Annual
Report 2024

New Zealand's premier
hospitality group

savor group







In this report

02 Location Overview

04 Our Performance

07 Letter to Shareholders – From Chair & CEO

10 Performance Management

12 Performance Transformation

16 Corporate Governance

20 Financial Statements

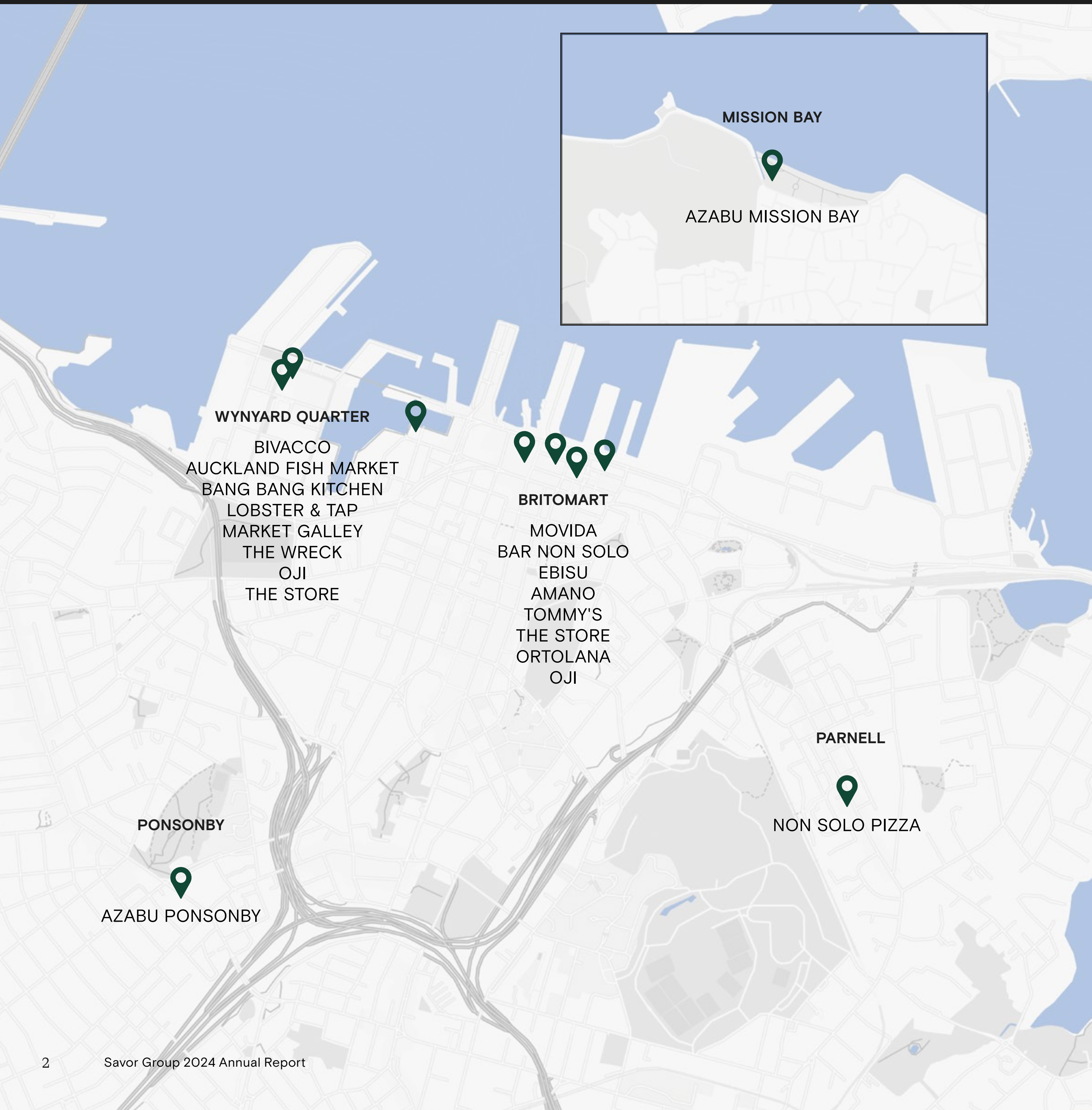
40 Independent Auditor's Report

44 Shareholder and Statutory Information

47 Corporate Directory

New Zealand's premier hospitality group

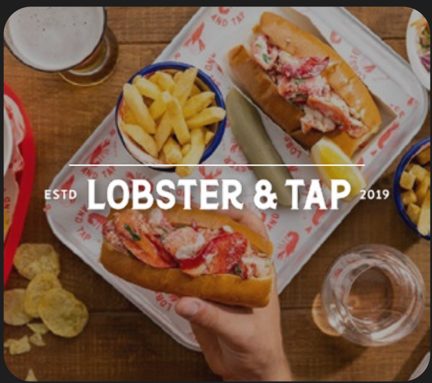
Creating original food and entertainment experiences at iconic Auckland locations.




EBISU
寿


AMANO


azabu.
PONSONBY | MISSION BAY


ESTD LOBSTER & TAP 2019


轰轰厨
BANG BANG
KITCHEN


THE REEF • THE LASH • RUST, BONE & RUM
THE
WRECK
ESTD.
2018


tommy's
CHAMPAGNE PARLOUR


Bivacco


ORTOLANA


FRESH SEAFOOD
MARKET GALLEY
FRY · RAW · GRILL


NON SOLO PIZZA
EST.1997


MoVida


WILD ABOUT WILD
AUCKLAND FISH MARKET
WYNYARD QUARTER


THE
STORE
BRITOMART


OJI
伯父

Our numbers at a glance

REVENUE

$62m

↑ 18%

EBITDA

$8.8m

↑ 69%

EBITDA MARGIN

14.2%

↑ 4.2%

NET PROFIT

$0.7m

↑ 128%

LEVERAGE

0.95 times

↓ 1.2 times

EARNINGS PER SHARE

0.9c

↑ 4.4c

OPERATING CASH FLOWS*

$7.8m

↑ 91%

*before working capital movements

TOTAL ASSETS

$54m

EMPLOYEES

502

Letter to Shareholders

From Chair & CEO

Dear Shareholders,

With the turnaround strategy complete, we are pleased to announce our first clean set of financial statements since listing.

In the 2024 financial year the Group has recorded:

- Total annual revenue of $62m, an increase of over 18% from 2023 and 290% increase since 2019 (see page 12).
- Operating earnings of $8.8m (at the top end of the guidance range announced to the NZX in March 2024) are an over 500% improvement from 2019.
- Cash flow from operating activities exceeded $7.8m, an increase of 91% compared to 2023 (adjusted for timing differences) up $11m since 2019.
- Leverage ratio of less than 1 times. Reducing gearing from 12 times in its peak in 2019.

Savor's targeting of industry leading performance metrics (see page 10) has culminated in a Group net margin extraction of 14.2%.

> We hope you agree that within the context of New Zealand's macroeconomic conditions this is a very pleasing result. It has been hard fought and is a direct result of a strong focus on cost control.

Delivering a positive net profit before tax also means that Savor is able to utilise the significant historical tax losses accumulated, resulting in further cash flow benefits going forward.

In 2024 Savor also continued to strengthen its Balance Sheet ensuring the Group is flexible to either face the continued challenging economic environment or build cash reserves to fund future growth.

We believe the Group is well positioned to capitalise on this momentum and will focus on continuing to drive margin improvement and profitability over the next 12 months as we look to deliver long term value to our shareholders.

Financial Year 2024

Financially the Group has never performed better, with a resilient customer base demonstrating a commitment to quality, and average spend per head remaining broadly consistent with previous years.

The return of large scale events to Auckland provided the Group with the opportunity to partner with New Zealand Fashion Week in August 2023. This provided a good base model for these types of events and was replicated in April 2024 in partnership with the Aotearoa Arts Fair.

The Group's cost base has been rationalised even further with the venue level decision making being driven out of head office to prepare the Group as best as possible for a potential downturn in trading. Labour remains the most significant cost for the Group and following an extensive redesign of how it is managed, all venues made improvements to their profitability as a result.

The Group has leveraged its size and translated that into purchasing power to provide benefits that have not only helped maintain margin but ensured we have held the cost to our customers static for over a year. Standardising menus for both food and beverage and working closer with a number of suppliers continues to deliver benefits, while ensuring we retain sufficient choice and selection, in the face of unexpected shortages.

Cost of goods and Group overheads were subject to complete reviews during the year, with tender processes undertaken on the most significant costs. The benefits of our internal depot and distribution network have been key for this, with red meat, poultry, wine, and dairy being centralised leading to significant cost savings.

Letter to Shareholders

From Chair & CEO (continued)

Growth

There continues to be a number of expansion opportunities presented to the Board, both from landlords and vendors of other hospitality venues. The Directors have adopted a cautious approach to these, as we are well aware of the value our brands bring and the opportunity costs associated with expansion. It's important that we're able to partner with landlords who appreciate this and are able to structure any potential deal that recognises the value that we bring.

We continue to look for organic and inorganic expansion but are committed to getting the best deal possible.

Outlook

The Group finished the year with a total leverage ratio of less than one to one, ensuring maximum flexibility heading into the largely uncertain winter trading period, building resilience and contingency into the Group's funding structure. This has continued into the new financial year with the refinancing of the Group's banking arrangements completed in early April, allowing for better access to funds.

While the trading outlook remains uncertain due to changing market conditions, Savor is well positioned to continue its path of rationalisation and efficiency gains, and we are looking forward to seeing the full year impact of these changes continue to materialise through the coming months.

The investment the Group continues to make into its supply chain and people, provide an increased level of flexibility as well as reinforcing the foundations for trading and ensuring we're able to continue delivering the best offering for our customers at the most affordable cost to the Group.

As we look to the year ahead, we thank you again for your investment and support. We are encouraged by the result for 2024 and look forward to meeting you in person at our AGM in August.

Paul Robinson
Executive Chair

Lucien
Lucien Law
Chief Executive

Performance Management

With inflationary pressure still driving the cost of goods and even the most resilient consumer feeling pricing fatigue, in order to protect margin without pricing increases, Savor management centralised much of the venue level decision making and micro-managed the following 4 key areas of performance.

1

Labour

Labour not only constitutes the most substantial financial risk but also offers the most potential for efficiencies and cost savings.

- Management set weekly wage targets for each venue, which are agreed and signed off by venue management.
- Wage costs are tracked on a daily basis to ensure they are within the approved roster.
- Risk vs. return decisions ahead of weekend trading are discussed with venue management at mid week meetings.

2

Cost of Goods Sold

The variability of the Cost of Goods Sold is attributed to the seasonal availability of products and the ever-changing pricing dynamics

- Consistent Group-wide supply for high-quality products.
- Seasonal menu planning to optimize available produce and offer reasonably priced items.
- Financial KPIs guide pricing decisions from the outset.
- Food and beverage stocktakes are undertaken on a regular basis.

3

Utilities & Overheads

Overheads consist of both fixed and variable components. Effective management involves balancing the right mix and frequency of these elements.

- Group-wide contracts for utility and amenity services.
- Competitive tender processes for multi-year agreements.
- Discretionary spending requires approval.
- Minimal maintenance spend for effective overhead control.

4

Procurement & Distribution

Rigorous procurement processes guarantee that efficiencies commence at the source, with optimal pricing ensuring the delivery of the highest quality.

- Negotiated pricing based on volumes and seasonality for Group-wide reach.
- Centralised stock holding standardises quality control and reduces venue-level wastage risk.
- Significant back-office benefits through streamlined invoicing and payments administration.

This approach has helped Savor to target industry leading performance metrics:

- **Net margin at a venue level of between 22% - 25% of revenue**
- **Front of house labour costs of less than 16% of revenue**
- **Kitchen labour costs of less than 28% of food revenue**
- **Cost of goods sold of less than 30% of revenue**
- **Group overhead costs of less than 4% of Group revenue**

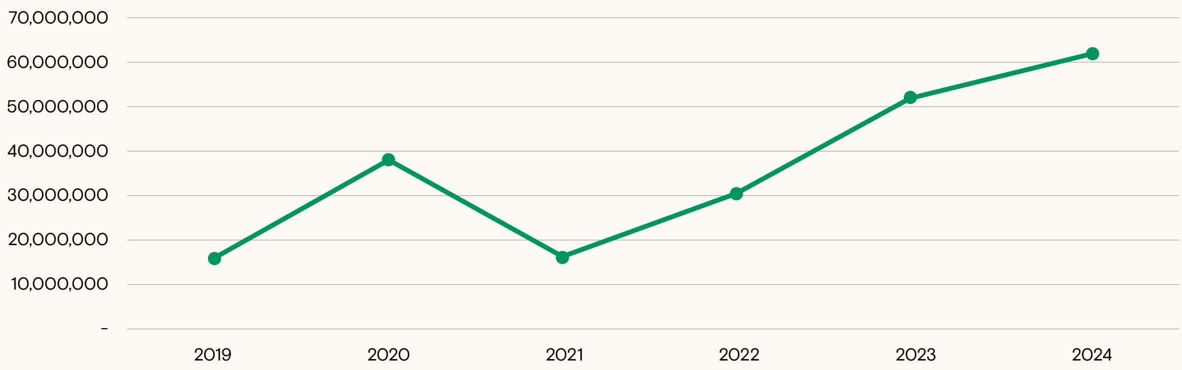
Savor continue to drive margin improvement and profitability by capitalising on the momentum these hard earned gains have delivered, which continues to be sustainable into the new year.

Savor's Continued Performance Transformation

Savor's Executive team are delighted to draw to an end to the turnaround of the Group and can now focus on the pursue of growth or further strengthening of the balance sheet from cash flow to deliver greater value to our shareholders over the long term.

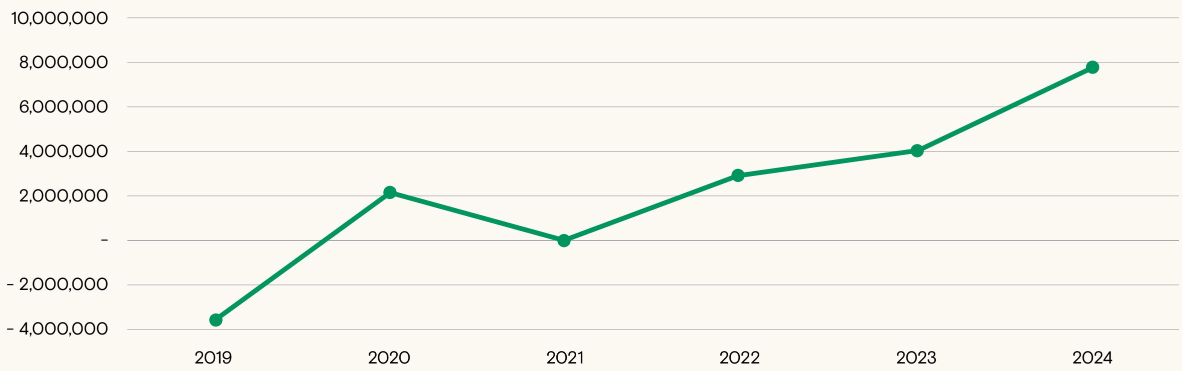
Revenue

290% increase from 2019 to 2024



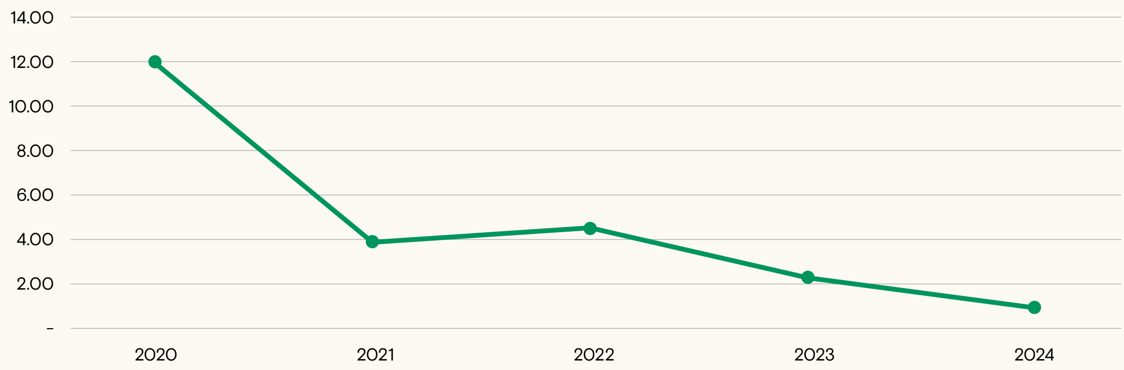
Operating Cash Flows

$11m turnaround from negative in 2019 to $8m in 2024



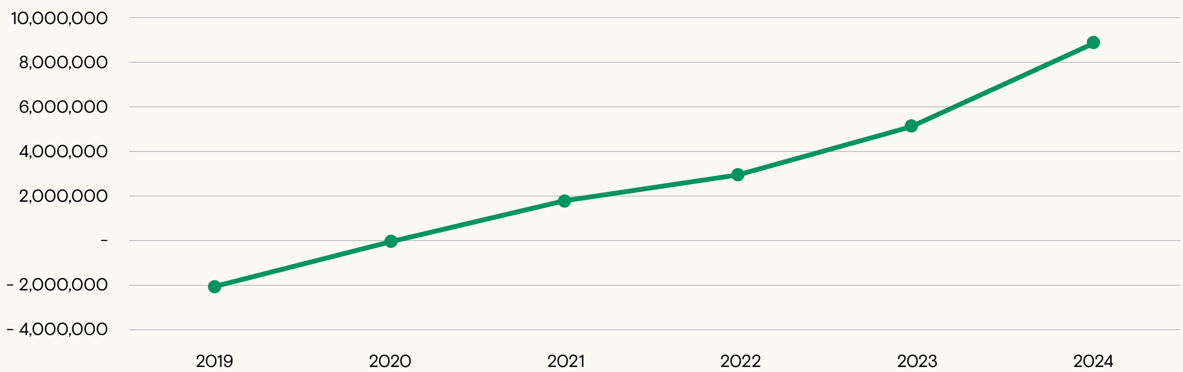
Ratio of Debt to EBITDA

Gearing reduced from 12 times to less than 1 times in 2024



EBITDA

Over 500% improvement from loss making to $9m annual profit



Corporate Governance

The overall responsibility for ensuring that the corporate governance and accountability of the Company is properly managed, thereby enhancing investor confidence, lies with the Board of Directors. A copy of Savor's Corporate Governance Code ("Code"), current as at 31 March 2024, is available on the Savor website at www.savor.co.nz.

The Code is generally consistent with the principles identified in the NZX Corporate Governance Code (version dated 1 April 2023). Savor followed the recommendations in the NZX Corporate Governance Code throughout the year and as at 1 April 2023, except that:

- the Company did not have a majority of independent Directors (per recommendation 2.8);
- the Company does not have an Audit and Risk Committee comprising solely of Non-Executive Directors (per recommendation 3.1); and
- the Company raised additional equity capital by issuing shares to investors via a private placement in October 2023, without first offering shares to existing shareholders on a pro rata basis (per recommendation 8.4). However, shareholders had the opportunity to participate in a pro-rata rights issue conducted in February 2023.

These departures from the NZX Corporate Governance Code are primarily due to the size and composition of the Board. The Board considers that to increase the number of Directors on the Board to comply with the Code would bring undue cost to the Group, given the skills and experience of the current Directors are complementary to one another and specific to the needs to the Company. The Board seeks external expert advice on a range of legal, financial and commercial matters where specialist assistance is required.

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

An outline of the Company's governance arrangements are set out below. Further detail is available on the Company's website www.savor.co.nz.

The Board of Directors

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

The specific responsibilities of the Board include:

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

The Board has agreed that the performance of the Board, its Committees, and Directors will be independently evaluated at least once every three years. The first of these is expected to take place during the financial year ending 31 March 2025.

Board Meeting and Committee Attendance

During the year to 31 March 2024 the Company held 13 Board meetings. The Audit & Risk Committee met on three occasions. Attendance by individual Directors was as follows:

	Board Meetings		Audit & Risk Committee Meetings	
	Eligible	Attended	Eligible	Attended
Paul Robinson	13	13	3	3
Lucien Law	13	13	-	-
Louise Alexander	13	13	3	3
Bhupen Master	10	10	2	2
Ryan Davis	5	3	1	-

Ethical Conduct

The Code includes a code of ethics which is designed to govern the conduct of Directors, senior managers and other employees of the Company and its subsidiaries. The Company's directors and managers are expected to lead according to these standards of ethical and professional conduct and to ensure that they are communicated to the people who report to them. The Code addresses, amongst other matters, conflicts of interest, receipt of gifts, confidentiality and fair business practices.

Board Membership

As at 31 March 2024, the Board consisted of two Independent Directors and two Executive Directors, who are elected based on the value they bring to the Board.

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

As at 31 March 2024 the Company's Directors were:

Paul Robinson – Executive Chair

Paul Robinson was appointed to the Board in April 2019 and was last re-elected by shareholders in August 2022. Paul is currently Chair of the Board and a member of the Audit & Risk and People & Culture Committees.

Paul Robinson has twenty five years of experience in structured finance in London and New York. In London, Paul worked across the range of capital markets endeavours, delivering increased profitability via bespoke solutions utilising financial engineering, legal, tax and accounting expertise. In 2008, Paul moved to New York to take lead responsibility for structuring and originating strategic debt and equity capital markets funding. In 2019, Paul returned to New Zealand to raise a family and take an active role in Savor Group where he has been a long term shareholder.

Lucien Law – Executive Director & CEO

Lucien Law was appointed to the Board in April 2019 and was last re-elected by shareholders in August 2022. Lucien is currently a member of the People & Culture Committee.

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

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

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

Louise Alexander – Independent Director

Louise Alexander was appointed to the Board in April 2021 and elected by shareholders in November 2021. Louise is currently the Chair of the People & Culture Committee and a member of the Audit & Risk and Remuneration Committees.

Louise is a senior HR practitioner and people leader and is currently the HR Director for Bell Gully, a role which she has held since 2015. Louise has developed and led Bell Gully's HR strategy over that time, focusing on communication, diversity and culture, and supporting and developing people through the talent management programme. Louise has a passion for the not for profit sector, with both management and governance roles in various organisations throughout her career. Louise brings a critical skillset to Savor, where the success of the Group is driven by its teams in the venues.

Bhupen Master – Independent Director

Bhupen Master was appointed to the Board in August 2023 and elected by shareholders in September 2023. Bhupen is currently Chair of the Audit & Risk Committee.

Bhupen has spent his extensive career working with some of the top financial institutions worldwide. Bhupen was most recently an Executive Director of Goldman Sachs with extensive experience in global markets covering institutional investors and was instrumental in leading numerous capital raisings during his time. Prior to this, Bhupen spent over 20 years working in New Zealand, Australia and the United Kingdom for Credit Suisse, Merrill Lynch and Deustche Bank. Bhupen's extensive experience in the capital markets and strategic transactions strengthens the Board's diverse skills and experience, and are essential to assist in guiding the Group as it continues on its growth trajectory.

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

Director Independence

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

The Board has determined that as at 31 March 2024, Bhupen Master and Louise Alexander are Independent Directors.

Nomination and Appointment of Directors

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

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

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

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

Louise Alexander will stand for re-election at the 2024 Annual Shareholders Meeting.

Disclosure of Interests by Directors

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

Directors' Share Dealings

The Company has adopted a Securities Trading policy, which sets out the procedure to be followed by Directors, staff and associates trading in Savor listed securities, to ensure that trades are not made while that person is in possession of material information which is not generally available to the market. Details of Directors' share dealings during the 12 months to 31 March 2024 are outlined on page 45.

Directors' and Officers' Gender Composition

	2024			2023		
	Male	Female	Gender Diverse	Male	Female	Gender Diverse
Directors'	3	1	0	3	1	0
Officers'	1	1	0	1	1	0
Total	**4**	**2**	**0**	**4**	**2**	**0**

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

Savor has adopted a Diversity and Inclusion Policy. Savor's Board has set targets to meet (as the Corporate Governance Code recommends, at recommendation 2.5) which are reviewed on an annual basis.

Indemnification and Insurance of Directors and Officers

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

Board Committees

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

Audit and Risk Committee

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

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

Nominations and Remuneration Committee

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

The members of the Nominations and Remuneration Committee are Louise Alexander (Chair), and Bhupen Master.

People and Culture Committee

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

Remuneration

Remuneration of Directors and executives is the key responsibility of the Nominations and Remuneration Committee. Details of Directors and executives' remuneration and entitlements are set out on page 45.

Directors' Remuneration

For the year ended 31 March 2024 Directors' fees have been fixed at $100,000 per annum for the Chairman (2023: $100,000) and $60,000 per annum for other Directors (2023: $60,000). Directors receive no additional fees as membership of Board Committees. To provide for flexibility, shareholders have previously approved an aggregate cap on non-executive Directors' fees of $300,000 for the purpose of the Listing Rules (2023: $300,000).

CEO Remuneration

For the year ended 31 March 2024, Lucien Law received a base salary of $500,000 (2023: $400,000) and received no short or long term incentives during the year (2023: nil).

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

Managing Risk

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

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

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

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

Takeover Response Policy

The Board is well prepared in the event of a takeover, and has adopted a Takeover Preparedness Protocol so that it is prepared should an unexpected takeover or scheme of arrangement proposal be made.

Disclosure

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

Auditor

EY acts as auditor of the Company and has undertaken the audit of the financial statements for the year ending 31 March 2024. Particulars of the audit and other fees paid during the period are set out on page 35.

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

Shareholder Rights & Relations

The Board is committed to achieving best practice investor relations.

Financial and operational information and key corporate governance information can be accessed on the Company's website. Enquiries from shareholders can be raised at the Annual Meeting of shareholders, or emailed through using the contact details on our website.

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

The Company seeks to offer new equity pro rata to existing shareholders, or with shareholder approval. In October 2023, the Company undertook a placement raising a total of $0.8m at an issue price of 27.22 cents per share.

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

Financial Statements

For the year ended 31 March 2024

21 Directors' Report

22 Consolidated Statement of Comprehensive Income

23 Consolidated Statement of Movements in Equity

24 Consolidated Balance Sheet

25 Consolidated Statement of Cash Flows

26 Notes to the Financial Statements

40 Auditor's Report

The Board of Directors has pleasure in presenting the financial statements and audit report for Savor Limited for the year ended 31 March 2024.

The financial statements presented are signed for and on behalf of the Board of Directors and were authorised for issue on 22 May 2024.

Paul Robinson Executive Chair	Bhupen Master Director

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 $000's	2023 $000's
Revenue		**61,858**	52,378
Expenses:	15		
Direct costs		**(17,760)**	(16,067)
Employee costs		**(27,543)**	(24,553)
Marketing costs		**(492)**	(294)
Utilities and operational expenses		**(4,653)**	(3,736)
Other expenses		**(2,637)**	(2,508)
		8,773	5,220
Depreciation and amortisation		**(5,099)**	(4,617)
Restructuring and other costs	2.2	**(870)**	(1,395)
Impairment expense	2.1	**(4,320)**	-
Interest expense		**(1,342)**	(1,542)
Loss before income tax		**(2,858)**	(2,334)
Taxation benefit/(expense)	14	**3,508**	-
Profit/(loss) attributable to the shareholders		**650**	(2,334)
Other comprehensive income and expenses		**-**	-
Total comprehensive income/(loss)		**650**	(2,334)
Net earnings/(losses) per share (cents)	13		
Basic and diluted		**0.9**	(3.5)
Weighted average number of shares outstanding (thousands of shares)			
Basic and diluted		**76,008**	66,602

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

Consolidated Statement of Movements in Equity

For the year ended 31 March 2024

	Notes	Share capital $000's	Accumulated losses $000's	Share-based payments reserve $000's	Total equity $000's
Total equity at 1 April 2022		53,905	(39,706)	151	14,350
Total comprehensive loss for the year		-	(2,334)	-	(2,334)
Issue of new shares		5,309	-	-	5,309
Total equity at 31 March 2023		**59,214**	**(42,040)**	**151**	**17,325**
Total comprehensive income for the year		-	650	-	650
Issue of new shares	11	786	-	-	786
Total equity at 31 March 2024		**60,000**	**(41,390)**	**151**	**18,761**

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

Consolidated Balance Sheet

As at 31 March 2024

	Notes	2024 $000's	2023 $000's
Assets			
Current assets:			
Cash		**-**	-
Trade and other receivables	4	**423**	433
Inventories	5	**895**	1,025
Total current assets		**1,318**	1,458
Non-current assets:			
Property, plant and equipment	7	**11,715**	13,313
Intangible assets	8	**21,060**	25,416
Right of use asset	9	**15,532**	15,900
Deferred tax asset	14	**4,136**	-
Total non-current assets		**52,443**	54,629
Total assets		**53,761**	56,087
Liabilities			
Current liabilities:			
Bank overdraft		**653**	196
Trade and other payables	6	**6,977**	8,317
Current tax liability	14	**629**	-
Lease liability	9	**3,056**	2,964
Borrowings	10	**8,407**	3,004
Total current liabilities		**19,722**	14,481
Non-current liabilities:			
Trade and other payables	6	**830**	1,217
Lease liability	9	**14,448**	14,719
Borrowings	10	**-**	8,346
Total non-current liabilities		**15,278**	24,282
Total liabilities		**35,000**	38,763
Equity			
Share capital	11	**60,000**	59,214
Reserves		**(41,239)**	(41,890)
Total equity		**18,761**	17,324
Total liabilities and equity		**53,761**	56,087

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 $000's	2023 $000's
Cash flow from operating activities			
Receipts from customers		**61,870**	52,527
Payments to suppliers, employees and other		**(55,470)**	(46,142)
Net cash from operating activities		**6,400**	6,385
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets		**(311)**	(4,271)
Payments for venue development costs	2.2	**(164)**	(569)
Repayment of related party payables	12	**-**	(112)
Repayment of deferred consideration		**-**	(2,850)
Net cash to investing activities		**(475)**	(7,802)
Cash flow from financing activities			
Interest paid		**(1,342)**	(1,542)
Borrowings drawn down	10	**-**	1,575
Repayment of borrowings	10	**(2,943)**	(3,651)
Lease liability principal repayment	9	**(2,918)**	(2,450)
Supplier loans received	6	**65**	1,010
Transaction costs from issue of shares	11	**(14)**	(133)
Issue of shares	11	**770**	5,062
Net cash to financing activities		**(6,382)**	(129)
Net movement in cash held		**(457)**	(1,546)
Add: opening cash		**(196)**	1,350
Closing cash		**(653)**	(196)

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

Notes to the Financial Statements

1. Significant accounting policies

Basis of preparation

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

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

The financial statements have been prepared under the historical cost basis.

Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. From that date they are deconsolidated.

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

Revenue recognition

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

Changes in accounting policy

These financial statements are prepared using the same accounting policies as the prior year. Several other amendments and interpretations apply for the first time from 1 April 2023, but do not have an impact on the consolidated financial statements of the Group.

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

2. Key estimates and judgements

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

2.1. Intangible asset impairment

Goodwill across the Group is tested annually for impairment. Each cash generating unit (CGU) that carries goodwill is valued on a value-in-use basis using a discounted cash flow model, as a fair value less costs to sell basis is considered to result in a lower valuation. Management has used its past experience of sales growth, operating costs and margin, and external sources of information where appropriate, to determine their expectations for the future. These cash flow projections over five years are principally based on the Group's budget, which is risk adjusted where appropriate. Cash flows beyond five years have been extrapolated using estimated terminal growth rates, which do not exceed the long-term average growth rate. The terminal growth rate used was 3% (2023: 3%) and the Group employed a weighted average cost of capital of 12.6% (2023: 12.6%).

It is inherently difficult to forecast future performance of the Group's operations in the post-COVID landscape. The Group has prepared a budget and forecasts based on current expectations, however there remains risk which is primarily dependent on general market conditions. Venue performance has demonstrated improvements in margins and operatings earnings recently, which are budgeted to be maintained or continue to improve throughout the forecast period.

Impairment recognised

The current lease for the Seafarers Building in Britomart expires in November 2025. The Group does not currently have a right of renewal for the premises and discussions with the landlord have not yet reached a level where the Group can be certain of the outcome. Therefore, the impairment assessment for the Seafarers CGU and the related goodwill balances have considered a range of possible scenarios from an exit at the end of the current lease through to a full extension for a similar 10 year term. After weighting the probability of each possible outcome, the resulting recoverable amount is not sufficient to support the existing carrying value of the CGU at balance date. Accordingly, Savor has recognised an impairment expense in these financial statements of $4.3m which has reduced the associated goodwill balance to nil. The remaining recoverable value of the CGU is $2.1m.

For all other CGU's a reasonably possible change in the assumptions used in the impairment testing would not lead to an impairment charge.

2.2. Restructuring and other costs

	2024 $000's	2023 $000's
Acquisition costs	**(196)**	7
Restructuring costs	**(159)**	(100)
Loss on disposal of fixed assets	**(2)**	(10)
Venue development expenses	**(203)**	(583)
Other costs	**(310)**	(255)
Recruitment costs	**-**	(454)
	(870)	(1,395)

Restructuring and other costs occur outside the normal course of operating the venues on a day to day basis, and are unrelated to the Group's trading operations. These have been separated out on the face of the Statement of Comprehensive Income to allow the reader of these financial statements to understand the day to day operations for the year without the impact of these items. These items typically include the impairment or disposal of assets, disposal of assets, variable rent costs under NZ IFRS 16, costs related to restructuring or M&A activity, venue development or other costs that are unrelated to the Group's day to day trading operations.

2.3. Going concern

During the year the Group raised additional capital of $0.8m in October 2023 and successfully renegotiated its banking facilities to ANZ. The nature of the Group's operations means that the Group holds minimal receivables and inventory balances compared to its current liabilities. Therefore, the Group has negative working capital at 31 March 2024.

At 31 March 2024, the Group had committed funds with ANZ for borrowings of $10m and overdraft facilities of $3m which were drawn down after year end. Accordingly, the Group has recognised the full balance of the Kiwibank borrowings as a current liability on the face of the Balance Sheet. The refinancing was completed on 2 April 2024 and Kiwibank were repaid in full.

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

2.4. Recognition of tax losses

At 31 March 2023, the Group had unrecognised tax losses of over $9m available for use against future tax liabilities. The significant improvement in financial performance in recent years, including the tax expense for the current financial year, has led the Group to consider whether recognition of a portion of these historical tax losses is appropriate. Management have reviewed the forecast financial performance for the next five years in which the Group is expected to continue along its current trajectory into sustained profitability.

While the forecast performance of the Group is inherently uncertain, management has applied consistent assumptions to the forecasts used for the annual impairment assessment, including assessing sensitivities where appropriate. Accordingly, the Directors have sufficient evidence to support the recognition of a portion of the losses, totalling $4.0m on the Balance Sheet at 31 March 2024.

3. Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segmental information is presented in respect of the Group's industry segment, Hospitality. Corporate is not an operating segment as it does not meet the recognition criteria under NZ IFRS 8.

$000's	2024 Revenue	2023 Revenue	2024 EBITDA*	2023 EBITDA*
Hospitality	**61,858**	52,378	**11,472**	7,868
Corporate	**-**	-	**(2,699)**	(2,648)
Total	**61,858**	52,378	**8,773**	5,220

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

$000's	2024 Depreciation, amortisation and impairment	2023 Depreciation, amortisation and impairment	2024 Capital expenditure	2023 Capital expenditure
Hospitality	**9,419**	4,617	**475**	4,271
Corporate	**-**	-	**-**	-
Total	**9,419**	4,617	**475**	4,271

$000's	2024 Non-current assets	2023 Non-current assets
Hospitality	**52,443**	54,629
Corporate	**-**	-
Total	**52,443**	54,629

4. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. Trade receivables are due for settlement between 30-90 days from invoice date. All receivables are due within 12 months of balance date.

	2024 $000's	2023 $000's
Trade receivables	**97**	460
Less: provision for doubtful debts	**-**	-
Trade receivables	**97**	460
Prepayments and other receivables	**326**	291
	423	751

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

	2024 $000's	2023 $000's
Current	**401**	746
0 - 30 days over standard terms	**3**	3
31 - 60 days over standard terms	**-**	-
61+ days over standard terms	**19**	2
Provision	**-**	-
Trade and other receivables	**423**	751

5. Inventories

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

	2024 $000's	2023 $000's
Raw materials	**495**	523
Finished goods	**400**	502
	895	1,025

6. Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 and 60 days of recognition. Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. Supplier loans relate to inducements received for the long term supply to Hospitality venues. These loans are amortised over the life of the individual contract as the benefits are consumed.

	2024 $000's	2023 $000's
Trade payables	**3,206**	3,816
Employee entitlements	**1,912**	1,480
Other payables	**1,247**	2,301
Supplier loans	**1,442**	1,939
	7,807	9,536
Current	**6,977**	8,319
Non-current	**830**	1,217
	7,807	9,536
Movement in supplier loans		
Balance at 1 April	**1,939**	1,416
Additional loans received in cash	**65**	1,010
Amortised during the year	**(562)**	(487)
Balance at 31 March	**1,442**	1,939

7. Property, Plant & Equipment

All plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. Work in progress assets are those under construction that are not yet in use and do not incur depreciation.

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

Plant and equipment	7% - 67%
Leasehold improvements	6% - 20%
Fixtures & fittings	7% - 67%
Motor vehicles	10% - 21%

Any related gain or loss on disposal of assets is recognised in the Statement of Comprehensive Income as part of restructuring costs.

	Plant & Equipment	Fixtures & Fittings	Leasehold Improvements	Vehicles	Work in progress	Total
2024						
Carrying value at 1 April 2023	**2,123**	**1,234**	**9,919**	**45**	**(8)**	**13,313**
Additions	**170**	**18**	**104**	**-**	**10**	**302**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation	**(571)**	**(394)**	**(925)**	**(10)**	**-**	**(1,900)**
Carrying value at 31 March 2024	**1,722**	**858**	**9,098**	**35**	**2**	**11,715**
Represented by:						
Cost	**3,635**	**2,148**	**12,337**	**70**	**2**	**18,192**
Accumulated depreciation	**(1,913)**	**(1,290)**	**(3,239)**	**(35)**	**-**	**(6,477)**
	1,722	**858**	**9,098**	**35**	**2**	**11,715**
2023						
Carrying value at 1 April 2022	1,799	978	8,034	59	248	11,118
Additions	809	569	2,662	-	-	4,040
Disposals	-	-	-	-	(256)	(256)
Depreciation	(485)	(313)	(777)	(14)	-	(1,589)
Carrying value at 31 March 2023	2,123	1,234	9,919	45	(8)	13,313
Represented by:						
Cost	3,453	2,135	12,223	70	(8)	17,873
Accumulated depreciation	(1,330)	(901)	(2,304)	(25)		(4,560)
	2,123	1,234	9,919	45	(8)	13,313

The Group had no material capital commitments at 31 March 2024 (2023: nil).

8. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. Intangible assets with a definite life are amortised on a straight-line basis. Software and other intangibles, including trademarks and the cost of development of venue concepts, are amortised over a period of 2-4 years.

Goodwill is stated at cost, less any impairment losses. Goodwill is allocated to cash-generating units (CGUs) and is not amortised but is tested annually for impairment, and when an indication of impairment exists. For the purposes of considering whether there has been an impairment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. When the book value of a group of assets exceeds the recoverable amount, an impairment loss arises and is recognised in earnings immediately. Refer to note 2.1 for impairment considerations.

	Goodwill	Software and other intangibles	Total
2024			
Carrying value at 1 April 2023	**25,067**	**349**	**25,416**
Additions	**-**	**9**	**9**
Disposals	**-**	**-**	**-**
Impairment	**(4,320)**	**-**	**(4,320)**
Amortisation expense	**-**	**(45)**	**(45)**
Carrying value at 31 March 2024	**20,747**	**313**	**21,060**
Represented by:			
Cost	**28,631**	**514**	**29,145**
Accumulated amortisation and impairment	**(7,884)**	**(201)**	**(8,085)**
	20,747	**313**	**21,060**
2023			
Carrying value at 1 April 2022	25,067	194	25,261
Additions	-	231	231
Disposals	-	-	-
Impairment	-	-	-
Amortisation expense	-	(76)	(76)
Carrying value at 31 March 2023	25,067	349	25,416
Represented by:			
Cost	28,631	505	29,136
Accumulated amortisation and impairment	(3,564)	(156)	(3,720)
	25,067	349	25,416

Significant cash generating units

Goodwill is allocated to the following significant cash generating units:

	2024 $000's	2023 $000's
Amano	**7,483**	7,483
Azabu	**4,369**	4,369
Non Solo Pizza	**3,269**	3,269
Ebisu & Fukuko	**3,027**	3,027
Auckland Fish Market	**2,163**	2,163
Ortolana	**384**	384
Other	**52**	52
Seafarers	**-**	4,320
	20,747	25,067

9. Leases

As lessee

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

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

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

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

Right-of-use assets	2024 $000's	2023 $000's
Carrying value at 1 April	**15,900**	16,069
Additions	**2,756**	2,537
Variable lease payment adjustments	**-**	44
Disposals	**-**	-
Depreciation	**(3,124)**	(2,750)
Carrying value at 31 March	**15,532**	15,900

Lease liabilities	2024 $000's	2023 $000's
Carrying value at 1 April	**17,683**	17,347
Additions	**2,748**	2,537
Variable lease payment adjustments	**(9)**	249
Repayments	**(2,918)**	(2,450)
Disposals	**-**	-
Carrying value at 31 March	**17,504**	17,683
Current	**3,056**	2,964
Non-current	**14,448**	14,719
Total lease liabilities	**17,504**	17,683

Amounts recognised in profit or loss	2024 $000's	2023 $000's
As lessee		
Lease depreciation	3,124	2,750
Interest expense on lease liabilities	815	744
Lease expense on low value leases	40	41
Rental concessions received	158	184
As lessor		
Sublease income	190	170

10. Borrowings

	2024 $000's	2023 $000's
Balance at 1 April	**11,350**	13,426
Drawn down	**-**	1,575
Repayments	**(2,943)**	(3,651)
Balance at 31 March	**8,407**	11,350
Current	**8,407**	3,004
Non-current	**-**	8,346
Total borrowings	**8,407**	11,350

At balance date, the Group had the following funding facilities

Utilised facilities	**8,407**	11,350
Unutilised bank overdraft	**1,347**	804
Total facilities	**9,754**	12,154

The average interest rate on these borrowings during the year was 4.32% (2023: 4.32%). The Group incurred interest charges on borrowings of $0.5m during the year (2023: $0.6m).

On 2 April 2024 the Group refinanced its borrowings from Kiwibank to ANZ, refer to note 2.3 for further detail and consideration of forecast covenant compliance.

11. Capital

	2024 $000's	2023 $000's
Reported capital at the beginning of the year	**59,214**	53,905
Issue of shares (net of issue costs)	**786**	5,309
	60,000	59,214
Number of ordinary shares:		
Number of shares on issue at the beginning of the year	**74,637,786**	61,482,169
Issue of shares	**2,947,393**	13,155,617
Total number of shares on issue	**77,585,179**	74,637,786

All issued shares are fully paid and have no par value. The cost of issuing shares during the year amounted to $0.01m (2023: $0.1m).

Share issue - October 2023

On 12 October 2023 and 16 October 2023 the Group issued further shares of 1.9m and 1m respectively at a weighted average share price of $0.2722. The cash proceeds totalled $770,000 with a further $30,000 issued for directors fees incurred during the year.

Share option plan

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

	Number of options	Weighted average exercise price (cents)
Outstanding 31 March 2022	283,334	63.0
Forfeited	-	
Granted	-	
Cancelled	-	
Outstanding 31 March 2023	283,334	63.0
Forfeited	**-**	
Granted	**-**	
Cancelled	**-**	
Outstanding 31 March 2024	**283,334**	**63.0**

The outstanding options have been valued at grant date using the Black-Scholes pricing method at $0.2m (2023: $0.2m), the key inputs for which are outlined below.

	2024	2023
Weighted average fair values at the measurement date ($)	**0.061**	0.045
Dividend yield (%)	**0.0**	0.0
Expected volatility (%)	**0.07**	0.03
Risk-free interest rate (%)	**4.3**	4.3
Expected life of share options (years)	**1.36**	2.25
Weighted average share price ($)	**0.22**	0.38

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

12. Related party disclosures

Key management personnel compensation	2024	2023
Directors' fees	**285**	280
Senior management remuneration paid, payable or provided for:		
Short-term employee benefits	**1,550**	1,369

Group information

The consolidated subsidiaries of the Group include:

Name	Principal activities	Country of incorporation	Equity interest (%) 2024	Equity interest (%) 2023
Savor Group Limited	Hospitality	New Zealand	**100**	100
Amano Group Limited	Hospitality	New Zealand	**100**	100
Savor Quick Service Limited	Hospitality	New Zealand	**100**	100
The Red Claw Trading Company Limited	Importation of goods	New Zealand	**100**	100
Savor Goods Limited	Distribution	New Zealand	**100**	100
Amano Britomart 1 Limited	Employment	New Zealand	-	100
Amano Britomart 2 Limited	Employment	New Zealand	-	100
Savor Italian 1 Limited	Employment	New Zealand	-	100
Savor Britomart Limited	Employment	New Zealand	-	100
Savor Japanese 1 Limited	Employment	New Zealand	-	100
Savor Japanese 2 Limited	Employment	New Zealand	-	100

The employment subsidiaries were amalgamated into Savor Group Limited and Amano Group Limited during the year.

13. Earnings/(losses) per share

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

	2024	2023
Net earnings/(losses) per share (cents)		
Basic and diluted	**0.9**	(3.5)

	$000's	$000's
Numerator		
Net earnings/(loss) attributable to shareholders	**650**	(2,334)
Denominator (thousands of shares)		
Weighted average number of shares outstanding	**76,008**	66,602
Denominator for net earnings per share	**76,008**	66,602

14. Taxation

Income tax expense

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

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

	2024 $000's	2023 $000's
Loss before taxation	**(2,858)**	(2,334)
Taxation at 28 cents per dollar	**(800)**	(654)
Adjusted for:		
Non-deductible expenses	**54**	(9)
Non-deductible impairment expense	**1,210**	-
Temporary differences not recognised	**-**	254
Tax losses for which no deferred tax asset was recognised	**-**	409
	464	-
Current tax expense	**628**	-
Deferred tax expense	**(164)**	-
	464	-
Tax losses and prior year amounts not previously recognised	**(3,972)**	-
	(3,508)	-

Deferred tax

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

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

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

	2024 $000's	2023 $000's
Opening balance	-	-
Deferred tax expense for the year	**164**	-
Prior year amounts not recognised	**938**	-
Tax losses recognised during the year	**3,034**	-
	4,136	-
Comprised of:		
Trade and other payables	**550**	-
Right of use assets	**(4,349)**	-
Lease liabilities	**4,901**	-
Tax losses	**3,034**	-
	4,136	-

The Group has no imputation credits available at 31 March 2024 (2023: nil).

Tax losses brought forward

The Group has unrecognised deferred tax assets arising from tax losses as follows:

	2024 $000's	2023 $000's
Opening balance	**9,062**	8,653
Incurred during the year	**-**	409
Prior period adjustment	**(17)**	-
Tax losses recognised as deferred tax assets	**(3,034)**	-
	6,011	9,062

The Group has no imputation credits available at 31 March 2024 (2023: nil).

15. Additional expense disclosures

	2024 $000's	2023 $000's
Direct costs includes the following:		
Cost of goods sold (including the purchase of raw materials)	**17,383**	15,807
Inventory written off / wastage	**-**	23
Employee costs includes the following:		
Salaries, wages, and kiwisaver contributions	**24,678**	23,399
Auditor's remuneration		
Audit of the financial statements		
EY	**231**	215
Total auditor remuneration	**231**	215

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

	2024 $000's	2023 $000's
Net profit(loss) after tax	**650**	(2,334)
Add back:		
Interest paid	**1,342**	1,542
Venue development costs expensed	**164**	582
Add/(Less) non-cash items:		
Depreciation and amortisation	**5,099**	4,617
Impairment expense	**4,320**	-
Income tax benefit	**(3,508)**	-
Supplier loan income recognised	**(552)**	(485)
Loss on disposal of fixed assets	**-**	10
Restructuring costs	**171**	155
Movements in working capital:		
Trade and other receivables	**12**	153
Inventories	**130**	(404)
Trade and other payables	**(1,428)**	2,549
Net cash from operating activities	**6,400**	6,385

17. Financial instruments

Recognition and derecognition

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

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15 (Revenue from Contracts with Customers), all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)(FVOCI)

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

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Impairment of financial assets

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

In applying this forward looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12 month expected credit losses' are recognised in Stage 1, while 'lifetime expected credit losses' are recognised for Stage 2.

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

Trade and other receivables

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

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, deferred consideration, borrowings and related party payables.

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

a) Categories of financial assets & liabilities

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

	2024 $000's	2023 $000's
Financial assets		
Financial assets at amortised cost:		
Cash	-	-
Trade and other receivables	**423**	751
Total financial assets	**423**	751
Financial liabilities		
Financial liabilities at amortised cost:		
Bank overdraft	**653**	514
Trade and other payables	**7,807**	9,536
Borrowings	**8,407**	11,350
Total financial liabilities	**16,867**	21,400

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

b) Market risk

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

i) Interest rate risk

The Group's fair value interest rate risk as at 31 March 2024 arises from its borrowings. An analysis on the sensitivity of the Group's earnings due to movements in interest rates is shown below.

Effect on net loss before tax	2024 $000's	2023 $000's
1% increase in interest rate	**(80)**	(108)
1% decrease in interest rate	**80**	108

The above information is calculated by applying the movement to the average balance of borrowings on hand at 31 March 2024 of $8.4m (2023: $10.8m).

ii) Currency risk

The Group purchases services that are denominated in foreign currencies (primarily AUD) from time to time. These purchases were immaterial during the financial year, and the Group's exposure to movements in foreign exchange is immaterial (2023: both immaterial).

c) Credit risk

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

Sales are settled in cash at the point of sale, leaving minimal debtors. The Group has adopted the simplified approach to ECL (expected credit loss) in NZ IFRS 9: Financial Instruments which apply to trade receivables that are in the scope of IFRS 15. The impact is limited as trade receivables are predominantly less than 30 days.

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

d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

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

2024	Total $000's	0-6 months $000's	7-12 months $000's	1-2 years $000's	2-5 years $000's	5+ years $000's
Trade and other payables	**7,807**	**6,782**	**195**	**345**	**485**	**-**
Lease liabilities	**20,164**	**1,871**	**1,871**	**3,573**	**7,337**	**5,512**
Borrowings	**8,407**	**8,311**	**96**	**-**	**-**	**-**
Total principal cash flows	**36,378**	**16,964**	**2,162**	**3,918**	**7,822**	**5,512**
Contractual interest cash flows	**129**	**129**	**-**	**-**	**-**	**-**
Total contractual cash flows	**36,507**	**17,093**	**2,162**	**3,918**	**7,822**	**5,512**
2023						
Trade and other payables	9,534	8,051	267	371	812	33
Lease liabilities	20,261	1,829	1,829	3,659	8,408	4,536
Borrowings	11,350	1,358	1,646	6,270	2,076	-
Total principal cash flows	41,145	11,238	3,742	10,300	11,296	4,569
Contractual interest cash flows	1,115	244	426	351	94	-
Total contractual cash flows	42,260	11,482	4,168	10,651	11,390	4,569

18. Guarantees

At 31 March 2024 the Group had $0.1m of bank guarantees and letters of credit outstanding (2023: $0.5m).

19. Subsequent Events

On 2 April 2024, Savor Limited drew down $10m in new lending from ANZ Bank with the proceeds being used to repay Kiwibank in full (refer note 2.3).

Independent Auditor's Report

Independent auditor's report to the shareholders of Savor Limited

Opinion

We have audited the financial statements of Savor Limited (the "Company") and its subsidiaries (together the "Group") on pages 22 to 38, which comprise the consolidated balance sheet of the Group as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 22 to 38 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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

Basis for opinion

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interest in, the Company or any of its subsidiaries. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

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

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

Building a better working world

Goodwill Impairment

Why significant	How our audit addressed the key audit matter
• As at 31 March 2024, the Group has Goodwill of $20.7 million after recording a $4.3m impairment as disclosed in Note 8. • Given the nature of the Group's operations, each of its venues are determined to be a separate cash generating unit ("CGU") to which goodwill is allocated. To consider whether goodwill is impaired, the recoverable amount of each CGU is determined each reporting period by reference to valuations prepared to assess their value-in-use using discounted cash flow models (DCF models). • DCF models contain significant judgement and estimation in respect of future cash flow forecasts, discount rate and terminal growth rate assumptions. Changes in these assumptions can lead to significant changes in the assessment of the recoverable amount and so the assessment of whether goodwill is impaired or not. • Disclosures regarding the Group's key assumptions adopted, and impairment recognised are included in Note 2.1 of the financial statements.	Our audit procedures included amongst others: • Understood the Group's goodwill impairment assessment process. • Assessed the Group's determination of CGUs based on our understanding of the nature of the Group's venues. • Obtained the Group's DCF models and agreed the forecasts within them to the Board approved forecasts. • Assessed key inputs to the DCF models including revenue and EBITDA margin forecasts, which were compared to historic trading performance, discount rates and terminal growth rates. • Involved our valuation specialists to assess the Group's discount and terminal growth rates. Our valuation specialists were also involved in benchmarking the Group's assessed recoverable values with relevant market multiples and assessing the integrity of the DCF models. • For the CGU where goodwill was impaired the DCF models scenarios based on potential future operating assumptions were assessed. • Performed sensitivity analysis for CGUs to assess the potential impact of changes in assumptions. • Assessed the Group's equity against market capitalisation of the company. • Assessed the adequacy of the disclosures in the Notes to the financial statements, including the disclosure related to the CGU where an impairment has been recognised.

Information other than the financial statements and auditor's report

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

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

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

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

Directors' responsibilities for the financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Ernst + Young

Chartered Accountants
Auckland
22 May 2024

Shareholder and Statutory Information

Company Shares

The Company's ordinary shares are listed on the NZX Main Board equity security market operated by NZX Limited. On 31 March 2024 the Company had issued voting securities comprising 77,585,179 fully paid, quoted ordinary shares (NZX: SVR).

Twenty Largest Registered Shareholders

The following table shows the names and holdings of the 20 largest registered holdings of listed ordinary shares of the Company as at 31 March 2024:

Holder Details	Shares held	% Held
H & G Limited	11,775,253	15.18%
Vanessa Neal	6,267,473	8.08%
Forsyth Barr Custodians	5,999,743	7.73%
New Zealand Central Securities Depository Limited	5,066,593	6.53%
David Lyall Holdings Limited	4,000,000	5.16%
Paul Robinson	3,984,859	5.14%
Lucien Law	3,894,455	5.02%
JBWERE (NZ) Nominees Limited	3,496,860	4.51%
B & S Custodians Limited	2,672,745	3.44%
Philip Bowman	1,931,163	2.49%
New Zealand Depository Nominee Limited (Sharesies)	1,821,422	2.35%
David Poole & Warren Ladbrook & Gaylene Cadwallader	1,524,541	1.96%
Vinula Pty Limited	1,459,587	1.88%
Leveraged Equities Finance Limited	953,333	1.23%
Waihinahina Capital Limited	937,208	1.21%
Custodial Services Limited	709,063	0.91%
Turha Limited	701,036	0.90%
Antonio Crisci & Vivienne Farnell & Toto Trustees Limited	603,610	0.78%
Alpha K Limited	569,668	0.73%
Sean Mccarthy	550,000	0.71%

Substantial Product Holders

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

As at 31 March 2024, the Company had 77,585,179 quoted ordinary shares on issue (NZX code: SVR).

Substantial product Holder	Notes	Ordinary Shares held	Date of Notice	% Issued Capital
H&G Limited		9,020,173	21 July 2021	14.67%
Vanessa Neal		6,267,473	2 June 2023	8.397%
Jeremy Blake, Rachel Blake & Brett Gamble		5,101,852	17 October 2023	6.58%
David Lyall Holdings Limited		4,000,000	17 October 2023	5.16%
Colin Neal		9,140,476	9 April 2021	14.87%
Paul Robinson	1	4,141,585	15 May 2020	6.74%
Lucien Law	2	4,896,331	16 June 2021	7.96%

Notes:

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

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

Spread of Shareholders at 31 March 2024

Range	Investors	Securities	Issued Capital %
1-1000	12	7,457	0.01
1001-5000	417	1,258,301	1.62
5001-10000	172	1,223,843	1.58
10001-50000	201	4,360,880	5.62
50001-100000	36	2,662,835	3.43
Greater than 100000	58	68,071,863	87.74

Statement of Directors' Relevant Interests

Directors held the following relevant interests in shares in the Company as at 31 March 2024:

Director	Shares
Paul Robinson	4,485,797
Lucien Law	4,395,393
Louise Alexander	231

Directors Remuneration and Other Benefits

The names of the directors of the Company who held office and the details of their remuneration and value of other benefits received for services to the Group for the year ended 31 March 2024 were:

Director	Director fee $	Executive remuneration $	Nature of remuneration	Notes
Paul Robinson	100,000	450,000	Director fees / Executive remuneration	
Lucien Law	60,000	500,000	Director fees / Executive remuneration	
Louise Alexander	60,000		Director fees	
Bhupen Master	35,000		Director fees	
Ryan Davis	30,000		Director fees	1

[1] Satisfied in shares issued to Waihinahina Capital Limited.

Entries recorded in the Interests Register

The following entries were recorded in the interests register of the Company during the year ended 31 March 2024.

Director	# of shares acquired	Nature of relevant interest	Consideration ($)	Date of acquisition
Ryan Davis	95,541	Voting shares	30,000	12/10/2023

Other Directorships and shareholdings

The following represents the interests of directors in other companies as at 31 March 2024 disclosed to the Company and entered in the Interests Register:

Lucien Law	Motu Capital Limited – Director
Paul Robinson	Motu Capital Limited - Director
Bhupen Master	Master & Sons Limited - Director
Louise Alexander	Bell Gully -- Employee

Subsidiary Company Information

The persons listed below respectively held office as directors of Savor Limited's subsidiary companies as at 31 March 2024.

No employee of Savor appointed as a director of Savor Limited's subsidiaries receives or retains any remuneration or other benefits, as a director.

Company	Directors
Savor Group Limited	P Robinson, L Law, T Peat
Amano Group Limited	P Robinson, L Law, T Peat
Savor Goods Limited	P Robinson, L Law, T Peat
Savor Quick Service Limited	P Robinson, T Peat
The Red Claw Trading Company Limited	P Robinson, T Peat

Indemnity and Insurance

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

Employee's Remuneration

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

Remuneration range $NZ '000	Number of employees
100-110	2
110-120	1
120-130	3
130-140	3
170-180	1
270-280	1

Audit Fees

The amount of audit fees payable to EY during the period ending 31 March 2024 is set out in the notes to the financial statements. During the period ended 31 March 2024, EY did not provide any non-audit services to the Group.

Donations

The Group made a donation of $1,500 to Cure Kids during the year ended 31 March 2024.


Bivacco

Corporate Directory

Directors

Paul Robinson
Executive Chair

Lucien Law
Executive Director & CEO

Louise Alexander
Independent Director

Bhupen Master
Independent Director
(appointed 1 September 2023)

Ryan Davis
Independent Director
(resigned 20 September 2023)

Financial Calendar

Interim results announced: November

End of financial year: 31 March

Annual Report published: May

Registered Office and address for service

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

contact@savor.co.nz

Auditor

EY

Banker

ANZ

Lawyers

Chapman Tripp

Company Publications

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

Share register and shareholder enquiries

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

Link Market Services Limited

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

Phone: +64 9 375 5998
Fax: +64 9 375 5990

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

Signed for and on behalf of the Board by:

Paul Robinson
Executive Chair

Bhupen Master
Director

22 May 2024

savor group

New Zealand's premier hospitality group