Group		Parent	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Cash at bank and on hand	4,073	11,485	-	-
Total	**4,073**	**11,485**	**-**	**-**

All accounts are either on call or are short term deposits that are subject to variable interest rates.

13 Trade and other receivables

	Notes	Group		Parent	
		2014	**2013**	**2014**	**2013**
		$000	**$000**	**$000**	**$000**
Trade receivables		1,725	1,067	-	-
Provision for doubtful debts		(113)	(10)	-	-
		1,612	**1,057**	**-**	**-**
Amounts due from related parties	22	1	9	-	-
Prepayments		147	238	5	75
Other receivables		29	195	-	-
Total		**1,789**	**1,499**	**5**	**75**

(a) Impaired receivables

As at 31 March 2014 current trade receivables of the Group with a nominal value of $113,000 (2013: $10,000) were impaired and provided for. Included in this figure is $73,000 owed by Clooney (San Francisco) Limited referred in Note 7.

(b) Past due but not impaired receivables

As at 31 March 2014, trade receivables of $214,000 (2013: $137,000) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group		Parent	
	2014	2013	2014	2013
	$000	$000	$000	$000
1 - 30 days overdue	-	15	-	-
31 - 60 days overdue	70	60	-	-
61+ days overdue	144	62	-	-
Total	**214**	**137**	**-**	**-**

(c) Provision for impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	Group		Parent	
	2014	2013	2014	2013
	$000	$000	$000	$000
Opening balance	10	-	-	-
On acquisition of subsidiary	-	16	-	-
Provision for impairment created/(released) during period	105	(5)	-	-
Receivables written off during period	(2)	(1)	-	-
Closing balance	**113**	**10**	**-**	**-**

The creation and release of the provision for impaired receivables has been included in ‘administration expenses’ in the statement of comprehensive income. Amounts charged to the provision account are generally written off when there is no expectation of recovery.

The other balances within total trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(d) Foreign exchange and interest rate risk

Refer to note 3(a)(i) for an analysis of Group's exposure to foreign currency risk in relation to trade and other receivables.

(e) Fair value and credit risk

Due to the short-term nature of the receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above.

The Group does not hold any collateral as security. Refer to Note 3 for more information on the risk management policy of the Group.

14 Inventories

	Group		Parent	
	2014	2013	2014	2013
	$000	$000	$000	$000
Raw materials	611	373	-	-
Work in progress	387	151	-	-
Finished goods	935	253	-	-
Total inventories	**1,933**	**777**	**-**	**-**

There was a write-down of inventories due to obsolescence during the period of $16,000 (2013:$6,000) charged to 'cost of sales' in the statement of comprehensive income.

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to $2,341,000 (2013: $943,000)

15 Plant and equipment

Group 2013	Plant and equipment	Furniture and office equipment	Leasehold improvements	Motor vehicles	Cellar door	Marketing and trade equipment	Total
	$000	$000	$000	$000	$000	$000	$000
Opening net book value	-	-	-	-	-	-	-
Acquisition of subsidiary	1,065	22	20	13	9	224	1,353
Additions	810	3	181	-	69	49	1,112
Disposals	(1)	-	-	(13)	-	-	(14)
Depreciation	(42)	(4)	(1)	-	(4)	(31)	(82)
Closing net book value	**1,832**	**21**	**200**	**-**	**74**	**242**	**2,369**
Cost	1,874	25	201	-	78	273	2,451
Accumulated depreciation	(42)	(4)	(1)	-	(4)	(31)	(82)
Closing net book value	**1,832**	**21**	**200**	**-**	**74**	**242**	**2,369**

Group 2014	Plant and equipment	Furniture and office equipment	Leasehold improvements	Motor vehicles	Cellar door	Marketing and trade equipment	Total
	$000	$000	$000	$000	$000	$000	$000
Opening net book value	1,832	21	200	-	74	242	2,369
Additions	797	22	27	-	12	49	907
Disposals	-	-	-	-	-	(10)	(10)
Depreciation	(106)	(10)	(3)	-	(11)	(67)	(197)
Closing net book value	**2,523**	**33**	**224**	**-**	**75**	**214**	**3,069**
Cost	2,671	47	228	-	90	312	3,348
Accumulated depreciation	(148)	(14)	(4)	-	(15)	(98)	(279)
Closing net book value	**2,523**	**33**	**224**	**-**	**75**	**214**	**3,069**

Capital work in progress of $1,000,000 is included in Plant and equipment for the brewery development and $200,000 in Leasehold improvements for the pipeline for disposal of effluent. Depreciation of these items will not commence until the individual assets are in use.

The parent has no plant and equipment.

16 Investment in subsidiary

	Parent	
	2014	2013
	$000	$000
Shares in subsidiary at cost	1,670	1,670

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2(b):

	Business	Country of incorporation	Class of shares	Equity holding
Moa Brewing Company Limited	Trading	NZ	Ordinary	100%

17 Deferred tax

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Moa Group Ltd and its subsidiary formed a consolidated tax group effective from 1 October 2012 being the date of the acquisition of the subsidiary.

(a) The Group

The Group has not recognised deferred accumulated income tax assets of $3,329,000 (2013: $1,791,000) in respect of total accumulated losses that can be carried forward against future taxable income. Of these accumulated losses totalling $11,890,000 losses of $4,973,000 were in the subsidiary at the date of acquisition 1 October 2012. These losses have no expiry date but are subject to shareholder continuity requirements being met from the time the tax losses arose until their utilisation.

(b) The Parent

The Parent has not recognised deferred income tax assets of $277,000 (2013:$105,000) in respect of total accumulated losses amounting to $989,000 (2013: $375,000) that can be carried forward against future taxable income. These losses have no expiry date but are subject to shareholder continuity requirements being met from the time the tax losses arose until their utilisation.

18 Trade and other payables

		Group		Parent	
	Notes	2014 $000	2013 $000	2014 $000	2013 $000
Trade payables		1,469	1,186	9	-
Amounts due to related parties	22	118	97	92	-
Accrued expenses		383	193	89	88
GST payable		(40)	24	-	-
Employee entitlements		109	99	-	-
Total trade and other payables		**2,039**	**1,599**	**190**	**88**

19 Contributed equity

Group and Parent	Notes	2014 Shares	2013 Shares	2014 $000	2013 $000
Authorised and issued ordinary shares (no par value)	19(a)	30,096,549	30,096,549	16,360	16,360
Vested pre-IPO redeemable shares	19(b)	227,590	-	61	-
Non-listed non-voting shares issued to directors	19(c)	16,499	-	19	-
Total contributed equity		**30,340,638**	**30,096,549**	**16,440**	**16,360**

The total number of authorised ordinary shares is 30,096,549. All issued shares are fully paid. The vested pre-IPO redeemable shares and the non-listed non-voting shares issued to directors are also entitled to distributions and therefore have been included within contributed equity.

In addition the Company has 1,407,863 redeemable shares on issue (2013: 1,975,453).

(a) Ordinary shares

	Number of ordinary shares	$000
Issued on incorporation	1	-
Net assets of subsidiary acquired	6,175,384	1,670
Shares issued in respect of cashless option exercise	401,428	-
Shares issued from share split	10,719,736	-
Shares issued in IPO	12,800,000	16,000
IPO share issue costs	-	(1,310)
Balance as at 31 March 2013	**30,096,549**	**16,360**
Balance as at 31 March 2014	**30,096,549**	**16,360**

(b) Share based payments and redeemable shares

Number of redeemable shares	2014	2013
Opening balance	1,975,453	-
Redeemable shares issued pre-IPO (post share split)	-	303,453
Pre-IPO shares vested	(227,590)	-
Shares issued post IPO	-	1,752,000
Shares redeemed	(340,000)	(80,000)
Total pre-IPO and post-IPO redeemable shares	**1,407,863**	**1,975,453**

Redeemable shares (Pre-IPO)

Gareth Hughes and Kelvin Ovington both each currently hold 151,726 unlisted redeemable shares in the Company which may be fully reclassified as ordinary shares if they remain in employment with Moa Group until 23 May 2014 and 12 June 2014 respectively, and part reclassified if the employee ceases employment prior to that date. Of these shares 113,795 each have vested and are exercisable as at 31 March 2014. The vested shares have been reclassified to Contributed equity.

Redeemable shares (Post-IPO)

On 11 March 2013, the Company issued 1,752,000 unlisted redeemable shares, with an issue price of $1.25, which were allotted to independent directors, key senior executives and agents/distributors, as contemplated in the Investment Statement dated 11 October 2012 as follows:

The Business Bakery LP	912,000
Kim Ellis	160,000
Alistair Ryan	160,000
David Nicholls	100,000
Josh Scott	80,000
Gareth Hughes	80,000
Kelvin Ovington	80,000
Sunil Unka	80,000
Agents / Distributors	100,000
Total	**1,752,000**

The redeemable shares have the same rights and terms, and rank uniformly in all respects with ordinary shares.

In satisfaction of the issue price of the redeemable shares, the Parent's subsidiary, Moa Brewing Company Limited, provided loans to the redeemable shareholders of $2,190,000 in aggregate. The loans provided are interest free, have recourse only against the redeemable shares and are repayable in full on 12 November 2015, or earlier under certain conditions. As at 31 March 2014, no cash has been exchanged in relation to this transaction and the aggregate value of the issue price, loans and receivable from subsidiary is not recognised in the financial statements.

The redeemable shares are subject to vesting conditions for each holder based on specific performance criteria and the holder remaining in service to the company, with the exception of the redeemable shares held by the independent directors, Kim Ellis and Alistair Ryan, which vested on issue.

Redeemable shares held by Gareth Hughes, Kelvin Ovington, Josh Scott and the Agents/Distributors, totalling 340,000 shares, failed to achieve the specific performance target and were redeemed as at 31 March 2014. Sunil Unka left the employment of the company and his shares of 80,000 were redeemed as at 31 March 2013.

The remaining 1,332,000 redeemable shares can be redeemed at the option of the company if the vesting conditions are not satisfied or there is a default in repaying the loan. The redemption price will be an amount equal to the issue price per share, and the company must pay the redemption price directly to Moa Brewing Company Limited in repayment of the loan.

Upon satisfaction of the vesting conditions and repayment of the loan, the redeemable shares automatically reclassify into ordinary shares in the Company.

(c) Directors' remuneration

Under the terms of the Parent's constitution directors can elect to take directors' fees in shares at average market prices for the period instead of cash. All directors agreed to apply 20% of their after-tax directors' fees to the purchase on-market, or by subscription of shares in lieu of a cash payment.

Alistair Ryan, Kim Ellis and Allan Scott are paid the full value of their directors' fees in cash by the Group and have agreed to purchase on-market shares at six-monthly intervals.

To comply with the Takeovers Code, The Business Bakery LP and Pioneer Capital on behalf of Grant Baker, Geoff Ross and Craig Styris have elected to take shares in lieu of directors' fees.

	No. of Shares
On market purchase of shares:	
Allan Scott	2,350
Kim Ellis	2,300
Alistair Ryan	2,300
Total	**6,950**
Non-listed non-voting shares in lieu of cash:	
The Business Bakery LP	10,760
Pioneer Capital	5,739
Total	**16,499**

20 Reserves and accumulated losses

(a) Reserves

	Group		Parent	
Share entitlement reserve	**2014**	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Opening balance	99	-	99	-
Share based payments	91	99	91	99
Redeemable shares vested	(61)	-	(61)	-
Closing balance	**129**	**99**	**129**	**99**

The fair value charge for share based payments relating to the redeemable shares issued has been calculated using the Black Scholes pricing model which calculates the value of the shares allocated under the scheme at 4 cents per share for the shares allocated to the CEO and 24 cents per share for the shares allocated to directors, agents and other employees under the scheme. These were calculated using the key inputs into the model of: exercise price of $1.25; actual share price and stock volatility of $1.25 and 24.3% respectively at the grant date, an average option life of 2.7 years and an annual risk-free interest rate of 3.17%. This value is expensed over the individual vesting periods.

The net amount expensed in the period to 31 March 2014, after adjusting for redeemed shares, is $25,000 (2013: $84,000).

Additionally, the fair value charge relating to the issue of shares to Gareth Hughes and Kelvin Ovington in August 2012 is being expensed over the vesting period, with the charge calculated as the difference between the fair value of shares at the date of issue and the consideration received from the employees. The amount expensed in the period to 31 March 2014 is $66,000 (2013: $15,000).

(b) Accumulated losses

	Group		Parent	
Accumulated losses	**2014**	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Opening balance	(1,924)	-	(869)	-
Net loss for the period	(5,817)	(1,924)	(799)	(869)
Closing balance	**(7,741)**	**(1,924)**	**(1,668)**	**(869)**

21 Commitments

(a) Capital commitments

The Group had commenced work on the installation of a pipeline for the disposal of effluent relating to its brewery development with an estimated cost of $251,000, of which $199,000 had been paid as at 31 March 2014.

The Group had also agreed to purchase plant relating to its brewery development at a quoted cost of $555,000. As at 31 March 2014, the Group had paid $378,000.

The Group has agreed to purchase brewing equipment at a quoted cost of $400,000. As at 31 March 2014, the Group had paid $140,000.

(b) Operating leases

The Group leases premises, plant and equipment, kegs and vehicles. Operating leases held over properties give the Group the right to renew the lease subject to a re-determination of the lease rental by the lessor.

There are no sub-leases from the above.

	Group		Parent	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Commitments for minimum lease payments in relation to non-cancellable operating leases:				
Within one year	69	69	-	-
Later than one year but not later than five years	35	54	-	-
Later than five years	-	-	-	-
Total lease commitments	**104**	**123**	**-**	**-**

22 Related party transactions

(a) Directors

The Directors during the period were:

		Date of appointment
Grant Baker	Non-Executive Chairman	27 August 2012
Geoff Ross	Chief Executive Officer	27 August 2012
Craig Styris	Non-Executive Director	27 August 2012
Allan Scott	Non-Executive Director	27 August 2012
Alistair Ryan	Independent Director	27 August 2012
Kim Ellis	Independent Director	27 August 2012

(b) Key management and personnel compensation

Chairman Grant Baker and Chief Executive Officer Geoff Ross provide consulting services to the Group through an associated company, The Business Bakery LP. Director services of Craig Styris were provided through Pioneer Capital Management Ltd and director fees for the period were payable to Alistair Ryan, Kim Ellis, and Allan Scott. Under the agreement between Moa Group Limited and The Business Bakery LP dated 10 October 2012, The Business Bakery LP provided executive services to the Group during the period, including access to the CEO for a fee of $240,000 (2013: $132,000).

	Group		Parent	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Directors' fees	235	131	235	131
Management services	265	132	265	132
Senior employees' short term benefits	631	358	-	-
Share based payments	91	99	91	99
Total	**1,222**	**720**	**591**	**362**

(c) Other transactions

(i) *With its major shareholders*

The Business Bakery LP charged for serviced office accommodation and parking to the Group at its premises in Quay Street, Auckland totalling $152,000 (2013: $56,000) for the year. The Business Bakery LP was reimbursed for purchases made on behalf of the Group during the year of $51,000 (2013: $7,000).

Pioneer Capital Management Limited provided advisory services relating to the Group's strategic initiatives, capital structure, funding alternatives, liquidity options and financial modelling totalling $25,000 (2013: $12,500), per a services agreement between Moa Brewing Company and Pioneer Capital Management dated 17 September 2010.

Moa Brewing Company leases its Jackson Road, Marlborough premises from Allan Scott Wine Estates Ltd (ASWEL) under a Deed of Lease agreement between ASWEL and the company dated 17 September 2010. ASWEL also provides various warehousing, maintenance, and production services to the company pursuant to a services agreement dated 17 September 2010. These totalled $8,000 (2013: $20,000) for the year. The company also purchased packaging materials totalling $9,000 (2013: nil).

During the period ended 31 March 2013 ASWEL, a company associated with director Allan Scott, received $19,000 and The Business Bakery LP received $47,000 in repayment of amounts owing to them by Moa Brewing Company Limited as at 1 October 2012.

	Group		Parent	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Receivables from related parties:				
ASWEL	1	7	-	-
Pioneer Capital	-	2	-	-
Closing balance	**1**	**9**	**-**	**-**
Payables to related parties:				
Non-executive directors	36	28	30	-
The Business Bakery LP	62	49	42	-
Independent directors	20	20	20	-
Closing balance	**118**	**97**	**92**	**-**

(ii) With subsidiaries

The Company provided funding to its subsidiary, Moa Brewing Company Limited, during the period. The loan is interest free and repayable on demand in New Zealand dollars.

	Parent	
	2014	**2013**
	$000	**$000**
Advances to subsidiary	13,416	13,933

Moa Brewing Company Ltd makes payments on behalf of the Parent, which does not operate a bank account, and recharges all expenses at cost.

23 Reconciliation of loss after income tax to net cash flows from operating activities

	Group		Parent	
	2014	**2013**	**2014**	**2013**
	$000	**$000**	**$000**	**$000**
Loss for the period	(5,817)	(1,924)	(799)	(869)
Depreciation and amortisation	197	82	-	-
Loss on disposal of fixed assets	9	9	-	-
Foreign exchange (gains)/losses	142	(5)	-	-
Shares in lieu of directors' fees	19	-	19	-
Share based payments	91	99	91	99
Movements in working capital:				
Increase in inventories	(1,156)	(136)	-	-
(Increase)/Decrease in trade and other receivables	(329)	42	70	(75)
Increase/(Decrease) in tax provisions	1	(4)	-	-
Increase/(Decrease) in trade and other payables	280	(54)	102	88
Net cash outflow from operating activities	**(6,563)**	**(1,891)**	**(517)**	**(757)**

24 Earnings per share

Basic earnings per share

Basic losses per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the period.

	2014	2013
Loss after tax $000	(5,817)	(1,924)
Weighted average number of shares entitled to distributions	30,251,578	26,522,426
Basic losses per share (cents)	**(19.2)**	**(7.3)**
Issued shares at beginning of period entitled to distributions	30,096,549	1
Issued shares at end of period entitled to distributions	30,340,638	30,096,549
Weighted average number of shares entitled to distributions	**30,251,578**	**26,522,426**

Diluted earnings per share

Diluted losses per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 March 2013 and 2014, the Company's redeemable shares are potentially dilutive, details of which are set out in Note 19.

As at 31 March 2013 and 2014, the redeemable shares were not included in the calculation of dilutive shares for the period as the effect would have been anti-dilutive. Diluted losses per share are equivalent to basic losses per share at 31 March 2013 and 2014.

25 Comparison to Prospective Financial Information

The Group's Investment Statement disclosed consolidated prospective financial statements forecasting expected results for the year ending 31 March 2014. The tables below show the actual results relative to this forecast.

Statement of Comprehensive Income For the year ended 31 March 2014	**Actual $000**	**Prospective $000**	**Variance $000**
Revenue	4,597	8,623	(4,026)
Cost of sales	(3,805)	(5,459)	1,654
Gross profit	**792**	**3,164**	**(2,372)**
Other gains/(losses)	(146)	-	(146)
Distribution expenses	(1,244)	(1,334)	90
Administration expenses	(3,650)	(3,010)	(640)
Sales and marketing expenses	(1,304)	(1,428)	124
Cellar door expenses	(73)	(65)	(8)
Payment under bank guarantee	(184)	-	(184)
Other expenses	(340)	-	(340)
Finance income and expenses	332	183	149
Total expenses	**(6,463)**	**(5,654)**	**(809)**
Profit/(Loss) before income tax	**(5,817)**	**(2,490)**	**(3,327)**
Income tax expense	-	-	-
Profit/(Loss) for the period	**(5,817)**	**(2,490)**	**(3,327)**
Other comprehensive income	-	-	-
Total comprehensive profit/(loss) for the period	**(5,817)**	**(2,490)**	**(3,327)**
Profit/(Loss) before income tax	(5,817)	(2,490)	(3,327)
Finance costs	(332)	(183)	(149)
Depreciation (including loss on disposal of assets)	206	523	(317)
EBITDA	**(5,943)**	**(2,150)**	**(3,793)**

Since early August 2013, the Group has kept shareholders (and the market generally) well informed in a sequence of update announcements as to its sales and margin performance.

As a result of disappointing New Zealand sales during the first half of the year, Moa changed its distribution model from 1 October 2013, assuming control of its sales efforts. The sales shortfall in the first half was significant and the changeover to the new distribution model inevitably created a number of issues which needed to be resolved. This had an impact on the sales momentum going into the second half of the year. At the same time, due to disappointing results in Australia, Moa also changed its distribution model in that market. Volumes in both markets have improved significantly since these changes but the impact of the adverse first half and the need to rebuild sales momentum has also had a carry-through impact on original expectations for the second half.

In the US market, achieving satisfactory sales and margins has proved difficult and the strong NZD compared to the USD has not been helpful. As part of the strategic review undertaken, Moa has agreed price increases with the distributor along with a reduced sales commission structure, both of which take effect subsequent to year end. The available range has also been increased to include cider which is expected to increase sales to this market.

The costs associated with setting up and operating the company's own distribution models in Australia and New Zealand (since 1 October 2013) make up a significant component of the adverse variance to prospective financial statements, as shown above under Administration Expenses.

The "Payment under bank guarantee" shown above relates to the America's Cup restaurant joint venture with Clooney (San Francisco) Limited. Refer Note 7.

The Other expenses variance relates primarily to termination of the New Zealand and Australian distribution agency agreements referred to above. Refer Note 8.

The net loss of $5.8m is within the range originally indicated in the company's market announcement of 4 November 2013.

Statement of Financial Position **As at 31 March 2014**	**Actual** **$000**	**Prospective** **$000**	**Variance** **$000**
Current assets			
Cash and cash equivalents	4,073	2,855	1,218
Trade and other receivables	1,789	1,501	288
Inventories	1,933	1,368	565
Tax receivable	3	-	3
Total current assets	**7,798**	**5,724**	**2,074**
Non-current assets			
Plant and equipment	3,069	7,474	(4,405)
Total non-current assets	**3,069**	**7,474**	**(4,405)**
Total assets	**10,867**	**13,198**	**(2,331)**
Liabilities			
Trade and other payables	2,039	1,429	(610)
Total liabilities	**2,039**	**1,429**	**(610)**
Net assets	**8,828**	**11,769**	**(2,941)**
Equity			
Contributed equity	16,440	15,559	881
Reserves	129	608	(479)
Accumulated losses	(7,741)	(4,398)	(3,343)
Total equity	**8,828**	**11,769**	**(2,941)**

The major balance sheet variance, besides the impact of reduced earnings (on cash and total equity), is in plant and equipment.

The company originally intended to incur capital expenditure to expand its brewery facilities at Jackson Road, Blenheim. Although a resource consent was achieved for the brewery expansion, this was subsequently appealed by a number of parties and the company remains in mediation to endeavour to resolve matters rather than incur further costs on what would likely be an expensive appeal process. As a consequence, the planned brewery expansion has not been undertaken and the anticipated capital expenditure has not been incurred. In order to meet its growing sales requirements, Moa has negotiated a long term contract brewing agreement with McCashin’s Brewery of Nelson.

Statement of Movements in Equity **For the year ended 31 March 2014**	**Actual** **$000**	**Prospective** **$000**	**Variance** **$000**
Opening balance at 1 April 2013	14,535	13,940	595
Total comprehensive loss for the period	(5,817)	(2,490)	(3,327)
Share based payments	91	319	(228)
Issue of shares in lieu of directors' fees	19	-	19
Closing balance at 31 March 2014	**8,828**	**11,769**	**(2,941)**

Statement of Cash Flows **For the year ended 31 March 2014**	**Actual** **$000**	**Prospective** **$000**	**Variance** **$000**
Operating activities			
Receipts from customers	5,252	9,064	(3,812)
Payments to suppliers and employees	(12,082)	(11,318)	(764)
Interest received	335	183	152
Interest paid	(3)	-	(3)
Taxation paid	(65)	(86)	21
Net operating cash flows	**(6,563)**	**(2,157)**	**(4,406)**
Investing activities			
Purchase of plant and equipment	(850)	(5,153)	4,303
Sale of plant and equipment	1	-	1
Net investing cash flows	**(849)**	**(5,153)**	**4,304**
Financing activities			
Proceeds from borrowing	-	-	-
Repayment of bank borrowings	-	-	-
Net proceeds from issue of shares	-	-	-
Net financing cash flows	**-**	**-**	-
Net increase/(decrease) in cash and cash equivalents	**(7,412)**	**(7,310)**	**(102)**
Cash and cash equivalents at beginning of period	11,485	10,165	1,320
Cash and cash equivalents at end of period	**4,073**	**2,855**	**1,218**

Receipts from customers reflect the disappointing sales performance which led to the change in distribution arrangements in both New Zealand and Australia. The reduced cash received has been offset by cash not expended on the planned brewery expansion which did not proceed.

26 Events occurring after balance date

The Group has entered into a manufacturing contract with 660 Main Road Stoke Limited, trading as McCashin's Brewery. This contract provides brewing capacity for Moa's high volume lines to ensure the Group can meet demand for its products. It also provides additional capacity while the appeals to the resource consent are resolved and the Jackson Road brewery is reconfigured to handle the specialty lines.

The company is looking at a range of financing alternatives and timing to ensure adequate capital resources are available to support the Group's growth plans and capitalise on opportunities. The Business Bakery LP and Pioneer Capital Partners I, have provided the Company with a letter of commitment to provide financial support that the directors believe is sufficient to allow the Group to continue to operate and meet its obligations for at least the next year. The details are still being determined.

There have been no other subsequent events since 31 March 2014.