

# Good Spirits Hospitality Limited



Consolidated Interim Financial Statements  
For the six months ended 31 December 2023

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**Directors Approval of Consolidated Interim Financial Statements for the six months ended 31 December 2023**

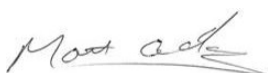
**Authorisation for Issue**

The Board of Directors authorised the issue of these Unaudited Consolidated Interim Financial Statements on 29 February 2024.

**Approval by Directors**

The Directors are pleased to present the Unaudited Consolidated Interim Financial Statements for Good Spirits Hospitality Limited for the six months ended 31 December 2023.

For and on behalf of the Board of Directors



Matt Adams  
Chairman



John Seton  
Chair, Audit & Risk Management Committee

29 February 2024

		6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
<b>Results from operations that are discontinued</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	3	8,905,042	16,007,848	28,519,579
Government grants		-	12,713	-
Other income		176,760	-	54,597
Interest income		6,238	3,543	8,663
Changes in inventories of finished goods		(1,900,387)	(3,458,057)	(6,041,403)
Employee benefits expense (Wage & salaries)		(2,935,058)	(4,692,760)	(9,305,684)
Employee benefits expense (Kiwi saver contributions)		(186,846)	(91,589)	(186,846)
Depreciation expense		(305,893)	(462,531)	(916,019)
Depreciation of right-of-use assets		(336,708)	(484,390)	(1,102,325)
Interest expense – financial liabilities at amortised cost	9	(1,400,554)	(1,788,185)	(3,825,815)
Bank fees		(5,972)	(12,334)	(21,323)
Interest on leases		(425,778)	(578,585)	(1,319,675)
Other expenses		(2,334,551)	(3,727,913)	(6,547,589)
Fixed asset disposal		-	-	(94,591)
Restructuring and advisory costs		-	(424,369)	-
Due diligence		-	-	(46,047)
Sale transaction costs		(1,296,797)	-	(1,147,720)
Net gain on disposal	5	4,211,299	-	-
Financial guarantee liability gain / (expense)		-	-	(2,870)
Property, plant & equipment impairment		-	-	(24,509)
Goodwill impairment		-	(310,950)	(10,872,575)
<b>Operating profit / (loss) before income tax</b>		<b>2,170,795</b>	<b>(7,559)</b>	<b>(12,872,152)</b>
Income tax (expense) / benefit		-	(140,561)	(1,403,533)
<b>Profit / (loss) for the period attributable to owners</b>		<b>2,170,795</b>	<b>(148,120)</b>	<b>(14,275,685)</b>
<b>Total comprehensive profit / (loss) for the period attributable to owners</b>		<b>2,170,795</b>	<b>(148,120)</b>	<b>(14,275,685)</b>
		<b>6 months to 31-Dec-23 UNAUDITED</b>	<b>6 months to 31-Dec-22 UNAUDITED</b>	<b>12 months to 30-Jun-23 AUDITED</b>
<b>Earnings per share / (loss) from operations attributable to equity holders of the Parent Company during the period:</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
		<b>cents</b>	<b>cents</b>	<b>cents</b>
<b>Basic EPS from operations</b>		3.76	(0.26)	(24.73)

		As at 31-Dec-23 UNAUDITED \$	As at 31-Dec-22 UNAUDITED \$	As at 30-Jun-23 AUDITED \$
	Note			
<b>ASSETS</b>				
Cash and cash equivalents	14	1,553,609	1,120,117	341,035
Restricted cash	14	1,326,192	417,049	75,000
Trade and other receivables		10,347	722,619	316,859
GST Receivable		71,196	-	-
Prepayments	6	187,287	172,700	100,036
Inventories		-	394,874	-
Current tax asset		2,975	9,714	1,379
Assets in disposal groups held for sale	5	-	6,768,029	31,315,239
Property, plant and equipment		-	104,351	-
Right-of-use assets		-	11,370,333	-
Intangible assets		-	22,951,702	-
Deferred tax asset		-	1,262,225	-
<b>TOTAL ASSETS</b>		<b>3,151,606</b>	<b>45,293,713</b>	<b>32,149,548</b>
<b>LIABILITIES</b>				
Trade and other payables		561,439	2,781,656	2,578,412
Employee entitlements		2,977	811,707	-
GST Payable		128,919	741,705	272,207
Lease liabilities	8	540,624	13,930,511	-
Liabilities in disposal groups held for sale	5	-	-	15,081,715
Provisions for make-good obligations	12	100,000	500,000	100,000
Borrowings	9	19,249,881	32,003,598	33,720,243
<b>TOTAL LIABILITIES</b>		<b>20,583,840</b>	<b>50,769,177</b>	<b>51,752,577</b>
<b>NET LIABILITIES</b>		<b>(17,432,234)</b>	<b>(5,475,464)</b>	<b>(19,603,029)</b>
<b>EQUITY</b>				
Share Capital		35,179,408	35,179,408	35,179,408
Accumulated Losses		(52,611,642)	(40,654,872)	(54,782,437)
<b>TOTAL EQUITY</b>		<b>(17,432,234)</b>	<b>(5,475,464)</b>	<b>(19,603,029)</b>

	Share Capital	Accumulated Losses	Total Equity
	\$	\$	\$
<b>Balance at 1 July 2023</b>	35,179,408	(54,782,437)	(19,603,029)
Profit for the period	-	2,170,795	2,170,795
Total comprehensive profit for the period	-	<b>2,170,795</b>	<b>2,170,795</b>
<b>Balance at 31 December 2023 - Unaudited</b>	<b>35,179,408</b>	<b>(52,611,642)</b>	<b>(17,432,234)</b>
<b>Balance at 1 July 2022</b>	35,179,408	(40,506,752)	(5,327,344)
Loss for the year	-	(148,120)	(148,120)
Total comprehensive loss for the year	-	<b>(148,120)</b>	<b>(148,120)</b>
<b>Balance at 31 December 2022 - Unaudited</b>	<b>35,179,408</b>	<b>(40,654,872)</b>	<b>(5,475,464)</b>
<b>Balance at 1 July 2022</b>	35,179,408	(40,506,752)	(5,327,344)
Loss for the year	-	(14,275,685)	(14,275,685)
Total comprehensive loss for the year	-	<b>(14,275,685)</b>	<b>(14,275,685)</b>
<b>Balance at 30 June 2023 - Audited</b>	<b>35,179,408</b>	<b>(54,782,437)</b>	<b>(19,603,029)</b>

		As at 31-Dec-23 UNAUDITED \$	As at 31-Dec-22 UNAUDITED \$	As at 30-Jun-23 AUDITED \$
<b>Cash flows from operations to be discontinued</b>	<b>Note</b>			
Receipts from customers		9,182,280	15,506,324	28,765,864
Government grants		-	12,713	-
Other income		54,260	-	27,097
Interest received		6,238	3,543	8,663
Payments to suppliers and employees		(9,490,686)	(11,901,729)	(22,974,483)
Interest expenses		(3,958)	(1,618,951)	(1,874,936)
Bank fees		(5,972)	(12,334)	(21,323)
<b>Cash flows from operations prior to other items</b>		<b>(257,838)</b>	<b>1,989,566</b>	<b>3,930,882</b>
Cash outflows from restructuring and advisory costs		-	(424,369)	-
Cash outflows from due diligence		-	-	(46,047)
Cash outflows from sale transaction		(1,414,036)	-	(1,030,481)
Financial guarantee liability		-	-	(2,870)
<b>Net cash inflows / (outflows) from operating activities</b>	<b>13</b>	<b>(1,671,874)</b>	<b>1,565,197</b>	<b>2,851,484</b>
Sale of disposal groups held for sale, net of cash		19,460,706	-	-
Purchase of property, plant and equipment		-	(639,455)	(844,700)
Purchase of business assets		-	(141,763)	(246,926)
<b>Net cash inflows / (outflows) from investing activities</b>		<b>19,460,706</b>	<b>(781,218)</b>	<b>(1,091,626)</b>
Other borrowings drawn down		-	300,000	300,000
Repayment of borrowings		(15,744,458)	(25,000)	(62,500)
Interest paid on lease liabilities		(425,778)	(578,585)	(1,319,675)
Principal paid on lease liabilities		(406,022)	(193,016)	(779,334)
<b>Net cash inflows / (outflows) from financing activities</b>		<b>(16,576,258)</b>	<b>(496,601)</b>	<b>(1,861,509)</b>
Net increase / (decrease) in cash and cash equivalents		1,212,574	287,378	(101,651)
Cash and cash equivalents within disposal groups held for sale		-	-	(52,420)
Restricted cash within disposal groups held for sale		-	-	(337,633)
Cash and cash equivalents at beginning of the year		341,035	832,739	832,739
<b>Cash and cash equivalents at end of the year</b>	<b>14</b>	<b>1,553,609</b>	<b>1,120,117</b>	<b>341,035</b>

## 1 GENERAL INFORMATION

Good Spirits Hospitality Limited is an investment company with shareholdings in New Zealand businesses in the hospitality sector.

### 1.1 Entities reporting

These financial statements are for Good Spirits Hospitality Limited ("GSH") and its subsidiaries (together "the Group").

The Group is considered a Tier 1 profit-oriented entity for financial reporting purposes.

### 1.2 Statutory base

Good Spirits Hospitality Limited is registered in New Zealand under the Companies Act 1993 and is an FMC reporting entity under part 7 of the Financial Markets Conduct Act 2013 (FMCA). The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the FMCA and the NZX Listing Rules as applicable to the NZX Main Board. Good Spirits Hospitality is domiciled and incorporated in New Zealand. Its registered office is at The Cav, 68 College Hill, Freemans Bay, Auckland 1011.

### 1.3 Accounting policies

The interim financial statements of the Group for the six months ended 31 December 2023 have been prepared using the same accounting policies and methods of computations as, and should be read in conjunction with, the financial statements and related notes included in the Group's Annual Report for the full year ended 30 June 2023.policies.

### 1.4 Going concern

On 2nd November 2023, the Group announced that the sale of its business assets had been successfully completed. The Group has no cash generating operations, and there are no immediate plans for the Group in its current form to commence other cash generating operations. Accordingly, it is the current intention of the Board to liquidate the companies within the Group. Consequently, the financial statements have been prepared on a liquidation basis (refer to note 2.1 for further details on how these financial statements have been prepared).

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These unaudited consolidated condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with the requirements of International Accounting Standard (IAS) 34 Interim Financial Reporting and with New Zealand Equivalent to International Accounting Standard (NZ IAS) 34 Interim Financial Reporting and the NZX Main Board Listing Rules.

As noted in note 1.4 above, from the date of completion of the sale the Group is not considered to be a going concern and accordingly these consolidated financial statements are prepared on a liquidation basis for the current reporting period.

The interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2023 and any public announcements made by Good Spirits Hospitality Limited during the interim reporting period and up to the date of these interim financial statements.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the interim financial statements. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. If outcomes within the next financial period are significantly different from assumptions, this could result in adjustments to carrying amounts of the asset or liability affected. The same judgements, estimates and assumptions included in the notes to the financial statements for the full year period ended 30 June 2023 have been applied to these interim financial statements.



## 2.2 Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-making body. The chief operating decision-making body responsible for allocating resources and assessing performance of operating segments is the Board of Directors.

## 2.3 Functional and presentation currency

The functional currency of GSH is New Zealand Dollars (\$) and this is also the Group's presentation currency. Amounts are rounded to the nearest dollar. Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rate at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

## 3 REVENUE

	6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
<b>Revenue of bars</b>	<b>\$</b>	<b>\$</b>	
Auckland	8,069,475	14,649,469	25,934,603
Hamilton	835,567	1,358,379	2,584,976
	<b>8,905,042</b>	<b>16,007,848</b>	<b>28,519,579</b>

## 4 SEGMENT REPORTING

The Group is organised into the following business segments, predominantly reflecting trading divisions in the Group:

- Good Spirits Hospitality Limited (GSH).
- Good Spirits Hospitality No.1 Limited (GSH No.1) - operates a chain of nine bars based in Auckland and one based in Hamilton.
- Good Spirits Hospitality No.3 Limited (GSH No.3) - operates one bar based in Auckland (The Cellar Bar).

The following table highlights the number of bars across the reporting periods:

Segment Description	6 months to 31-Dec-23	6 months to 31-Dec-22	12 months to 30-Jun-23
GSH No.1	9	11	9
GSH No.3	1	1	1

### 4.1 Geographical

GSH and its subsidiaries operate within New Zealand and derived no revenue from foreign countries for the six months ended 31 December 2023 (31 December 2022: nil).

### 4.2 Information about major customers

No single customer contributed 10% or more to the Group's revenue for the six months ended 31 December 2023 (31 December 2022: nil).

### 4.3 Corporate

Corporate includes the activities of the Parent Company.

The Board of Directors ("The Board") continues to be the Chief Operating Decision Maker ("CODM") for the Group as it is responsible for allocating resources and assessing performance across the Group. For each of the entities the Board reviews management reports on a monthly basis.

Information regarding the results of each reportable segment is included in the table below. Performance is measured based on segment EBITDA before unusual items as included in the management reports that are reviewed by the Board. Segment EBITDA before unusual items is used to measure performance as the Board believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

SEGMENT REPORTING (continued)	6 months to 31 December 2023 (Unaudited)			6 months to 31 December 2022 (Unaudited)			12 months to 30 June 2023 (Audited)		
	Revenue	EBITDA	EBITDA before unusual items	Revenue	EBITDA	EBITDA before unusual items	Revenue	EBITDA	EBITDA before unusual items
	\$	\$	\$	\$	\$	\$	\$	\$	\$
GSH No.1 Ltd	8,693,871	5,133,084	1,386,782	15,855,197	4,287,564	3,826,913	28,077,152	(4,059,667)	5,888,998
GSH No.3 Ltd	211,171	155,699	155,699	152,651	14,641	14,641	497,024	102,741	102,741
Corporate	-	(649,321)	(649,321)	-	(987,282)	(562,913)	-	(1,738,732)	(1,692,685)
<b>Group</b>	<b>8,905,042</b>	<b>4,639,462</b>	<b>893,160</b>	<b>16,007,848</b>	<b>3,314,923</b>	<b>3,278,641</b>	<b>28,574,176</b>	<b>(5,695,658)</b>	<b>4,299,054</b>
<b>Unusual items</b>									
Restructuring and advisory costs	-	-	-	-	-	(424,369)	-	-	-
Due diligence	-	-	-	-	-	-	-	-	(46,047)
Sale transaction costs	-	-	(1,296,797)	-	-	-	-	-	(1,147,720)
Depreciation of right-of-use assets	-	(336,708)	(336,708)	-	(484,390)	(484,390)	-	(1,102,325)	(1,102,325)
Interest on leases	-	(425,778)	(425,778)	-	(578,585)	(578,585)	-	(1,319,675)	(1,319,675)
IFRS 16 payments	-	-	831,800	-	-	771,601	-	-	2,099,009
Net gain on disposal	-	-	4,211,299	-	-	-	-	-	-
Financial guarantee liability	-	-	-	-	-	-	-	-	(2,870)
Property, plant & equipment impairment	-	-	-	-	-	-	-	-	(24,509)
Goodwill impairment	-	-	-	-	-	(310,950)	-	-	(10,872,575)
Depreciation and amortisation	-	(305,893)	(305,893)	-	(462,531)	(462,531)	-	(916,019)	(916,019)
Finance expense (net of income)	-	(1,400,288)	(1,400,288)	-	(1,796,976)	(1,796,976)	-	(3,838,475)	(3,838,475)
<b>Profit / (loss) before income tax</b>		<b>2,170,795</b>	<b>2,170,795</b>		<b>(7,559)</b>	<b>(7,559)</b>		<b>(12,872,152)</b>	<b>(12,872,152)</b>
<b>Statement of Financial Position</b>									
	<b>6 months to 31 December 2023 (Unaudited)</b>		<b>6 months to 31 December 2022 (Unaudited)</b>		<b>12 months to 30 June 2023 (Audited)</b>				
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Segment	Segment	Segment	Segment	Segment	Segment	Segment	Segment	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
GSH No.1 Ltd	2,921,275	20,353,293	44,405,148	50,258,382	31,375,372	51,103,778			
GSH No.3 Ltd	43,376	9,360	589,041	167,989	522,284	234,360			
Corporate	186,955	221,187	299,524	342,806	251,892	414,439			
<b>Group</b>	<b>3,151,606</b>	<b>20,583,840</b>	<b>45,293,713</b>	<b>50,769,177</b>	<b>32,149,548</b>	<b>51,752,577</b>			

## 5 NET GAIN ON DISPOSAL

	Opening carrying value 1 July 2023	Fair value loss	Other subsequent movements	Closing carrying value at disposal
Unaudited	\$	\$	\$	\$
<b>Assets in disposal groups held for sale:</b>				
Cash and cash equivalents	52,420	-	(52,420)	-
Restricted cash	337,633	-	(337,633)	-
Prepayments	138,032	-	(138,032)	-
Inventories	408,573	-	(408,573)	-
Property, plant and equipment	6,687,647	-	(187,623)	6,500,024
Right-of-use assets	11,300,857	-	(336,708)	10,964,149
Intangible assets	12,390,077	-	-	12,390,077
<b>Total assets in disposal groups held for sale</b>	<b>31,315,239</b>	<b>-</b>	<b>(1,460,989)</b>	<b>29,854,250</b>
<b>Liabilities in disposal groups held for sale:</b>				
Trade and other payables	42,902	-	(42,902)	-
Employee Entitlements	723,330	-	(723,330)	-
Lease liabilities	13,915,483	-	(946,646)	12,968,837
Provisions for make-good obligations	400,000	-	-	400,000
<b>Total liabilities in disposal groups held for sale</b>	<b>15,081,715</b>	<b>-</b>	<b>(1,712,878)</b>	<b>13,368,837</b>
<b>Total net assets in disposal groups held for sale</b>	<b>16,233,524</b>	<b>-</b>	<b>251,889</b>	<b>16,485,413</b>
Net Sale proceeds received				20,696,712
<b>Net gain on disposal</b>				<b>4,211,299</b>

## 6 PREPAYMENTS

	6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
	\$	\$	\$
Prepayments	187,287	172,700	238,068
Transferred to assets in disposal groups held for sale	-	-	(138,032)
<b>Total current</b>	<b>187,287</b>	<b>172,700</b>	<b>100,036</b>

The remaining prepayments relate to new Directors and Officers run off insurance and for GSH's accounting system.

## 7 SUBSIDIARIES

The following subsidiaries operate wholly in New Zealand.

		2023	2022
		Interest	Interest
<b>Operating subsidiary</b>	<b>Activity</b>		
Good Spirits Hospitality No.1 Limited	Hospitality Business	100%	100%
Good Spirits Hospitality No.3 Limited	Hospitality Business	100%	100%

## 8 LEASES

	6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
<b>Lease liabilities</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance	-	13,709,049	13,709,049
Additions for the period	-	330,801	325,494
Modification adjustment	-	83,677	660,274
Interest for the period	425,778	578,585	1,319,675
Lease payments	(406,022)	(771,601)	(2,099,009)
Transferred to liabilities in disposal groups held for sale	-	-	(13,915,483)
Derecognition of leases on business sale	520,868	-	-
<b>Closing balance</b>	<b>540,624</b>	<b>13,930,511</b>	<b>-</b>

The remaining lease liabilities relate to the lease property for the DB Newmarket venue.

## 9 BORROWINGS – SECURED

	6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
<b>Pacific Dawn Limited</b>	<b>\$</b>	<b>\$</b>	
Bank drawn down	31,749,633	31,749,633	31,749,633
Capitalised interest accumulated	5,657,206	2,232,439	3,844,850
Bank repayments accumulated	(18,156,958)	(2,500,000)	(2,500,000)
<b>Amount owed to Pacific Dawn before exit fee</b>	<b>19,249,881</b>	<b>31,482,072</b>	<b>33,094,483</b>
Exit fee payable	-	584,993	584,993
<b>Total amount owed to Pacific Dawn</b>	<b>19,249,881</b>	<b>32,067,065</b>	<b>33,679,477</b>
Loan modification adjustment	-	(158,968)	(79,484)
Capitalised financing cost against borrowings	-	(179,499)	(89,750)
<b>Closing balance</b>	<b>19,249,881</b>	<b>31,728,598</b>	<b>33,510,243</b>
<b>Other borrowings</b>			
Drawn down	300,000	300,000	300,000
Chattel support revalued	(150,000)	-	(27,500)
Repayments accumulated	(150,000)	(25,000)	(62,500)
<b>Closing balance</b>	<b>-</b>	<b>275,000</b>	<b>210,000</b>
<b>Total Borrowings</b>	<b>19,249,881</b>	<b>32,003,598</b>	<b>33,720,243</b>
<b>Interest paid</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest paid on bank loan	1,227,362	1,607,900	3,476,419
Other interest paid	3,958	11,051	10,929
	<b>1,231,320</b>	<b>1,618,951</b>	<b>3,487,348</b>
Loan modification and capitalised finance costs amortised	169,234	169,234	338,467
	<b>1,400,554</b>	<b>1,788,185</b>	<b>3,825,815</b>

## 10 COMMITMENTS

- The Group has no capital commitments as at 31 December 2023 (31 December 2022: \$nil).
- The Group has no other commitments as at 31 December 2023 (31 December 2022: \$nil).

## 11 CONTINGENT LIABILITIES

- The Group has no contingent liabilities as at 31 December 2023 (31 December 2022: \$nil).

## 12 PROVISION FOR MAKE GOOD OBLIGATIONS

	6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
	\$	\$	
Opening balance	100,000	500,000	600,000
Charged to earnings for the year	-	-	(100,000)
Transferred to liabilities in disposal groups held for sale	-	-	(400,000)
<b>Closing balance</b>	<b>100,000</b>	<b>500,000</b>	<b>100,000</b>

The remaining make good provision relates to the DB Newmarket venue.

## 13 NOTES SUPPORTING STATEMENTS OF CASH FLOWS

### 13.1 Reconciliation to operating activities in the cashflow

		6 months to 31-Dec-23 UNAUDITED	6 months to 31-Dec-22 UNAUDITED	12 months to 30-Jun-23 AUDITED
	Note	\$	\$	
<b>Loss for the year</b>		<b>2,170,795</b>	<b>(148,120)</b>	<b>(14,275,685)</b>
<i>Adjusted for:</i>				
Depreciation and amortisation		305,893	462,531	916,019
Depreciation of right-of-use assets		336,708	484,390	1,102,325
Interest on leases		425,778	578,585	1,319,675
Financial guarantee liability		-	(3,300)	-
Exit fee movement		584,993	-	-
Goodwill impairment		-	310,950	10,872,575
Disposal of property, plant and equipment		-	88,829	96,310
Non-cash interest charges		811,602	169,234	1,950,879
Property, plant & equipment impairment		-	-	24,509
Net gain on disposal	5	(4,211,299)	-	-
Deferred tax		(1,596)	140,319	1,433,711
Non cash income		(122,500)	-	(27,500)
<i>Changes in assets and liabilities</i>				
Decrease / (increase) in receivables and prepayments		189,730	(371,879)	448,594
Decrease / (increase) in assets held for sale		-	-	619,627
Decrease / (increase) in inventories		-	114,605	519,142
Increase / (decrease) in trade payables, accruals, make good provision and employee entitlements		(2,161,978)	(260,947)	(2,148,696)
<b>Net cash inflows / (outflows) from operating activities</b>		<b>(1,671,874)</b>	<b>1,565,197</b>	<b>2,851,484</b>

## 14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents (for purposes of the statement of cash flows comprises):

	31-Dec-23 UNAUDITED	31-Dec-22 UNAUDITED	30-Jun-23 AUDITED
<b>Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>	
(for purposes of the statement of cash flows comprises:)			
Cash at bank	1,553,609	1,029,497	341,035
Cash on hand	-	90,620	52,420
Cash and cash equivalents within disposal groups held for sale	-	-	(52,420)
	<b>1,553,609</b>	<b>1,120,117</b>	<b>341,035</b>
<b>Restricted cash</b>			
Bank term deposit	90,000	76,154	75,000
Cash held in trust	1,236,192	-	-
Gaming floats	-	150,800	158,000
Landlord bonds	-	190,095	179,633
Restricted cash within disposal groups held for sale	-	-	(337,633)
	<b>1,326,192</b>	<b>417,049</b>	<b>75,000</b>

### Cash and cash equivalents

- Cash at bank – the funds represent the surplus from the sale to be used to settle the remaining bank loan after the remaining opex obligations for GSH No.1.

### Restricted cash

- Bank term deposits – represents the bond with the NZX (\$75,000) and a bond on the company credit cards (\$15,000). These funds will be used to settle the remaining bank loan upon completion of business wind-down.
- Cash held in trust – the funds represent the surplus from the sale to be used to settle the remaining bank loan after the remaining obligations for GSH and GSH No.3 have been met as part of the wind-down, and that the cash is held in trust for GSH but, as a protectionary measure, Pacific Dawn Limited must approve any withdrawals from this account.

## 15 EVENTS AFTER REPORTING DATE

### Loan facility

As announced to the market on 4 January 2024, the borrowing entity in technical default of the terms of the Facility Agreement (Loan) is its wholly owned subsidiary, Good Spirits Hospitality No. 1 Limited (GSH No.1). GSH no longer guarantees the obligations of GSH No. 1 under the Facility Agreement.

GSH reiterates the information provided in the 10 October 2023 Notice of Meeting that following the completion of the Asset Sale (which occurred on 1 November 2023), GSH no longer owns any material business assets and therefore intends to delist from the NZX Main Board (subject to usual NZX conditions) once it has made payment of the Proposed Dividend (subject to the Board obtaining a binding ruling from Inland Revenue as to GSH's tax position and GSH satisfying the solvency test in the Companies Act 1993).

The Company is pursuing these matters under the guidance of the Board of Directors subsequent to the sale of the business assets, which included the transfer of a majority of existing personnel, including the CEO, to continue to operate the venues.

Due to the potential delay in obtaining the Binding Ruling from Inland Revenue which GSH is still working though, it is currently expected that payment of the Proposed Dividend will occur during Q1 of 2024.

After payment of the Dividend, delisting and subject to no objections being received from either secured creditors or Inland Revenue, it is intended that GSH will eventually be liquidated or deregistered from the New Zealand Companies

Register under Part 17 of the Companies Act 1993. Doing so will necessitate the deregistration or liquidation of all of GSH's wholly owned subsidiaries (including GSH No.1 and GSH No.3).

Pacific Dawn Limited (PDL), in its capacity as lender, has consented to GSH delisting and GSH and GSH No. 1 deregistering following completion of the Asset Sale and has agreed not to file any objection in either of those processes. PDL has received \$15.7m as part repayment of the Loan and has released GSH from its guarantee of GSH No.1's obligations, but not the obligations of GSH No. 1 pursuant to the Facility Agreement. While it is open for PDL to take enforcement action against GSH No.1, GSH No. 1 has not received any further correspondence from PDL in respect of the Facility Agreement expiring. GSH does not consider that the expiry of the Facility Agreement impacts on PDL's consent to pay the Proposed Dividend, delist and deregister.

The Company will keep the market updated as to progress, including the Binding Ruling being sought, any payment of the Proposed Dividend, and planned eventual delisting providing at least five business days' advance notice of the exact delisting date.

## Corporate Directory

### Nature of Business

Listed Investment Company

### Directors

Matt Adams (Chair)

John Seton (Independent)

Carl Carrington (Independent)

### Registered Office

The Cav

68 College Hill Freemans Bay

Auckland 1011

### Share Registrar

Level 30, PwC Tower

15 Customs Street West

Auckland 1010

### Auditors

UHY Haines Norton

1 York St, Sydney

NSW 2000

Australia

### Solicitors

Buddle Findlay

188 Quay Street

Auckland 1140

### Investor Enquiries

Corporate@gsh.co.nz

### Bankers

Pacific Dawn Limited

Bank of New Zealand