Moa Group Limited
Financial Statements
for the period ended
31 March 2013

The Board of Directors have pleasure in presenting the financial statements and audit report for Moa Group Limited ("the Group"), for the seven months ended 31 March 2013, including six months trading from the date of acquiring Moa Brewing Company Limited.

The financial statements cover the first seven month period of Moa Group Limited. As a consequence, there are no comparative figures for the corresponding prior period.

Shareholders will be interested in the performance of the Group compared to the Prospective Financial Information ("PFI") included in the Group's Investment Statement dated 11 October 2012. Comparisons to the PFI are set out in these financial statements at note 24 on page 34. Additionally, note 24 includes pro forma financial statements for the period of 1 April 2012 to 31 March 2013, as if the Company had acquired Moa Brewing Company on or before 1 April 2012. Historical comparatives to these pro forma statements can be found in the Company's Investment Statement.

The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 31 March 2013 and the results of the Group's operations and cash flows for the period ended on that date.

The directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Board of Directors of the Group authorised these financial statements presented on pages 5 to 41 for issue on 30 May 2013.

For and on behalf of the Board.

Grant Baker
Director and Chairman
30 May 2013

Alistair Ryan
Director and Chair of the Audit and Risk Committee
30 May 2013

Independent Auditors' Report

to the shareholders of Moa Group Limited

Report on the Financial Statements

We have audited the financial statements of Moa Group Limited on pages 5 to 41, which comprise the statements of financial position as at 31 March 2013, the statements of comprehensive income, statements of movements in equity and statements of cash flows for the period 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 2013 or from time to time during the financial period.

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.

Auditors' 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 auditors' 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 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 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 auditors and providers of other assurance services, we have no relationship with, or interests in, Moa Group Limited or its subsidiary.

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Independent Auditors' Report

Moa Group Limited

Opinion

In our opinion, the financial statements on pages 5 to 41:

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

(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 2013, and their financial performance and cash flows for the period 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 period ended 31 March 2013:

(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 Distribution or Use

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 auditors' 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
30 May 2013

	Notes	Consolidated Period ended 31 March 2013 $'000	Parent Period ended 31 March 2013 $'000
Revenue	5	2,451	-
Cost of sales		(1,603)	-
Gross profit		848	-
Other gains / (losses) - net	6	(23)	-
Expenses	7		
Distribution		(492)	-
Administration		(1,436)	(474)
Listing expenses		(395)	(395)
Sales and Marketing		(586)	-
Cellar Door		(31)	-
Operating loss before finance income/cost		(2,115)	(869)
Finance income	8	206	-
Finance costs	8	(15)	-
Loss before income tax		(1,924)	(869)
Income tax expense/(credit)	9	-	-
Loss for the period		(1,924)	(869)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,924)	(869)
Loss for the period attributable to:			
Equity holders of Moa Group Limited		(1,924)	(869)
		(1,924)	(869)
Losses per share for loss attributable to the ordinary equity holders of the Company during the period:			
Basic losses per share	23	(7.3) ¢	
Diluted losses per share	23	(7.3) ¢	
Attributable to continuing operations:			
Basic losses per share	23	(7.3) ¢	
Diluted losses per share	23	(7.3) ¢	

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

	Notes	Consolidated 2013 $'000	Parent 2013 $'000
Assets			
Current assets			
Cash and cash equivalents	10	11,485	-
Trade and other receivables	11	1,499	75
Receivables from subsidiaries	21	-	13,933
Inventories	12	777	-
Tax Receivable		4	-
Total current assets		13,765	14,008
Non-current assets			
Plant and equipment	14	2,369	-
Shares in subsidiaries	13	-	1,670
Deferred tax asset	15	-	-
Total non-current assets		2,369	1,670
Total assets		16,134	15,678
Current liabilities			
Trade and other payables	16	1,599	88
Total current liabilities		1,599	88
Total liabilities		1,599	88
Net assets		14,535	15,590
Equity			
Contributed equity	17	16,360	16,360
Reserves	19	99	99
Accumulated losses	19	(1,924)	(869)
		14,535	15,590
Equity attributable to equity holders of Moa Group Limited		14,535	15,590

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

Consolidated		**Attributable to equity holders of Moa Group Limited**			
	Note	**Share capital $'000**	**Accumulated losses $'000**	**Reserves $'000**	**Total equity $'000**
On incorporation (27 August 2012)		-	-	-	-
Loss for the period	19(b)	-	(1,924)	-	(1,924)
Total comprehensive income / (loss)		-	(1,924)	-	(1,924)
Transactions with shareholders					
Share based payments	19(a)	-	-	99	99
Issue of ordinary shares	17				
- in October 2012 on acquisition of subsidiary		1,670	-	-	1,670
- for cash at IPO		16,000	-	-	16,000
- IPO share issue cost		(1,310)	-	-	(1,310)
Total transactions with shareholders		16,360	-	99	16,459
Balance as at 31 March 2013		16,360	(1,924)	99	14,535

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

Parent	**Note**	**Share capital $'000**	**Retained earnings $'000**	**Reserves $'000**	**Total equity $'000**
On incorporation (27 August 2012)		-	-	-	-
Loss for the period	19(b)	-	(869)	-	(869)
Total comprehensive income / (loss)		-	(869)	-	(869)
Transactions with shareholders					
Share based payments	19(a)	-	-	99	99
Issue of ordinary shares	17				
- in October 2012 on acquisition of subsidiary		1,670	-	-	1,670
- for cash at IPO		16,000	-	-	16,000
- IPO share issue cost		(1,310)	-	-	(1,310)
Total transactions with shareholders		16,360	-	99	16,459
Balance as at 31 March 2013		16,360	(869)	99	15,590

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 period ended 31 March 2013

	Notes	Consolidated period ended 31 March 2013 $'000	Parent period ended 31 March 2013 $'000
Cash flows from operating activities			
Receipts from customers		3,330	-
Payments to suppliers and employees		(5,378)	(757)
Interest received		146	-
Interest paid		(15)	-
Taxation paid		26	-
Net cash inflow / (outflow) from operating activities	22	(1,891)	(757)
Cash flows from investing activities			
Cash acquired with subsidiary	18	90	-
Payments for plant and equipment		(808)	-
Sale of plant and equipment		4	-
Net cash inflow / (outflow) from investing activities		(714)	-
Cash flows from financing activities			
Funds advanced to subsidiary	21(c)	-	(13,933)
Proceeds from Borrowing		400	
Repayment of bank borrowings		(1,000)	-
Net proceeds from issue of shares		14,690	14,690
Net cash inflow / (outflow) from financing activities		14,090	757
Net Increase in cash and cash equivalents		11,485	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at end of period	10	11,485	-

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

1 General information

Moa Group Limited ("the Company) and its subsidiary (together "the Group") operates 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 Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 1, Union Fish Co. Building, 116-118 Quay Street, Auckland 1010.

These financial statements have been approved for issue by the Board of Directors on 30 May 2013.

Note 24 sets out the comparison of actual results compared to the Prospective Financial Information as set out in the Group's Investment Statement dated 11 October 2012.

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 through 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 separate and consolidated financial statements of Moa Group Limited also comply with International Financial Reporting Standards (IFRS).

The financial statements presented are the first financial statements as at balance date of 31 March 2013 of the Company as a separate legal entity, covering the period since incorporation on 27 August 2012 and accordingly no comparatives have been presented.

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 Group has adopted the following new and amended NZ IFRSs of relevance to the Group and Company in preparing these financial statements:

FRS 44 New Zealand Additional Disclosures and Harmonisation Amendments (effective for annual periods beginning on or after 1 July 2011)

FRS 44 sets out New Zealand specific disclosures for entities that apply NZ IFRSs. These disclosures have been relocated from NZ IFRSs to clarify that these disclosures are additional to those required by IFRSs. The Harmonisation Amendments amend various NZ IFRSs for the purpose of harmonising with the source IFRSs and Australian Accounting Standards.

Entities reporting

The financial statements for the "Parent" are for Moa Group Limited as a separate legal entity.

The consolidated financial statements for the "Group" are for the economic entity comprising Moa Group Limited and its subsidiary.

Statutory base

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 financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Moa Group Limited ("Company" or "parent entity") as at 31 March 2013 and the results of the subsidiary 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.

2 Summary of significant accounting policies (continued)

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 and 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, the customer has accepted the products 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 plus/minus any prior years' under/over provisions, plus/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 the balance sheet 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 these 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 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 are 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.

2 Summary of significant accounting policies (continued)

(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 and loss component of the statement of comprehensive income on a straight-line basis over the period 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 on 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, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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 and loss component of the statement of comprehensive income.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit and 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 expense’ 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. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

(i) Loans and receivables

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 trade-date, 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.

2 Summary of significant accounting policies (continued)

(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 and stores, 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.

(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 diminishing value method to expense the cost of the assets over their useful lives. The rates are as follows:

Plant and equipment	4.0%	-	33.3%
Leasehold property improvements	10.0%		
Furniture and office equipment	8.3%	-	33.3%
Cellar door equipment	10.0%	-	33.3%
Motor vehicles	6.7%		
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 and 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).

2 Summary of significant accounting policies (continued)

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

(s) Employee benefits

Wages and salaries, annual leave and sick leave
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) Segment reporting

Operating segments are reported in a manner consistent with 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.

(w) 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 2013 or later periods.

(i) Standard and Interpretations early adopted by the Group

The Group and Company 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 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 presents 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. The Group does not expect the new standard to have a significant impact on its composition.

2 Summary of significant accounting policies (continued)

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 will not affect any of the amounts recognised in the financial statements, but may 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 Company will not affect any of the amounts recognised in the financial statements, but may impact the type of 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 is not expected to have a material impact on the Group’s financial statements.

The Group expects to adopt these new standards in the financial statements for the annual reporting period ending 31 March 2014.

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 Group has yet to assess the full impact of NZ IFRS 13 on measurement and disclosures. The Group and Company expect to adopt the new standard in the financial statements for the annual reporting period ending 31 March 2014.

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. The Group and Company expect to adopt the amendment in the financial statements for the annual reporting period ending 31 March 2014.

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 the parts of NZ IAS 39 relating to classification and measurement of financial instruments. 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.

The new standard is not expected to have a material impact on the Group or Company’s financial statements. The Group and Company have not yet decided when to adopt NZ IFRS 9.

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. The Group and Company will apply the amendments from 1 April 2013 and do not expect that any material adjustments will be necessary as the result of applying the revised rules.

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 purchases of materials, services and plant in US dollars (USD), Canadian dollars (CAD) and Euros (EUR).

The Group uses natural hedges and monitors its estimated foreign currency exposure in respect of forecast revenue received from international customers, and in respect of forecast raw 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 net monetary assets/(liabilities) of each Group entity against its functional currency, expressed in NZ dollars.

	31 March 2013				
	USD $'000	**AUD $'000**	**GBP $'000**	**EUR $'000**	**CAD $'000**
Moa Group Limited	-	-	-	-	-
Moa Brewing Company Limited	71	162	19	(244)	35
Moa Group	71	162	19	(244)	35

The following significant exchange rates applied during the period:

	Average Rate Period ended 31 March 2013	**Closing Rate As at 31 March 2013**
NZD/AUD	0.798	0.801
NZD/USD	0.828	0.837
NZD/GBP	0.520	0.553
NZD/EUR	0.632	0.655
NZD/CAD	0.827	0.850

Sensitivity analysis – underlying exposures

A 10% weakening of the NZ dollar against the US and Australian currencies at 31 March 2013 would have increased/(decreased) equity and the net result for the period by the amounts shown below. Based on historical movements a 10% increase or decrease in the NZ dollar is considered to be a reasonable estimate. This analysis assumes that all other variables remain constant.

US dollar

The Group's net result and equity for the period would have been $4,000 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 $7,000 lower. The Parent's net result and equity for the period would have been unchanged.

3 Financial risk management (continued)

A 10% strengthening of the NZ dollar against the US and Australian currencies at 31 March 2013 would have an equal and opposite effect on the above currencies to the amounts set out above on the basis that all other variables remain constant.

The Group's exposure to other foreign exchange movements is not material. The Euro payable balance at 31 March 2013 relates to a single capital purchase and is not representative of ongoing trading exposure.

(ii) Interest rate risk

The Group's fair value interest rate risk at 31 March 2013 arises from its bank deposits. This risk is managed by the Group placing its capital raising proceeds on fixed rate term deposit for 12 months, with partial breaks permitted 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.

(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 a few large customers with one individual customer accounting for the majority of New Zealand 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 relates 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 11.

(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.

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

Maturities of financial 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.

Consolidated - At 31 March 2013

	Notes	Less than 3 months $'000	Carrying amounts liabilities $'000
Non-derivative financial liabilities			
Trade and other payables	16	1,476	1,476
Total		1,476	1,476

3 Financial risk management (continued)

Parent - At 31 March 2013

	Notes	Less than 3 months $'000	Carrying amounts liabilities $'000
Non-derivative financial liabilities			
Trade and other payables	16	88	88
Total		88	88

(d) Financial instruments by category

Assets as per balance sheet

	Notes	Consolidated Loans and receivables 31 March 2013 $'000	Parent Loans and receivables 31 March 2013 $'000
Trade and other receivables	11	1,261	75
Receivables from subsidiary	21	-	13,933
Cash and cash equivalents	10	11,485	-
		12,746	14,008

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

Liabilities as per balance sheet

	Notes	Consolidated Measured at amortised cost 31 March 2013 $'000	Parent Measured at amortised cost 31 March 2013 $'000
Trade and other payables	16	1,476	88
		1,476	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. During the financial period the Group raised $16,000,000 through the IPO offer. This gives the Group sufficient capital base to continue to grow the business for a minimum of 12 months following the date of these financial statements.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. 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 discussed below.

(i) Income taxes

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 at 31 March 2013 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 utilised.

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. 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:

	Period ended 31 March 2013				
	Australia $'000	New Zealand $'000	US $'000	Rest of World $'000	Total $'000
Segment revenue	216	1,951	87	197	2,451
Revenue from external customers	216	1,951	87	197	2,451
EBITDA*	(5)	(1,848)	(217)	46	(2,024)
Depreciation and amortisation	-	82	-	-	82
Income tax expense	-	-	-	-	-
Capital expenditure	-	1,112	-	-	1,112

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

Segment information for the pro forma period of 1 April 2012 to 31 March 2013, as if the Company had acquired Moa Brewing Company on or before 1 April 2012, can be found in note 24(b) on page 38

5 Segment information (continued)

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

	Period ended 31 March 2013 $'000
EBITDA for reportable segments	(2,024)
Depreciation and amortisation	(82)
Loss on disposal of assets	(9)
Finance income, net	191
Loss before tax	(1,924)

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

Revenues of approximately $1.9 million were derived from a single external customer. This customer is a distributor of the Group's products throughout New Zealand.

The total of non-current assets is $2.4 million, 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

	Consolidated	Parent
	Period ended 31 March 2013 $'000	Period ended 31 March 2013 $'000
Foreign Exchange Gains / (Losses) - Net	(14)	-
Disposal of Fixed Assets - Gains / (Losses)	(9)	-
	(23)	-

7 Expenses

	Consolidated	Parent
	Period ended 31 March 2013 $'000	Period ended 31 March 2013 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and Equipment	42	-
Furniture and Office Equipment	4	-
Leasehold Property Improvements	1	-
Cellar Door	4	-
Marketing and Trade Equipment	31	-
Total depreciation	82	-
Rental expense relating to operating leases		
Minimum lease payments	40	-
Total rental expense relating to operating leases	40	-
Sundry expenses		
Donations	1	-
Employee benefit expense		
Salaries and wages	885	-
Kiwisaver	12	-
	897	-

The employee benefit expense disclosed above does not include the consultancy fees payable to key management (refer note 21).

Auditor's Fees

During the period the following fees were paid or payable for services provided by the auditor of the parent entity:

	Consolidated	Parent
	Period Ended 31 March 2013 $'000	Period Ended 31 March 2013 $'000
(a) Assurance services		
Audit and review of financial reports	77	77
Assurance services - due diligence on Moa IPO	95	95
Total remuneration for audit and other services	172	172

8 Finance income and expenses

	Consolidated	Parent
	Period ended 31 March 2013 $'000	Period ended 31 March 2013 $'000
Finance costs		
Borrowings	(15)	-
Total finance costs	(15)	-
Finance income		
Interest receivable on bank balances	206	-
Total finance income	206	-
Net finance income	191	-

9 Income tax (expense)/credit

Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated	Parent
	Period ended 31 March 2013 $'000	Period ended 31 March 2013 $'000
Loss from continuing operations before income tax expense	(1,924)	(869)
Tax at New Zealand tax rate of 28%	(539)	(243)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	142	138
Temporary differences not recognised	3	-
Tax benefit (asset) not recognised (note 15)	394	105
Income tax expense	-	-

10 Cash and cash equivalents

	Consolidated	Parent
	2013 $'000	2013 $'000
Cash at bank and on hand	11,485	-
	11,485	-

All accounts are on call and subject to variable interest rates.

11 Trade and other receivables

	Notes	Consolidated 2013 $'000	Parent 2013 $'000
Trade receivables		1,067	-
Provision for doubtful receivables		(10)	-
		1,057	-
Amount due from related parties	21(c)	9	-
Prepayments		238	-
Other Receivables		195	75
		1,499	75

As at 31 March 2013, trade receivables of the Group of $920,000 were fully performing.

(a) Impaired receivables

As at 31 March 2013 current trade receivables of the Group with a nominal value of $10,000 were impaired and provided for. The individually impaired receivables mainly relate to customers who are in financial difficulty or dispute.

The ageing of these receivables is as follows:

	Consolidated 2013 $'000	Parent 2013 $'000
31 - 60 days overdue	-	-
90+ days overdue	10	-
	10	-

(b) Past due but not impaired receivables

As at 31 March 2013, trade receivables of $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:

	Consolidated 2013 $'000	Parent 2013 $'000
1 - 30 days overdue	15	-
31 - 60 days overdue	60	-
61+ days overdue	62	-
	137	-

11 Trade and other receivables (continued)

(c) Provision for impairment of receivables

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

	Consolidated	Parent
	2013	2013
	$'000	$'000
Opening balance	-	-
On acquisition of subsidiary	16	-
Provision for impairment recognised during the period	(5)	-
Receivables written off during the period as uncollectible	(1)	-
As at 31 March 2013	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 allowance account are generally written off when there is no expectation of recovering additional cash.

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 these 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.

12 Inventories

	Consolidated	Parent
	2013	2013
	$'000	$'000
Raw materials	373	-
Work in progress	151	-
Finished goods	253	-
	777	-

(a) Inventory expense

There was a write-down of inventories due to obsolescence during the period of $6,400 charged to ‘cost of sales’ in the statement of comprehensive income.

13 Shares in subsidiary

	Parent
	2013
	$'000
Shares in subsidiary at cost (note 18)	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):

Name of entity	Business	Country of incorporation	Class of shares	Equity holding 2013
Moa Brewing Company Limited	Trading	NZ	Ordinary	100%

14 Plant and equipment

Consolidated	Plant and Equipment $'000	Furniture and Office Equipment $'000	Leasehold Property Improvements $'000	Motor Vehicles $'000	Cellar Door $'000	Marketing and Trade Equipment $'000	Total $'000
Period ended 31 March 2013							
Opening net book amount	-	-	-	-	-	-	-
Acquisition of subsidiary (note 18)	1,065	22	20	13	9	224	1,353
Additions	810	3	181	-	69	49	1,112
Disposals	(1)	-	-	(13)	-	-	(14)
Depreciation charge	(42)	(4)	(1)	-	(4)	(31)	(82)
Closing net book amount	1,832	21	200	-	74	242	2,369
At 31 March 2013							
Cost	1,874	25	201	-	78	273	2,451
Accumulated depreciation	(42)	(4)	(1)	-	(4)	(31)	(82)
Net book amount	1,832	21	200	-	74	242	2,369

Plant and equipment and leasehold property improvements include capital work in progress of $684,000 relating to the brewery development. Depreciation on these items will not commence until the brewery is complete and / or the individual assets are in use.

The parent has no plant and equipment.

15 Deferred tax

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

(a) The Group

The Group has not recognised deferred income tax assets of $1,681,000 in respect of losses in the subsidiary amounting to $6,004,000 that can be carried forward against future taxable income. Of these losses, $4,973,000 were accumulated losses in the subsidiary at the date of acquisition 1 October 2012. These losses have no expiry date but they are subject to shareholder continuity requirements being met from when the tax losses arose until their utilisation. It has also not recognised deferred income tax assets in respect of Moa Group Limited for the period from 27 August 2012 to 31 March 2013 as set out in note 15(b) below.

(b) The Parent

The Parent has not recognised deferred income tax assets of $105,000 in respect of losses amounting to $375,000 that can be carried forward against future taxable income. These losses have no expiry date.

16 Trade and other payables

	Consolidated	Parent
	2013	2013
	$'000	$'000
Trade payables	1,186	-
Amount due to related parties (note 21)	97	-
Accrued expenses	193	88
GST Payable	24	-
Employee entitlements	99	-
	1,599	88

(a) Foreign currency risk

The carrying amounts of the Group's and parent entity's trade payables and amounts due to related parties expressed in NZ dollars are denominated in the following currencies:

	Consolidated	Parent
	2013	2013
	$'000	$'000
Australian dollars	10	-
United States dollars	8	-
New Zealand dollars	1,021	-
Euros	244	-
	1,283	-

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 3(a)(i).

17 Contributed equity

Consolidated and Parent	2013	2013
	Shares	$'000
(a) Ordinary share capital		
Ordinary shares	30,096,549	16,360
Authorised and issued (no par value)		
	30,096,549	16,360

The total authorised number of ordinary shares is 30,096,549 shares. All issued shares are fully paid.

17 Contributed equity (continued)

	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	-
Proceeds from shares issued at IPO	12,800,000	16,000
IPO share issue costs	-	(1,310)
At 31 March 2013	30,096,549	16,360

Moa Brewing Purchase

Effective 1 October 2012, the Company acquired all shares and options to acquire shares in Moa Brewing Company Limited from its existing shareholders in return for the issue of the following shares and options to acquire ordinary shares in the Company:

a) 2,803,071 ordinary shares to Pioneer Capital
b) 2,294,516 ordinary shares to The Business Bakery LP
c) 888,943 ordinary shares to Allan Scott Wines & Estates Limited ("ASWEL")
d) 78,802 ordinary shares and 57,692 redeemable employee shares to Kelvin Ovington
e) 78,802 ordinary shares and 57,692 redeemable employee shares to Gareth Hughes
f) 31,250 ordinary shares to Sunil Unka
g) 576,923 options to acquire ordinary shares to The Business Bakery LP, with an exercise price of $1.00 per share.

Option Exercise

Following the acquisition of Moa Brewing Company Limited, in anticipation of the IPO, on 1 October 2012 The Business Bakery LP exercised its options to acquire ordinary shares in the Company on a cashless basis at the offer price under the IPO. As a result, The Business Bakery LP was issued 401,428 ordinary shares in respect of 576,923 options to acquire ordinary shares.

Immediately following the exercise of these options, Justin Bade acquired 89,775 ordinary shares from The Business Bakery LP.

Share Split

On 1 October 2012, the Company underwent a share split of 2.63:1 of all ordinary and redeemable shares. As a result the Company issued the following shares to the existing shareholders:

a) 4,568,805 ordinary shares to Pioneer Capital
b) 4,247,870 ordinary shares to The Business Bakery LP
c) 1,448,913 ordinary shares to ASWEL
d) 128,442 ordinary shares and 94,034 redeemable employee shares to Kelvin Ovington
e) 128,442 ordinary shares and 94,034 redeemable employee shares to Gareth Hughes
f) 50,937 ordinary shares to Sunil Unka
g) 146,327 ordinary shares to Justin Bade.

Public Offer

On 13 November 2012, the Company allotted 12,800,000 ordinary shares at an issue price of $1.25 per share through a public offer. The Company's shares listed on the New Zealand Stock Market on 13 November 2012.

As part of the shares issued at the Initial Public Offering the following shares were issued to related parties:

a) The Business Bakery LP subscribed for 40,000 ordinary shares.
b) Interests associated with Geoff Ross subscribed for 320,000 ordinary shares
c) Pioneer Capital subscribed for 568,000 ordinary shares
d) Interests associated with Craig Styris subscribed for 16,000 ordinary shares
e) Alistair Ryan subscribed for 32,000 ordinary shares
f) Kim Ellis subscribed for 32,000 ordinary shares
g) Allan Scott subscribed for 64,000 ordinary shares

17 Contributed equity (continued)

(b) Share based payments and redeemable shares

Redeemable Shares (Pre-IPO)

Gareth Hughes (General Manager) and Kelvin Ovington (Chief Financial Officer) both 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, 37,931 each have vested and are exercisable at 31 March 2013 for Gareth Hughes and Kelvin Ovington.

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 the Company.

In satisfaction of the issue price of the redeemable shares, the Company's subsidiary, Moa Brewing Company Limited, provided loans to the redeemable share holders 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 2013, 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 vest immediately.

The 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.

	Number of redeemable shares
On incorporation	-
Net assets of subsidiary acquired	115,384
Shares issued from share split.	188,068
Shares issued post IPO	1,752,000
At 31 March 2013	2,055,452

17 Contributed equity (continued)

Directors' Remuneration

Under the terms of the Company's constitution directors can elect to take director fees in shares at average market prices for the period instead of cash. All directors agree 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. As at 31 March 2013 none of the directors have received shares in lieu of payment.

Alistair Ryan, Kim Ellis and Allan Scott are paid the full value of their directors fees in cash by the Group have agreed to purchase on-market shares at six-monthly intervals, with the first purchase due to take place on or around 17 June 2013.

To comply with the Takeovers Code, both Grant Baker and Craig Styris have elected to be issued new shares in lieu of the 20% directors fees to be applied, so the Group withholds 20% of their director's fees for this purpose. These shares will also be issued in six-monthly intervals commencing on or around 17 June 2013.

18 Capital restructure

On 1 October 2012 the Company acquired 100% of the share capital of Moa Brewing Company Limited.

The acquisition has been accounted for as a capital reorganisation whereby the assets acquired and liabilities assumed are recognised at their predecessor values in the financial statements of Moa Brewing Company Limited.

The book values of the assets and liabilities recognised as a result of the acquisition are as follows:

	Acquired Values 1-Oct-12
	$'000
Cash	90
Trade and other receivables	1,538
Inventories	641
Plant and equipment	1,353
Trade and other payables	(1,352)
Bank overdraft	(600)
Net assets acquired at predecessor values	1,670

In consideration for the net assets acquired, existing shareholders exchanged all shares and options to acquire shares in Moa Brewing Company Limited for securities with the same terms in the Company (see note 17(a)).

19 Reserves and accumulated losses

(a) Reserves

	Consolidated	Parent
	2013	2013
Share Entitlement Reserve	$'000	$'000
Opening balance	-	-
Share based payments	99	99
Balance 31 March 2013	99	99

The fair value charge for share based payments relating to the redeemable shares issued in the period (see note 17(b)) 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 will be expensed over the individual vesting periods and the amount expensed in the period to 31 March 2013 is $84,000.

Additionally, the fair value charge relating to the issue of shares to Gareth Hughes and Kelvin Ovington (see note 17(b)) 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 2013 is $15,000.

19 Reserves and accumulated losses (continued)

(b) Accumulated losses

	Consolidated	Parent
	2013	**2013**
	$'000	**$'000**
Opening balance	-	-
Net loss for the period attributable to equity holders of Moa Group Limited	(1,924)	(869)
Balance 31 March 2013	(1,924)	(869)

20 Commitments

(i) Capital Commitments

The Group had commenced work on the installation of a pipeline for the effluent relating to its brewery development with an estimated value of $251,000, of which $181,000 had been invoiced as at 31 March 2013.

The Group had also agreed to purchase plant relating to its brewery development at a quoted cost of $555,000. As at 31 March 2013, the Group had received an invoice for 40% deposit on the plant, which was not yet paid.

(ii) 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 is an option to purchase in respect of plant and equipment held under operating leases, when the lease expires in June 2013, or to sign a new lease for replacement plant and equipment.

There are no sub-leases from the above.

	Consolidated	Parent
	2013	**2013**
	$'000	**$'000**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	69	-
Later than one year but not later than five years	54	-
Later than five years	-	-
	123	-

21 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 (“CEO”)	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

21 Related party transactions (continued)

(b) Key management and personnel compensation

CEO Geoff Ross and Chairman Grant Baker provide consulting services to the Group through an associated company, The Business Bakery LP. Director fees for the period were payable to the directors Alistair Ryan, Kim Ellis, and Allan Scott. Director services of Craig Styris were provided through Pioneer Capital Management Ltd. 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 $132,000.

	Consolidated	Parent
	Period ended 31 March 2013 $'000	Period ended 31 March 2013 $'000
Directors' fees	131	131
Management services	132	132
Senior employees' short term benefits	358	-
Share based payments	99	99
	720	362

(c) Other transactions

(i) with other related parties

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

The Business Bakery LP provides serviced office accommodation and parking spaces to the Group at its premises in Quay Street, Auckland at a cost of $56,000 during the period. The Business Bakery LP made additional purchases on behalf of the Group during the period of $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 $12,500, per a services agreement between Moa Brewing Company Limited and Pioneer Capital Management Limited dated 17 September 2010.

The Group leases its Jackson Rd, Marlborough premises from ASWEL under a Deed of Lease agreement between ASWEL and the Moa Brewing Company Limited dated 17 September 2010. ASWEL also provides various warehousing, maintenance, production services and equipment to the Group pursuant to a services agreement dated 17 September 2010. These totalled $20,000 for the period.

	Consolidated	Parent
	2013 $'000	2013 $'000
Receivables from related parties		
- ASWEL	7	-
- Pioneer Capital	2	-
	9	-
Payables to related parties		
- Non-Executive Directors	28	
- The Business Bakery	49	
- Independent Directors	20	
	97	-

21 Related party transactions (continued)

(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
	2013 **$'000**
Receivables from subsidiary	
- Moa Brewing Company Limited	13,933

22 Reconciliation of loss after income tax to net cash flow from operating activities

	Consolidated	Parent
	Period ended 31 March 2013 $'000	**Period ended 31 March 2013 $'000**
Loss for the period	(1,924)	(869)
Depreciation and amortisation	82	-
Loss on disposal of fixed assets	9	-
Foreign exchange (gains)/losses	(5)	-
Share based payments	99	99
Movements in working capital:		
Increase in inventories	(136)	-
(Increase)/Decrease in trade and other receivables	42	(75)
Increase in tax provisions	(4)	-
Increase/(Decrease) in trade and other payables	(54)	88
Net cash outflow from operating activities	(1,891)	(757)

23 Earnings per share

Basic earnings per share

Basic loss per share is 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.

	2013
Loss after tax ($000)	(1,924)
Weighted average number of ordinary shares on issue	26,522,426
Basic losses per share (cents)	(7.3)

Weighted average number of ordinary shares	
Issued ordinary shares at the beginning of the period	1
Issued ordinary shares at end of period	30,096,549
Weighted average number of ordinary shares	26,522,426

23 Earnings per share (continued)

Diluted earnings per share

Diluted loss per share is 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, the Company's redeemable shares are potentially dilutive, details of which are set out in note 17(b).

As at 31 March 2013, 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 is equivalent to basic losses per share at 31 March 2013.

24 Comparison to Prospective Financial Information

(a) The Group's Investment Statement disclosed consolidated prospective financial statements forecasting expected results for the 6 month period of trading since the acquisition of the subsidiary to 31 March 2013. The below tables show the actual results relative to this forecast.

Prospective Statement of Comprehensive Income
For the six month period ended 31 March 2013

	Consolidated Actual Period ended 31 March 2013 $'000	Consolidated Prospective Period ended 31 March 2013 $'000	Variance $'000
Revenue	2,451	2,541	(90)
Cost of sales	(1,603)	(1,702)	99
Gross profit	848	839	9
Other gains (losses) - net	(23)	-	(23)
Expenses			
Distribution	(492)	(430)	(62)
Administration	(1,436)	(1,600)	164
Listing expenses	(395)	(419)	24
Sales and Marketing	(586)	(392)	(194)
Cellar Door	(31)	(35)	4
Operating loss before finance income/(cost)	(2,115)	(2,037)	(78)
Finance income	206	129	77
Finance costs	(15)	-	(15)
Loss before income tax	(1,924)	(1,908)	(16)
Income tax expense/(credit)	-	-	-
Loss for the period	(1,924)	(1,908)	(16)
Loss for the period attributable to:			
Equity holders of Moa Group Limited	(1,924)	(1,908)	(16)
	(1,924)	(1,908)	(16)
Operating loss before finance income/(cost)	(2,115)	(2,037)	(78)
Depreciation	82	81	1
Loss on disposal of assets	9	-	9
EBITDA	(2,024)	(1,956)	(68)

24 Comparison to Prospective Financial Information (continued)

Explanation of variances – Statement of Comprehensive Income

The Group revenue and cost of sales variances relate to the earlier than anticipated shipment of export orders by Moa Brewing Company Limited in September 2012. These sales were therefore recognised prior to the acquisition of the subsidiary by the Company, hence these variances are eliminated within the 12 month period presented in the pro forma statement in note 24(b).

The variance in administration costs is primarily due to share based payments expense, relating to the redeemable shares and limited recourse loans described in note 17(b), being lower than that forecast in the prospective financial information.

The additional spend in sales and marketing relates primarily to the Group's sponsorship of the New Zealand Professional Golfers Association (NZ PGA) Championship in March 2013. The opportunity to sponsor the NZPGA was not anticipated in the prospective financial information. The sponsorship agreement is for both the 2013 and 2014 Championships.

Finance income is higher than the prospective financial information due to the additional capital raised in the public offer, capital expenditure occurring later than forecast and a higher interest rate realised than was assumed in the prospective financial information earned on surplus cash.

Prospective Statement of Movement in Equity
For the six month period ended 31 March 2013

	Note	Consolidated Actual Period ended 31 March 2013 $'000	Consolidated Prospective Period ended 31 March 2013 $'000	Variance $'000
Opening balance 1 October 2012		-	-	-
Loss for the period	19(b)	(1,924)	(1,908)	(16)
Share entitlement reserve	19(a)	99	289	(190)
Total comprehensive income / (loss)		(1,825)	(1,619)	(206)
Issue of ordinary shares	17			
on acquisition of subsidiary		1,670	1,740	(70)
for cash at IPO		16,000	15,000	1,000
IPO share issue cost		(1,310)	(1,181)	(129)
Balance as at 31 March 2013		14,535	13,940	595

Explanation of variances – Statement of movements in equity

The variance in the share entitlement reserve is due to the lower share-based payments expense.

The Group raised an additional $1,000,000 through the oversubscription facility provided for in the Investment Statement. This incurred additional share issue costs and overall a higher proportion of the offer listing costs were recognised in equity as a reduction in share proceeds, due to the greater proportion of new shares listed relative to existing shares listed.

24 Comparison to Prospective Financial Information (continued)

Prospective Statement of Financial Position
As at 31 March 2013

	Consolidated Actual 31 March 2013 $'000	Consolidated Prospective 31 March 2013 $'000	Variance $'000
Assets			
Current assets			
Cash and cash equivalents	11,485	10,165	1,320
Trade and other receivables	1,499	933	566
Inventories	777	1,082	(305)
Tax receivable	4	-	4
Total current assets	13,765	12,180	1,585
Non-current assets			
Plant and equipment	2,369	2,845	(476)
Total non-current assets	2,369	2,845	(476)
Total assets	16,134	15,025	1,109
Current liabilities			
Trade and other payables	1,599	1,085	514
Total current liabilities	1,599	1,085	514
Total liabilities	1,599	1,085	514
Net assets	14,535	13,940	595
Equity			
Contributed equity	16,360	15,559	801
Reserves	99	289	(190)
Accumulated losses	(1,924)	(1,908)	(16)
	14,535	13,940	595
Equity attributable to equity holders of Moa Group Limited	14,535	13,940	595

Explanation of variances –Statement of financial position

Trade and other receivables at 31 March 2013 are higher than forecast in the prospective financial information due primarily to accrued interest, temporary NZX security deposits, deposits on materials imports and receivables past due but not impaired, detailed in note 11(b).

The improvement in inventory levels reflects leaner procurement and manufacturing processes.

The variance in plant and equipment reflects actual timing of the capital expenditure on the new brewery development relative to assumptions in the prospective financial information. Similarly, the majority of the increase in trade payables relates to invoices for capital expenditure instalments.

The improved cash position at 31 March 2013 versus the prospective financial information is mostly a result of the additional net proceeds from the public offer and the timing of capital expenditure on the new brewery.

The variance in equity is described in the prospective statements of movements in equity above.

24 Comparison to Prospective Financial Information (continued)

Prospective Statement of Cash Flows
For the six month period ended 31 March 2013

	Consolidated Actual Period ended 31 March 2013 $'000	Consolidated Propsective Period ended 31 March 2013 $'000	Variance $'000
Cash flows from operating activities			
Receipts from customers	3,330	3,319	11
Payments to suppliers and employees	(5,378)	(5,027)	(351)
Interest received	146	136	10
Interest paid	(15)	(6)	(9)
Taxation paid	26	19	7
Net cash inflow / (outflow) from operating activities	(1,891)	(1,559)	(332)
Cash flows from investing activities			
Cash acquired with subsidiary	90	12	78
Payments for plant and equipment	(808)	(1,507)	699
Sale of plant and equipment	4	-	4
Net cash inflow / (outflow) from investing activities	(714)	(1,495)	781
Cash flows from financing activities			
Net proceeds from bank borrowings	(600)	(600)	-
Net proceeds from issue of shares	14,690	13,819	871
Net cash inflow / (outflow) from financing activities	14,090	13,219	871
Net increase in cash and cash equivalents	11,485	10,165	1,320
Cash and cash equivalents at the beginning of the period	-	-	-
Cash and cash equivalents at end of period	11,485	10,165	1,320

Explanation of variances – Statement of Cash Flows

The key variances in the actual cash flow versus the prospective cash flow are described by the movements in statements above.

24 Comparison to Prospective Financial Information (continued)

(b) The Group's Investment Statement also presented pro forma prospective financial statements for the period from 1 April 2012 to 31 March 2013 as if the Company had acquired Moa Brewing Company Limited on or before 1 April 2012. The pro forma prospective financial statements included five months actual results and seven months forecast. The below tables show the pro forma actual results relative to those pro forma prospective financial statements.

Prospective Statement of Comprehensive Income
For the Pro Forma 12 months to 31 March 2013

	Consolidated Pro Forma Actual 12 months to 31 March 2013 $'000	Consolidated Prospective 12 months to 31 March 2013 $'000	Variance $'000
Revenue	4,376	4,372	4
Cost of sales	(3,026)	(3,003)	(23)
Gross profit	1,350	1,369	(19)
Other income	1	-	1
Other gains (losses) - net	(36)	-	(36)
Expenses			
Distribution	(870)	(781)	(89)
Administration	(2,673)	(2,864)	191
Listing expenses	(395)	(419)	24
Sales and Marketing	(1,088)	(860)	(228)
Cellar Door	(61)	(65)	4
Operating loss before finance income/(cost)	(3,772)	(3,620)	(152)
Finance income	207	135	72
Finance costs	(16)	(10)	(6)
Loss before income tax	(3,581)	(3,495)	(86)
Income tax expense/(credit)	-	-	-
Loss for the period	(3,581)	(3,495)	(86)
Loss for the period attributable to:			
Equity holders of Moa Group Limited	(3,581)	(3,495)	(86)
	(3,581)	(3,495)	(86)
Operating loss before finance income/(cost)	(3,772)	(3,620)	(152)
Depreciation	146	149	(3)
Gain/(Loss) on Disposal of Assets	13	-	13
EBITDA	(3,613)	(3,471)	(142)

24 Comparison to Prospective Financial Information (continued)

Prospective Statement of Movements in Equity
For the Pro Forma 12 months to 31 March 2013

	Consolidated Pro Forma Actual 12 months to 31 March 2013 $'000	Consolidated Prospective 12 months to 31 March 2013 $'000	Variance $'000
Opening balance 1 April	1,948	1,948	-
Loss for the period	(3,581)	(3,495)	(86)
Share Entitlement Reserve	200	390	(190)
Total comprehensive income / (loss)	(3,381)	(3,105)	(276)
Issue of ordinary shares			
- for shares issued August 2012	1,278	1,278	-
- for cash at IPO	16,000	15,000	1,000
- IPO share issue cost	(1,310)	(1,181)	(129)
Balance as at 31 March 2013	14,535	13,940	595

24 Comparison to Prospective Financial Information (continued)

Prospective Statement of Cash Flows
For the Pro Forma 12 months to 31 March 2013

	Consolidated Pro Forma Actual 12 months to 31 March 2013 $'000	Consolidated Prospective 12 months to 31 March 2013 $'000	Variance $'000
Cash flows from operating activities			
Receipts from customers	4,937	4,862	75
Payments to suppliers and employees	(8,908)	(8,347)	(561)
Interest received	146	136	10
Interest paid	(16)	(8)	(8)
Taxation paid	54	16	38
Net cash inflow / (outflow) from operating activities	(3,787)	(3,341)	(446)
Cash flows from investing activities			
Cash acquired with subsidiary	-	-	-
Payments for plant and equipment	(831)	(1,701)	870
Sale of plant and equipment	5	-	5
Net cash inflow / (outflow) from investing activities	(826)	(1,701)	875
Cash flows from financing activities			
Net proceeds from bank borrowings	-	-	-
Net proceeds from issue of shares	15,968	15,097	871
Net cash inflow / (outflow) from financing activities	15,968	15,097	871
Net increase in cash and cash equivalents	11,355	10,055	1,300
Cash and cash equivalents at the beginning of the period	130	110	20
Cash and cash equivalents at end of period	11,485	10,165	1,320

The segment information for the pro forma 12 months to 31 March 2013 provided to the chief operating decision maker for the reportable segments, as defined in note 5, is as follows:

	Pro forma 12 months to 31 March 2013				
	Australia $'000	New Zealand $'000	US $'000	Rest of World $'000	Total $'000
Segment revenue	457	3,100	529	290	4,376
Revenue from external customers	457	3,100	529	290	4,376
EBITDA*	5	(3,386)	(279)	47	(3,613)
Depreciation and amortisation	-	146	-	-	146
Income tax expense	-	-	-	-	-
Capital expenditure	-	1,235	-	-	1,235

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

24 Comparison to Prospective Financial Information (continued)

A reconciliation of EBITDA to the Group's loss before tax for the pro forma actual 12 months to 31 March 2013 is provided as follows:

	Pro forma 12 months to 31 March 2013 $'000
EBITDA for reportable segments	(3,613)
Depreciation and amortisation	(146)
Gain / (Loss) on Disposal of Asset	(13)
Finance income, net	191
Loss before tax	(3,581)

25 Events occurring after the balance date

There have been no subsequent events after 31 March 2013.