COOKS GLOBAL FOODS LTD.

Annual Report

Year Ended 31st March 2015

Contents

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Company number:	2089337
Year of incorporation:	2008
Registered office:	Level 5, 3 City Road Auckland 1010
Nature of business:	Food & beverage industry
Directors:	Norah Kathleen Barlow John Stuart Deeks Lewis Andrew Deeks Michael George Rae Hutcheson Graeme Keith Jackson Andrew Malcom Kerslake
Solicitors:	Duncan Cotterill Wellington
Bankers:	ANZ Bank, Auckland
Auditors:	PricewaterhouseCoopers Auckland
Share registry:	Link Market Services Limited Auckland

Directors' report

The directors of Cooks Global Foods Limited are pleased to present to shareholders the Annual Report and financial statements for Cooks Global Foods Limited and its controlled entities (together the "Group") for the year ended 31 March 2015.

The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 31 March 2015 and their financial performance and cash flows for the year ended on that date.

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

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Market Conducts Act 2013.

The directors consider they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors note the following as material changes in the nature of the business undertaken by the Group in the past year:

- The acquisition of the rights to the Esquires intellectual property in Canada from the original franchisor who founded Esquires in 1993
- The acquisition of Beijing Esquires Management Co., Ltd holder of the master franchise for the China region. As part of the agreement for this acquisition, the principal vendor, Yunnan Metropolitan Investment Company (YMCI) took a 15.75% shareholding in the Company
- The new China business signed a joint venture agreement in the Shandong province with a major local company to establish a regional master franchise
- The Company signed master franchise agreements with commitments to open new stores in Indonesia and Northern Cyprus

Financial Results and Prior Year Restatement
Cooks Global Foods Limited has reported an audited operating net loss after tax attributable to shareholders of $4.4 million for the year ended 31 March 2015 compared with a restated operating net loss of $5.1 million for the year ended 31 March 2014.

The 2015 results are not directly comparable with the prior year as the 2014 results reflect a full year contribution from Franchise Development Limited, (the group of companies owning the intellectual property and master franchise rights to Esquires Coffee Houses worldwide, other than in Australia and New Zealand), and a six month contribution for the remainder of entities in the Group.

Total operating revenue for the year ended 31 March 2015 was $8.9 million compared to $4.4 million in the prior year. Revenue was derived primarily from Esquires Coffee House revenues of $6.7 million with revenues from the Supply Division, which includes Scarborough Fair's beverage products and Progressive's kiwifruit and asparagus products, of $2.2 million.

Esquires recurring revenues are generated through royalty payments from stores, owned coffee house revenue and branded product sales. Non-recurring revenues are derived from franchise agreement fees, store opening fees and design fees. When 2014 revenue is adjusted to enable comparison with the full year in 2015, income from royalties increased by 22% and product sales increased by 5%. Product sales are affected by timing differences in the placement of large orders, especially those relating to China, which boosted 2014 sales volumes but resulted in lower sales volumes in 2015. Retail sales in owned stores were impacted by the sale of the Durham store and its conversion to a franchise outlet and the inclusion of Chinese owned stores from 1 January 2015 onwards.

The Group has continued on an ambitious growth path with the acquisition of the master franchise rights in Canada, paid for in cash, leaving only Australia and New Zealand outside of its brand ownership. Additionally it re-acquired the Esquires business in China by buying the local China master franchise company and shortly after entered into a joint venture partnership for a regional master franchise with the aim of growing its market presence. The acquisition was paid for in shares with net positive cash flow generated for the company. The sale of new master franchises during the year contributed to the non-recurring income streams of the company, with the development of new stores planned in the future and associated revenue streams arising.

Following the appointment of PwC as auditors in December 2014, a review of the opening balances was carried out focusing on the major acquisition transactions entered into in October 2013. This review highlighted that certain prior year accounting treatments may not have been appropriate. As announced to the market in March 2015, a process then commenced to determine both the accounting treatments that should have been adopted, as well as the financial impact on the prior year financial statements.

This process, now completed, confirmed that the accounting treatments adopted, particularly in relation to the acquisition of Franchise Development Limited, were not appropriate and as a result the opening balances have been restated. The most significant adjustment was the de-recognition of goodwill relating to the acquisition of Franchise Development Limited. This transaction is now being treated as a share based payment under NZ IFRS 2, rather than a business combination under NZ IFRS 3. This adjustment is a technical matter only and has no impact on the underlying business performance or the cash position of the Group.

Certain adjustments have also been made with respect to the treatment of the acquisitions of Esquires Coffee UK Limited, Esquires Coffee Houses Ireland Limited and Progressive Processors Limited to reflect the terms and conditions of the sale and purchase agreements as well as associated impairment conditions. These adjustments also do not affect the underlying business performance nor the cash position of the Group.

Cash and cash equivalents were $3.5 million at 31 March 2015 mainly as a result of refinancing occurring as part of the purchase of the Chinese Master Franchise business. Earnings per share were $(1.55) compared to $(2.08) in the prior year reflecting the restated impairment of intangible assets in the prior year.

The Board has determined that no dividend will be paid.

Esquires Coffee House - stores overview

During the year, Esquires continued its expansion in China and the Middle East with a net increase of seven and six stores in each region respectively including new stores in Kuwait, Bahrain and a first international airport store at Jeddah. As at 31 March 2015, Esquires had 70 Coffee Houses worldwide. Same store average annual sales across the store network were higher than the previous year. The improvement was primarily from the stores in Asia and the continued high contribution per store from Ireland generated through complementary food sales over and above beverages. Several stores in the

UK and Ireland benefited from the roll-out of Esquires new brand, which in line with the antipodean café model, emphasises fairness, integrity, passion, excellence, innovation, sustainability and community along with Esquires long-standing Organic & Fairtrade principles. Shortly after year end Cooks agreed an Esquires Coffee master franchise for Egypt and signed a new joint venture in Hunan province in China to establish a regional master franchise. Additionally new stores have opened in Ireland and in the UK since balance date.

Outlook

Having completed a number of master franchise agreements, Cooks look forward to the opening of Esquires stores in these new territories and expanding its footprint where the Group already operates. Cooks currently has 12 Esquires stores under construction or design with the immediate goal of having over 100 stores by 31 March 2016. The Esquires rebrand is resonating offshore with the rollout in the UK, Ireland, Middle East and China taking effect and same store sales increases are already evident. In addition, new markets are due to open in Indonesia with two new stores scheduled as well as the anticipated store construction in the recently negotiated provinces in China.

Cooks' differentiated attributes support a transferable and scalable global business model and the business is focused on achieving revenue growth through boosting current sales, opening new stores and investigating new territories. Operating in the solid growth coffee retail sector, Cooks sees significant opportunities to export New Zealand's café culture into new markets and existing markets.

Going Concern

The directors consider that using the going concern assumption is appropriate having reviewed cash flow projections of the Group which are based on a number of key assumptions and director's intentions. Greater detail of these assumptions, the associated material uncertainties and alternative courses of action which could be pursued should key cash generating initiatives be unsuccessful are detailed in Note 4 of the Financial Statements.

Donations & Audit Fees

The Group made no donations during the past year. Amounts paid to PwC for audit and other services are shown in Note 23 of the Financial Statements.

Other Statutory Information

Additional information required by the Companies Act 1993 is set out in the Regulatory Disclosures and Shareholder Information sections.

The directors present the financial statements set out in pages 7-54, of Cooks Global Foods Limited and subsidiaries for the period 1 April 2014 to 31 March 2015.

The Board of Directors of Cooks Global Foods Limited authorised these financial statements for issue on 5 August 2015.

On behalf of the Board

Keith Jackson	Andrew Kerslake
Executive Chairman	Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	31-Mar 2015 $'000	Restated 31-Mar 2014 $'000
Revenue	8	**8,931**	4,439
Other income		**271**	49
Cost of inventories sold		**(2,856)**	(1,779)
Depreciation and amortisation	10,9.2	**(427)**	(171)
Impairment of intangible assets	9.1	**(430)**	(1,055)
Property related costs	11	**(892)**	(616)
Capital raising costs		**-**	(304)
Acquisition costs		**-**	(653)
Employee costs	17	**(3,100)**	(1,961)
Other expenses	18	**(5,699)**	(2,948)
Operating loss		**(4,202)**	**(4,999)**
Finance costs	21	**(217)**	(86)
Loss before income tax		**(4,419)**	**(5,085)**
Income tax expense	22	**-**	-
Loss after tax attributable to the shareholders of the parent		**(4,419)**	**(5,085)**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Change in foreign currency translation reserve		**11**	-
Other comprehensive income after tax		**11**	-
Total comprehensive loss for the year attributable to the shareholders of the parent		**(4,408)**	**(5,085)**
Loss per share:			
Basic loss per share (New Zealand Dollars):	16	**(1.55)**	(2.08)
Diluted loss per share (New Zealand Dollars):	16	**(1.55)**	(2.08)

This statement should be read in conjunction with the notes to the financial statement

Consolidated Statement of Changes in Equity
For the year ended 31 March 2015

	Notes	Share Capital $'000	Foreign currency translation reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 April 2013		5,987	-	(9,648)	(3,661)
Restated comprehensive loss for the year					
Restated loss for the year		-	-	(5,085)	(5,085)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) for the year		-	-	(5,085)	(5,085)
Transactions with owners of the Company					
Restated issue of ordinary shares	16	9,722	-	-	9,722
Total contributions by owners of the Company		9,722	-	-	9,722
Restated balance at 31 March 2014	5	15,709	-	(14,733)	976
Restated balance at 1 April 2014		**15,709**	**-**	**(14,733)**	**976**
Comprehensive loss for the year					
Loss for the year		**-**	**-**	**(4,419)**	**(4,419)**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Change in foreign currency translation reserve		**-**	**11**	**-**	**11**
Total comprehensive income/(loss) for the year		**-**	**11**	**(4,419)**	**(4,408)**
Transactions with owners of the Company					
Issue of ordinary shares		**11,866**	**-**	**-**	**11,866**
Share issue expenses		**(39)**	**-**	**-**	**(39)**
Total contributions by owners of the Company	16	**11,827**	**-**	**-**	**11,827**
Balance at 31 March 2015		**27,536**	**11**	**(19,152)**	**8,395**

This statement should be read in conjunction with the notes to the financial statements

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	31-Mar 2015 $'000	Restated 31-Mar 2014 $'000
Assets			
Current Assets			
Cash and cash equivalents	15	**4,710**	1,683
Trade and other receivables	13	**1,255**	567
Inventories	12	**1,013**	298
Other current assets	13	**1,701**	931
Assets classified as held-for-sale	14	**305**	-
Current tax assets		**26**	176
Current Assets		**9,010**	3,655
Non-Current Assets			
Intangible assets	9	**10,429**	4,006
Property, plant and equipment	10	**1,105**	945
Investments	14	**-**	305
Other non-current financial assets		**29**	-
Non-current assets		**11,563**	5,256
Total Assets		**20,573**	8,911
Liabilities			
Current Liabilities			
Trade and other payables	19	**2,950**	1,935
Bank overdraft	15	**1,198**	1,390
Current tax liabilities		**18**	147
Borrowings and other liabilities	20	**7,202**	3,043
Current liabilities		**11,368**	6,515
Non-Current Liabilities			
Borrowings and other liabilities	20	**810**	1,420
Non-current liabilities		**810**	1,420
Total Liabilities		**12,178**	7,935
Net Assets		**8,395**	976
Equity			
Share capital	16	**27,536**	15,709
Accumulated losses		**(19,152)**	(14,733)
Foreign currency translation reserve		**11**	-
Total equity		**8,395**	976

G. K. Jackson

Director

Director

This statement should be read in conjunction with the notes to the financial statements

The financial statements were approved for issue for and on behalf of the Board as at 5 August 2015

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Notes	31-Mar 2015 $'000	31-Mar 2014 $'000
Operating activities			
Cash was provided from:			
Receipts from customers		**8,771**	3,809
Cash was applied to:			
Interest cost		**(174)**	(86)
Payments to suppliers & employees		**(10,596)**	(4,643)
Net cash applied to operating activities	24	**(1,999)**	**(920)**
Investing activities			
Cash was applied to:			
Sale/(Purchase) of property, plant and equipment		**(260)**	(447)
Acquisition of intangible assets		**(255)**	-
Acquisition of subsidiaries, net of cash		**(1,955)**	(2,127)
Net cash from/(applied) to investing activities		**(2,470)**	**(2,574)**
Financing activities			
Cash was provided from:			
Proceeds from borrowings		**(294)**	1,250
Proceeds from share issue		**7,971**	2,293
Cash was applied to:			
Repayment of loans		**-**	(15)
Net cash provided from financing activities		**7,677**	**3,528**
Net increase in cash and cash equivalents held		**3,208**	34
Cash & cash equivalents at beginning of the year		**293**	259
Effect of exchange rate changes on foreign currency balances		**11**	-
Cash & cash equivalents at end of the year		**3,512**	**293**
Composition of cash and cash equivalents:			
Bank balances	15	**4,710**	1,683
Overdraft balances	15	**(1,198)**	(1,390)
		3,512	293

This statement should be read in conjunction with the notes to the financial statements.

Notes to the consolidated financial statements

For the year ended 31 March 2015

1. Nature of operations

Cooks Global Foods Limited and subsidiaries' (the Group) principal activity is the food and beverage industry.

2. General information and statement of compliance

Cooks Global Foods Limited is the Group's ultimate parent company, is incorporated and domiciled in New Zealand and is listed on the NZX Alternate Market board of the New Zealand stock exchange. The address of its registered office and its principal place of business is 3 City Road, Auckland, New Zealand.

Cooks Global Foods Limited is a company registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Alternative Market Listing Rules. In accordance with the Financial Markets Conduct Act 2013 because group financial statements are prepared and presented for Cooks Global Foods Limited and its subsidiaries, separate financial statements for Cooks Global Foods Limited are no longer required to be prepared and presented.

The consolidated financial statements comprise the Company and its subsidiaries (together the "Group") and the comparative financial period is for the year ended 31 March 2014.

For the purposes of complying with NZ GAAP, the Group is a for-profit entity. The Company's financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate for profit orientated entities. They comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations.

The information in the consolidated financial statements is presented in New Zealand dollars which is the functional currency of the ultimate parent company. Amounts in the financial statements have been rounded off to the nearest $1,000, or in certain cases, the nearest dollar.

The consolidated financial statements for the year ended 31 March 2015 (including restated comparatives) were approved and authorised for issue by the board of directors on 5 August 2015.

3. Summary of accounting policies

3.1. *Going concern*

The Directors have prepared the financial statements on the going concern basis. In doing so significant judgement has been applied. For further details of these assumptions and other associated material uncertainties refer to note 4.

3.2. Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the historic cost basis with the exception of financial assets and liabilities (including derivative financial instruments) which are carried at fair value through the profit or loss. The measurement bases are more fully described in the accounting policies below.

3.3. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been approved but are not yet effective and have not been adopted by the Group for the year ended 31 March 2015. The adoption of these standards and interpretations is not expected to have a material recognition or measurement impact on the Group's financial statements. These will be applied when they become mandatory. The significant standards are:

NZ IFRS 9: Financial Instruments

NZ IFRS 9: 'Financial Instruments' was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories; those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating the impairment of financial assets.

The Group intends to adopt the standard from 1 April 2019.
The Group is yet to assess NZ IFRS 9's full impact.

NZ IFRS 15: Revenue from Contracts with Customers

NZ IFRS 15 addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in NZ IAS 18: Revenue and NZ IAS 11: Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This standard is effective for periods beginning on or after 1 January 2017.

The Group intends to adopt the standard from 1 April 2018.
The Group is yet to assess NZ IFRS 15's full impact.

3.4. Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 March 2015. The Group controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 March with the exception of Beijing Esquires Management Co. Limited that has a reporting date of 31 December to align with Chinese regulatory and taxation requirements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

3.5. Business combination

The Group applies the acquisition method in accounting for business combinations.

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Identification and valuation of intangible assets acquired

As part of the accounting for business combinations the Group reviews each acquisition on a case by case basis to determine the nature and value of any intangible assets acquired. Different factors are considered including market presence of the acquired entity, the existence of any specialised or developed assets (for example, software and training materials), and the nature and longevity of the acquired entity's customer-base. Following this assessment the Group determines if the value of the intangibles assets acquired can or should be allocated between fixed life or indefinite life intangible assets and goodwill. Once identified the Group assesses how the intangible assets are to be valued and this requires the use of judgement as follows:

- Rights acquired through the reacquiring of master franchise agreements, require an assessment of the appropriate valuation methodology and in the case of the Group the amortisation of the rights will equal the expected life of the rights being in accordance with the terms of the relevant master franchise agreements up to a maximum of 20 years.

3.6. Investments in associates and joint ventures

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

Investments in associates and joint ventures are accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

3.7. Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the NZD are translated into NZD upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into NZD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into NZD at the closing rate. Income and expenses have been translated into NZD at the average rate (the use of average rates is appropriate only if rates do not fluctuate significantly) over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

3.8. Revenue

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timings of the transfers of risk and rewards vary depending on the individual terms of the sales agreement.

Royalty income

Royalty income, which is generally earned based upon a percentage of sales and is recognised on an accrual basis.

Other revenue

Other revenue represents sales of goods and services to independent franchisees or other third parties. Services revenue is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Sales of goods are measured and recognised on a consistent basis.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, are recognised at the time the right to receive payment is established.

3.9. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs' (see Note 21).

3.11. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 3.5 for information on how goodwill is initially determined in business combinations. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 3.14 for a description of impairment testing procedures.

3.12. Other intangible assets

Recognition of other intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Trademarks, intellectual property and rights acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.14. The following useful lives are applied:

- Software: 3-5 years
- Trademarks: 15-20 years
- Reacquired rights: 10 - 20 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing as described in Note 3.14.

Amortisation has been included within depreciation and amortisation of non-financial assets.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

3.13. Property, plant and equipment and Computer software

Plant, property and equipment (comprising fittings and furniture, plant and equipment and motor vehicles) and Computer software are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management.

IT equipment and other equipment are subsequently measured using the cost model: cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

- Computer and software: 2-5 years
- Furniture and fittings: 3-12 years
- Plant and equipment: 3-12 years
- Motor vehicles: 5 – 8 years.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.14. Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

3.15. Financial instruments

Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (notes 13 and 15).

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains – net' in the period in which they arise.

3.16. Inventories
Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.17. Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from Inland Revenue Department (IRD) relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.18. Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.19. Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into NZD (see Note 3.7)
- Retained earnings include all current and prior period retained profits.
- Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

3.20. Employment benefits

Defined contribution plans

The Group pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Short-term employee benefits

Short-term employee benefits, including annual leave entitlement, are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

3.21. Provisions, contingent liabilities and contingent assets

Provisions for warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.22. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the IRD. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis and, except for the GST components of investing and financing activities, are disclosed as operating cash flows.

3.23. Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses as follows:

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see Note 22).

Impairment testing of intangible assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 9).

Business combinations

Management uses valuation techniques in determining the fair values of the consideration paid and payable as well as the fair value of the assets and liabilities acquired. This involves estimating the fair value of the Company's shares, the amount of any future consideration payable under certain earn out arrangements and the fair value of re-acquired rights, trademarks and intellectual property (see Notes 5 and 6).

Carrying value of receivables

The Group performs ongoing reviews of the bad debt risk within its receivables and makes provisions to reflect its views of the financial condition of its customers and their ability to pay in full for amounts owing for goods provided. This determination requires significant judgement. In making this judgement, the Group evaluates amongst other factors whether there is objective evidence of significant financial difficulty of the customer, whether there has been breach of contract such as default in payment terms, whether it has become probable that the customer will enter into bankruptcy or other financial reorganisation, the disappearance of an active market for that customer because of financial difficulties, and national or local economic conditions that could impact on the customer (see Note 13).

4. Going Concern

The Group reported a loss of $4,419,000 (2014: $5,085,000) and operating cash outflows of $1,999,000 (2014: $920,000) for the year ended 31 March 2015. As at 31 March 2015 the Group had net assets of $8,395,000 and net current liabilities of $2,358,000.

These financial statements have been prepared using the going concern assumption.

The directors consider that using the going concern assumption is appropriate having reviewed cash flow projections of the Group for a period of 12 months from the date these financial statements were approved which are based on a number of key assumptions and Director’s intentions including:

- Growth in store numbers and anticipated revenue streams flowing from these once operational. Uncertainties exist in respect of the achievement of these targets driven by such factors as the availability of interested and quality store operators with the necessary start-up funds; the ability to source appropriate store sites; delays pushing out the lead time to open a new store; and counterparty default risk.

- Store revenue growth in existing stores based on operational improvements, marketing initiatives including the rebranding of stores and the occurrence of other enhancement strategies. The extent of revenue growth is also dependent on the local market operating environment and the stage of development of the coffee store market. Forecasting sales and revenue growth is inherently uncertain.

- Continued investment in new product development, in resources to enter new markets and in resources within existing markets to enable the Group to achieve growth. Such investment is reliant on the Group successfully raising new capital (refer below).

- Continued master franchise sales into new regions, growth in sale of products of the Group’s supply companies and retention of key employees of the Group.

To meet essential cash flow requirements over the period August and September 2015, additional capital funds are being raised. A small programme is currently underway and one of the Directors has also signed a letter of support to provide the Company with short term advances, if required, up to $1 million to 31 October 2015. In addition, the investment in Dairyland has been sold on 1 August 2015 under an unconditional sale and purchase agreement for cash consideration.

During the period September to October 2015, a larger capital raise will be undertaken based on funding specific growth targeted projects and moving to the new NXT market platform. Implicit in this assumption are key factors such as the quantum and timing of the capital funds forecast to be raised. The directors have obtained a conditional commitment from strategic partners for a significant portion of the capital intended to be raised. This commitment and wider capital raise is subject to a number of conditions including formal legal documentation, approval by the Overseas Investment Office and the necessary Board, shareholders’ and regulatory approvals being obtained.

The Directors have assumed the continued support of the Group’s funders and continued availability of existing borrowing facilities or sourcing of new equivalent facilities for at least the next 12 months, subject to the quantum and timing of the capital raising activities noted above and the ability of the Group to manage cash flows within the facility limits (refer Notes 15 and 20 for details of borrowing facilities).

If the above capital raising initiatives are unsuccessful, other courses of action are available to the Group and will be pursued by the Directors as required. Some of these initiatives may be pursued as part of normal operations over the next 12 months as the Group focuses on growing its core business. Initiatives include:

- The sale of non-core businesses;
- Continued implementation of cost saving measures;
- Alternative capital raising options which are available to the Group, including initiatives with the strategic partners noted above or existing Substantial Security Holders;
- The sale of individual business units able to be readily separated out from the Group that are regarded as core assets but with lower growth opportunities;
- Securing sufficient borrowing facilities potentially underwritten by a strategic business partner.

However, some of these courses of action, if adopted, may adversely impact on revenue growth, profitability and the carrying value of certain assets and may be insufficient to sustain the Group in the medium term.

The directors acknowledge that there are material uncertainties within the forecast assumptions. In the event sufficient additional capital is not raised within the time required and there being material variations from the assumptions adopted in the cash flow forecasts, there may be significant doubt that the minimum cash facilities available to the Group over the forecast period will be adequate for the Company to continue to operate as a going concern.

The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

5. Prior year adjustments

During the year ended 31 March 2015 a review was undertaken of the major acquisition transactions entered during 2014 financial year. This review indicated certain prior year accounting treatments were not appropriate and as a result the opening balances have been restated in accordance with NZ IAS 8. The most significant adjustment is the de-recognition of goodwill, recognition of re acquired rights and corresponding reduction in share capital relating to the acquisition of Franchise Development Limited. This transaction is now being treated as a share based payment under NZ IFRS 2 (discussed in detail in note 5.1), rather than a business combination under NZ IFRS 3.

Certain adjustments have also been made with respect to the treatment of the acquisitions of Esquires Coffee UK Limited, Esquires Coffee Houses Ireland Limited and Progressive Processors Limited to reflect the terms and conditions of the sale and purchase agreements as well as associated impairment considerations. The above restatements did not impact cash flows.

The combined impact of the prior year adjustments on the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2014 was as follows:

	Loss after taxation $'000	**Total comprehensive loss $'000**
As reported for the year ended 31 March 2014	(2,845)	(2,845)
Contingent consideration treated as an employee cost	(935)	(935)
Listing costs	(250)	(250)
Impairment of intangible assets	(1,055)	(1,055)
As restated for the year ended 31 March 2014	**(5,085)**	**(5,085)**

The combined impact of the above prior year adjustments on the relevant categories in the Consolidated Statement of Financial Position at 31 March 2014 was as follows:

	As previously reported $'000	**Impact of restatements $'000**	**Restated $'000**
Goodwill	17,838	(16,907)	931
Intangible asset - rights re acquired	-	1,742	1,742
Deferred tax assets	122	(122)	-
Other long-term financial assets	356	(356)	-
Trade payables	(1,425)	(510)	(1,935)
Other liabilities	(4,907)	444	(4,463)
Share capital	(29,178)	13,469	(15,709)
Impact of restatements		**(2,240)**	
Comprehensive income for the year	(2,845)	(2,240)	(5,085)
Accumulated losses	**(12,493)**	**(2,240)**	**(14,733)**

Refer below for further details of the acquisitions for the year ended 31 March 2014 (restated).

5.1. Acquisition of Franchise Development Limited

On the settlement date of 15 October 2013, Cooks Global Foods Limited (CGF) legally acquired 100% of the shares of Franchise Development Limited ("FDL") predominantly through the issue of shares to FDL's shareholders, in doing so the shareholders of FDL obtained control of Cooks. In substance this transaction was not a business combination within the scope of NZ IFRS 3 as FDL's shareholders gained control over Cooks.

As Cooks was dormant, it did not meet the definition of a business under NZ IFRS 3 and the transaction has been treated as a share based payment under NZ IFRS 2.

The financial impact of this transaction was as follows:

	$'000
Book value of CGF net assets	1,543
Listing costs	250
Value of shares issued in consideration	**1,793**
Transaction costs incurred	**435**

The listing costs were determined with reference to the actual costs that would be incurred to list similar sized Groups on the NZX Alternative market.

The number of shares issued were 122,714,019.

5.2. Acquisition of Esquires Coffee (UK) Limited

The acquisition of Esquires Coffee (UK) Limited by Cooks Global Foods Limited has been restated to correct the following:

- Consideration given in the form of shares has been recognised at fair value of $316,000 as required by NZ IFRS 3.
- Consideration contingent on key employees remaining employed has been excluded from the cash consideration and has been treated as an employee cost (refer note 17 for post combination employment expenses).
- Intangible assets acquired have been classified as reacquired rights (relate to the right to use the Esquires name in the United Kingdom).
- Certain additional disclosures which were omitted in the prior year financial statements which have also been included.

The restated consideration transferred and assets and liabilities acquired is presented in the table below:

	$'000
Consideration paid	
- Cash	501
- Deferred cash payments at fair value	1,234
- Shares at fair value	316
Total	**2,051**
Recognised amounts of identified net assets:	
Trade and other receivables	854
Inventories	50
Cash & cash equivalents	137
Total current assets	1,041
Property, plant and equipment	522
Total non-current assets	522
Trade and other payables	340
Accruals and other payables	602
Total current liabilities	942
Term liabilities	750
Total non-current liabilities	750
Net liabilities acquired	(129)
Goodwill	1,055
Re acquired rights	1,125
Total intangible assets	2,180
Cash Flow Effect:	
Consideration settled in cash	545
Cash and cash equivalents acquired	(137)
Net cash outflow on acquisition	408
Acquisition costs charged to expenses	52
Net cash paid relating to the acquisition	460

Refer to note 9 for subsequent impairment identified.

Re-acquired rights is primarily related to the acquisition of the master franchise rights for Esquire Coffee Houses in Great Britain and the potential to significantly grow and develop future earnings capabilities.

The following disclosure was omitted in the prior year financial statements:

Esquires Coffee (UK) Limited contributed the following to the group result for the period ended 31 March 2014:

	$'000
Revenue	1,802
Operating loss	(317)

If the trading result of Esquires Coffee (UK) Limited had been included for the full financial year ended 31 March 2014, the group results would have increased as follows:

	$'000
Revenue	3,939
Operating loss	(693)

5.3. Acquisition of Esquires Coffee Houses Ireland Limited

The acquisition of Esquires Coffee Houses Ireland Limited by Cooks Global Foods Limited has been restated to correct the following:

- Consideration given in the form of shares has been recognised at fair value of $132,000 as required by NZ IFRS 3.
- Consideration contingent on key employees remaining employed has not been included in cash consideration and has been treated as an employee cost (refer note 17 for post combination employment expenses).
- Intangible assets have been classified as reacquired rights (relate to the right to use the Esquires name in Ireland).
- Certain additional disclosures which were omitted from the prior year financial statements have also been included.

The restated consideration transferred and assets and liabilities acquired is presented in the table below:

Notes to the consolidated financial statements

For the year ended 31 March 2015

	Restated $'000
Consideration paid	
- Cash	425
- Shares at fair value	154
Total	**579**
Recognised amounts of identified net assets:	
Bank overdraft	37
Other liabilities	1
Total current liabilities	38
Net liabilities acquired	(38)
Re-acquired rights	617
Net assets acquired	-
Net assets acquired	617
Cash Flow Effect:	
Consideration settled in cash	425
Cash and cash equivalents acquired	37
Net cash outflow on acquisition	462
Acquisition costs charged to expenses	29
Net cash paid relating to the acquisition	491

Re-acquired rights is primarily related to the acquisition of the master franchise rights for Esquire Coffee Houses in Ireland and Northern Ireland and the potential to significantly grow and develop future earnings capabilities.

The following disclosures were omitted in the prior year financial statements:

Esquires Coffee Houses Ireland Limited contributed the following to the group result for the period ended 31 March 2014:

	$'000
Revenue	166
Operating loss	(214)

If the trading result of Esquires Coffee Houses Ireland Limited had been included for the full financial year ended 31 March 2014, the group results would have increased as follows:

	$'000
Revenue	363
Operating loss	(468)

5.4. Acquisition of the trade and assets of Progressive Processors Limited

The acquisition of Progressive Processors Limited by Cooks has been restated to correct the following:

- Consideration given in the form of shares has been recognised at fair value as required by NZ IFRS 3.
- Certain additional disclosures which were omitted in the prior year financial statements have also been included.

	Note	Restated $'000
Consideration paid		
- Fair value of forecast earnout	**20**	250
- Shares at fair value		323
Total		**573**
Recognised amounts of identified net assets:		
Trade and other receivables		126
Inventories		134
Total current assets		260
Property, plant and equipment		513
Total non-current assets		513
Bank overdraft and loans		76
Trade and other payables		209
Total current liabilities		285
Net assets acquired		488
Goodwill on Acquisition		85
Cash Flow Effect:		
Consideration settled in cash		-
Cash and cash equivalents acquired		76
Net cash outflow on acquisition		76
Acquisition costs charged to expenses		12
Net cash paid relating to the acquisition		88

The following disclosure was omitted in the prior year financial statements:

Progressive Processors Limited contributed the following to the group result for the period ended 31 March 2014:

	$'000
Revenue	709
Operating loss	(159)

If the trading result of Progressive Processors Limited had been included for the full financial year ended 31 March 2014, the group results would have increased as follows:

	$'000
Revenue	1,550
Operating loss	(348)

Please refer to the 2014 annual report for details of the acquisitions of Design Environments and Scarborough Fair. No restatements have been made in relation to these acquisitions.

6. Acquisition of Beijing Esquires Management Co. Limited

On the settlement date of 31 December 2014, the Group acquired 100% of the shares of Beijing Esquires Management Co. Limited, a company registered in China and holding the master franchise of Esquires Coffee Houses in that country.

The consideration for the purchase of 100% of the shares of Beijing Esquires Management Co. Limited comprised:

	Note	$'000
Consideration paid		
- Cash		2,030
Total		**2,030**
Recognised amounts of identified net assets:		
Trade and other receivables		941
Inventories		760
Cash & cash equivalents		582
Prepayments		1,267
Total current assets		**3,550**
Property, plant and equipment		356
Intangible assets		362
Total non-current assets		**718**
Trade payables		858
Accruals and other payables		603
Total current liabilities		**1,461**
Term liabilities		7,122
Total non-current liabilities		**7,122**
Provisional net liabilities acquired		**(4,315)**
Provisional Goodwill on Acquisition	**9**	**6,345**
Cash Flow Effect:		
Consideration settled in cash		2,030
Cash and cash equivalents acquired		(582)
Net cash outflow on acquisition		**1,448**

As the acquisition occurred in close proximity to year end, the fair value assessment of the assets and liabilities acquired, including intangible assets is not yet complete. As a result all intangible assets acquired have been recorded as Goodwill and the amounts above are provisional as at year end.

As a result of this acquisition the Group will be able to expand into the Chinese market. The Goodwill recognised relates to the penetration into the Chinese markets and Group synergies leading to revenue and profit growth.

Beijing Esquires Management Co. Limited contributed the following to the Group result for the period ended 31 March 2015:

	$'000
Revenue	**1,022**
Operating loss	**(585)**

If the trading result of Beijing Esquires Management Co. Limited had been included for the full financial year ended 31 March 2015, the Group results would have increased as follows:

	$'000
Revenue	**3,259**
Operating loss	**(1,506)**

Notes to the consolidated financial statements

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7. Interests in subsidiaries

Composition of the Group

Principal subsidiaries	Country	% Holding 2015	% Holding 2014	Principal activity
Scarborough Fair Foods Pty Limited	Australia	**100**	100	Beverage Products
Esquires Coffee International Inc	Canada	**100**	100	IP Holding Company
Beijing Esquires Management Co. Limited	China	**100**	-	Food and beverage
Bishops Café Limited	England	**100**	100	Food and beverage
Esquires Coffee UK Limited	England	**100**	100	Food and beverage
Esquires Franchising (UK) Limited	England	**100**	-	Holding Company
Esquires HQ (UK) Limited	England	**100**	-	Holding Company
Esquires Real Estate (UK) Limited	England	**100**	-	Store Lease Holding
Cooks Coffee Café Limited	Ireland	**100**	100	Store Lease Holding
Cooks Coffee Houses Ireland Limited	Ireland	**100**	100	Store Lease Holding
Cooks Coffee Houses Limited	Ireland	**100**	100	Store Lease Holding
Cooks Coffee Ireland Limited	Ireland	**100**	100	Store Lease Holding
Cooks Food & Beverages Ltd	Ireland	**100**	100	Name protection
Cooks Franchise Ireland Ltd	Ireland	**-**	100	Name protection
Esquires Coffee Houses Ireland Limited	Ireland	**100**	100	Food and beverage
Esquires Coffee International Inc	Ireland	**-**	100	IP Holding Company
Esquires Property Ltd	Ireland	**-**	100	Store Lease Holding
Cooks Supply Group Limited	NZ	**100**	100	Holding Company
Esquires Asia Limited	NZ	**100**	100	Name protection
Esquires Bahrain Limited	NZ	**100**	100	Master Licence Agreement
Esquires Canada IP Limited	NZ	**100**	-	IP Holding Company
Esquires China Limited	NZ	**100**	-	Holding Company
Esquires Coffee China Limited	NZ	**100**	100	IP Holding Company
Esquires Coffee India Limited	NZ	**100**	-	Holding Company
Esquires Coffee Malaysia IP Holdings Limited	NZ	**100**	100	IP Holding Company
Esquires Coffee Supply Limited	NZ	**100**	-	Name protection
Esquires Egypt Limited	NZ	**100**	100	Name protection
Esquires EP and Bahrain Limited	NZ	**100**	100	Name protection
Esquires Fiji Limited	NZ	**100**	100	Master Licence Agreement
Esquires Global IP Holdings Limited	NZ	**100**	100	IP Holding Company
Esquires India Limited	NZ	**100**	100	Master Licence Agreement
Esquires Indonesia Limited	NZ	**100**	100	Name protection
Esquires Iraq IP Holdings Limited	NZ	**100**	100	IP Holding Company
Esquires Kuwait Limited	NZ	**100**	100	Master Licence Agreement
Esquires Malaysia Limited	NZ	**100**	100	Master Licence Agreement
Esquires Middle East & Africa IP Holdings Limited	NZ	**100**	100	IP Holding Company
Esquires Northern Cyprus Limited	NZ	**100**	-	IP Holding Company
Esquires NZ Franchise Holdings Limited	NZ	**100**	100	Name protection
Esquires Office Limited	NZ	**100**	100	Office Lease Holding
Esquires Oman Limited	NZ	**100**	100	Master Licence Agreement
Esquires Port Denarau Marina Limited	NZ	**100**	100	Name protection
Esquires Qatar Limited	NZ	**100**	100	Master Licence Agreement
Esquires Saudi Arabia Limited	NZ	**100**	100	Master Licence Agreement
Esquires Turkey Limited	NZ	**100**	100	Master Licence Agreement
Esquires U.A.E. Limited	NZ	**100**	100	Master Licence Agreement
Esquires UK 1 Limited	NZ	**100**	100	Master Licence Agreement
Franchise Development Limited	NZ	**100**	100	Master Franchisor
Franchise Holdings NZ Limited	NZ	**100**	100	Holding Company
Franchise Management NZ Ltd	NZ	**100**	100	Name protection
LSD Global Limited	NZ	**100**	100	IP Holding Company
Progressive Processors Limited	NZ	**100**	100	Fresh Produce
Scarborough Fair Limited	NZ	**100**	100	Beverage Products

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8. Revenue

The Group's revenue is analysed as follows for each major category:

	Note	31-Mar 2015 $'000	31-Mar 2014 $'000
Sale of Beverage product		1,431	984
Sale of Kiwifruit and Asparagus produce		2,267	709
Sale of goods		3,698	1,693
Royalties		1,944	1,108
Owned Coffee House revenue		1,816	1,085
Fees and other revenue		1,473	553
Rendering of services		5,233	2,746
Group revenue	26	8,931	4,439

9. Intangible Assets

The Group acquired goodwill, trademarks and intellectual property through business acquisitions.

9.1. Goodwill

The movements in the net carrying amount of goodwill are as follows:

	31-Mar 2015 $'000	Restated 31-Mar 2014 $'000
Gross carrying amount		
Balance 1 April	931	-
Arising from business acquisitions	6,345	1,986
Impairment charge for the year	(430)	(1,055)
Carrying amount at 31 March	6,846	931

The impairment charge of $1,055,000 recognised in the period ended 31 March 2014 relates to impairment of Goodwill in the UK Franchising and Retailing segment. The impairment occurred as a result of a decline in operating performance, working capital constraints and slower than expected growth of the segment.

The impairment charge of $430,000 recognised for the period ended 31 March 2015 relates to impairment of Goodwill in the Supply segment. The impairment charge related to the Scarborough Fair CGU and occurred as a result of a decline in operating performance and challenges recognising the expected synergies.

The goodwill arising of $6,345,000 relates to the acquisition of Beijing Esquires Management Co. Limited and is provisional subject to the group assessment of the fair value of the assets and liabilities acquired.

Goodwill is allocated as follows:

	Note	31-Mar 2015 $'000	Restated 31-Mar 2014 $'000
Carrying amount			
Scarborough Fair Limited		**393**	823
Progressive Processors Limited		**85**	85
Design Environments		**23**	23
Beijing Esquires Management Co. Limited	6	**6,345**	-
		6,846	**931**

The recoverable amount of the Progressive Processors and Scarborough Fair Cash Generating Units ("CGU") has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations and the recoverable amount in 2015 are as follows:

	Progressive Processors	Scarborough Fair
Annual growth rate	**18% - 43%**	**5% - 10%**
Long term growth rate	**5%**	**10%**
Discount rate	**15%**	**7.5%**

If the growth rate in Scarborough Fair had been reduced by 1% per annum or the discount rate increased by 1% per annum the Goodwill would be further impaired by $98,000 or $30,000.
The recoverable amount of the Esquires China CGU has been determined based on fair value less costs to sell with reference to the recent acquisition and noting the goodwill is provisional (refer Note 6).

The key assumptions used for value-in-use calculations and the recoverable amount in 2014 are as follows:

	Progressive Processors	Scarborough Fair	Esquires UK
Annual growth rate	13% - 21%	22% - 43%	1% - 6%
Long term growth rate	18.4%	9%	0%
Discount rate	15%	15%	20%

An impairment charge of $1,055,000 was identified relating to Esquires Coffee UK Limited as at 31 March 2014.

Notes to the consolidated financial statements

For the year ended 31 March 2015

9.2. Other intangible assets

	31-Mar 2015 $'000	Restated 31-Mar 2014 $'000
Trademarks		
Gross carrying amount		
Balance 1 April	**1,333**	-
Arising from business combinations	**362**	1,333
Additions	**228**	-
Carrying amount at 31 March	**1,923**	1,333
Re acquired Rights		
Gross carrying amount		
Balance 1 April	**1,742**	-
Arising from business acquisitions	**-**	1,742
Amortisation charge for the year	**(82)**	-
Carrying amount at 31 March	**1,660**	1,742
Total other intangibles	**3,583**	3,075

10. Property, plant and equipment

	Furniture & Fittings $'000	Plant & Equipment $'000	Computers & Software $'000	Motor Vehicles $'000	Total $'000
Cost					
Balance at 1 April 2013	-	-	-	-	-
Additions	5	7	-	-	12
Acquisition through business combination	515	546	24	19	1,104
Balance at 31 March 2014	520	553	24	19	1,116
Balance at 1 April 2014	**520**	**553**	**24**	**19**	**1,116**
Additions	**3**	**157**	**34**	**5**	**199**
Acquisition through business combination (Note 5)	**103**	**175**	**49**	**4**	**331**
Disposals	**-**	**(25)**	**-**	**-**	**(25)**
Balance at 31 March 2015	**626**	**860**	**107**	**28**	**1,622**
Accumulated depreciation					
Balance at 1 April 2013	-	-	-	-	-
Depreciation	(115)	(44)	(8)	(4)	(171)
Balance at 31 March 2014	(115)	(44)	(8)	(4)	(171)
Balance at 1 April 2014	**(115)**	**(44)**	**(8)**	**(4)**	**(171)**
Disposals	**-**	**-**	**-**	**-**	**-**
Depreciation	**(10)**	**(291)**	**(13)**	**(32)**	**(346)**
Balance at 31 March 2015	**(125)**	**(335)**	**(21)**	**(36)**	**(517)**
Carrying amounts					
At 1 April 2013	-	-	-	-	-
At 31 March 2014	405	509	16	15	945
At 31 March 2015	**501**	**525**	**86**	**(8)**	**1,105**

11. Leases

11.1. Operating leases as Head Lessee

The Group leases an office and production building in New Zealand under an operating lease. In the United Kingdom and Ireland, the Group leases an office and is the head lessee on operating leases relating to both owned and franchised stores.

The future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
31 March 2015	**3,857**	**10,337**	**4,884**	**19,078**
31 March 2014	1,907	6,714	5,565	14,186

Lease expense for the Group (excluding payments made on leases that are sub leased to franchisees, and paid by the franchisees) during the period amounted to $491,000 (2014: $326,000) representing the minimum lease payments.

The rental contracts have non-cancellable terms ranging from 2 months up to 20 years.

11.2. Operating leases with Sub Lessees

In the United Kingdom and Ireland, the Group holds the head lease over the rental properties of a number of its franchisees. The franchisees hold a sub lease, are guarantors to the agreement and pay the monthly rental costs associated with the property.

The future minimum lease payments and income receivable relating exclusively to these sub leases (and included in the numbers in 11.1 above) are as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
31 March 2015	**2,710**	**6,473**	**4,061**	**13,244**
31 March 2014	1,267	4,635	4,665	10,567

	Minimum lease income due			
	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
31 March 2015	**2,710**	**6,473**	**4,061**	**13,244**
31 March 2014	1,267	4,635	4,665	10,567

12. Inventories

	31-Mar 2015 $'000	31-Mar 2014 $'000
Raw materials and consumables	**83**	150
Finished goods	**930**	148
	1,013	298

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13. Trade and other receivables

Trade and other receivables consist of the following:

	2015	2014
	$'000	$'000
Trade and other receivables		
Trade receivables	**1,460**	567
Less: provision for impairment of trade receivables	**(205)**	-
Net trade receivables	**1,255**	567
Other current assets		
Prepayments	**1,265**	462
Other short-term assets	**436**	469
Non-current assets	**1,701**	931
Total trade and other receivables	**2,956**	1,498

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Trade and other receivables have been reviewed for indicators of impairment and the Group has recognised a provision of $205,000 (2014: $nil).

As at 31 March 2015 the ageing of receivables is as follows:

	31-Mar	31-Mar
	2015	2014
	$'000	$'000
Current	**455**	113
31 to 60 days	**171**	30
61 to 90 days	**39**	30
> 90 days	**795**	394
Total	**1,460**	**567**

14. Assets held for sale

The Company has a 45% investment in Dairyland Products Limited. During the year, the Directors reclassified this investment as held-for-sale. The Directors no longer see this investment as core to the business operations and will look to dispose of the investment as soon as practically possible for at least the carrying value of the investment of $305,000 (2014:$305,000). Refer to Note 4.

15. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31-Mar 2015 $'000	31-Mar 2014 $'000
Cash at bank and in hand:		
NZD	**152**	1,319
AUD	**2**	2
EUR	**126**	-
YUAN	**4,155**	-
GBP	**275**	172
USD	**-**	190
Cash and cash equivalents	**4,710**	**1,683**
Bank Overdraft EURO (Current Liability)	**-**	(9)
Bank Overdraft NZD (Current Liability)	**(1,198)**	(1,381)
Net Cash and cash equivalents	**3,512**	**293**

There is a restriction of ¥8,000,000 (NZD $1,727,489) to remain in China for the sole purpose of working capital in that business and cannot be used to reduce Group debt or funding. There are no other restrictions on the cash and cash equivalents.

The company has an overdraft of $1,198,000. This is unsecured. The overdraft facility limit is $2,000,000. Interest is payable at a variable rate based on the ANZ Business Bank Indicator Rate (BBIR).

16. Equity

16.1. Share Capital

The share capital of Cooks Global Foods Limited consists of fully paid ordinary shares, each share representing one vote at the company's shareholder meetings. All shares are equally eligible to receive dividends and the repayment of capital.

Composition of share capital	**2015**	**2014**
Number of Shares issued and fully paid:	**No. of Shares**	**No. of Shares**
Ordinary shares opening balance	**244,916,009**	27,576,623
Ordinary shares issued	**93,437,642**	217,339,386
Total ordinary shares authorised at 31 March	**338,353,651**	**244,916,009**

Composition of share capital	**2015**	**Restated 2014**
Value of Shares issued and fully paid:	**$'000**	**$'000**
Ordinary shares opening balance	**15,709**	5,987
Ordinary shares issued less share issue expenses	**11,827**	9,722
Total ordinary share capital at 31 March	**27,536**	**15,709**

At the annual general meeting of Cooks Global Foods Limited on 1 October 2013 it was agreed:

- All related party loans owed to Keith Jackson, a director and substantial shareholder, would be converted to 20,293,933 ordinary shares in the company. Under a Deed of Escrow, 90% of these shares issued on 15th October 2013 would be held in escrow, that is, 18,264,540 shares. Half of this number (9,132,270 shares) were released from the escrow and became freely transferable in the same manner as all other ordinary shares of the company one year from the original date of issue, that is, 15 October 2014. The other half will be released from all encumbrances two years from the original date of issue, that is, 15 October 2015.
- Convertible preference shares owed to Tasman Capital Limited, a related party to Mr Jackson, would be converted to 500,000 ordinary shares in the company. An escrow agreement applies to 90% of these shares, that is, 450,000 shares. Half of this number were released from escrow on 15 October 2014 and the other half will be released on 15 October 2015.
- All other convertible preference shares would be converted to 7,398,304 ordinary shares in the company.

On 31 March 2014, the Company received funds of $1.25million that have been treated as Convertible Loans. These loans were received from ADG Investments Limited, a substantial shareholder in Cooks Global Foods Limited, in accordance with an Investment Agreement relating to a Subscription for Shares. Following the company obtaining all necessary approvals 10,000,000 shares were duly issued in April at 12.5 cents per share.

As at 31 March 2015, the following shares are subject to Escrow arrangements:

No. of Escrow Shares	Date of Release
63,260,995	15/10/2015
22,024,661	7/11/2015
85,285,656	

16.2. Loss per share

The calculation of basic loss per share for the year ended 31 March 2015 was based on the weighted average number of ordinary shares on issue. The calculation of diluted earnings per share for the year ended 31 March 2015 was based on the weighted average number of ordinary shares on issue adjusted to assume conversion of all dilutive potential ordinary shares. The difference between weighted average number of shares used to calculate basic and diluted earnings per share represents share options outstanding.

	Group 2015 $	Group 2014 $
Weighted average ordinary shares issued	**285,084,176**	244,916,009
Weighted average potentially dilutive options issued	**10,000,000**	16,238,818
Basic loss per share (cents)	**(1.55)**	(2.08)
Diluted loss per share (cents)	**(1.55)**	(2.08)

The effect on the loss per share from the share options are anti-dilutive as the company is generating a loss.

Under the terms of the acquisition of Scarborough Fair in the previous year, an option to purchase 10,000,000 shares at 17.5 cents per share was granted to the vendor. The value of this option at 31 March 2015 is determined to be nil.

17. Employee costs

Expenses recognised for employee costs are analysed below:

	2015 $'000	Restated 2014 $'000
Wages, salaries	**2,867**	1,086
Other staff costs	**233**	875
	3,100	1,961

Included in the 2014 employee costs, as part of the terms of the Sale and Purchase Agreement for the Esquires Ireland business, was a payment by way of the issue of 173,425 shares in Cooks Global Foods Limited at an issue price of 15 cents each, the fair value of this consideration was determined to be $22,371. This was an inducement to a key employee of the business to commit to signing a new employment contract with the acquired company.

Three Directors are employed under management contracts and each earned $180,000 for the year (2014: two earned $180,000 each for the year and the other earned $435,000 for the year which included $255,000 paid by share issue in lieu of cash).

18. Other costs

Expenses recognised as other costs are analysed below:

	31-Mar 2015 $'000	Restated 31-Mar 2014 $'000
Administration and other costs	**2,567**	1,613
Directors fees	**160**	50
Distribution costs	**190**	87
Management fees	**540**	540
Marketing costs	**987**	91
Professional and consulting services	**582**	269
Travel costs	**673**	298
	5,699	2,948

19. Trade and other payables

Trade and other payables recognised are all short-term and consist of the following:

	2015 $'000	2014 $'000
Current		
- Trade payables	**2,079**	1,425
- Other payables	**871**	510
	2,950	1,935

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

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20. Borrowings and other liabilities

	Current 2015 $'000	Non-Current 2015 $'000	Restated Current 2014 $'000	Restated Non-Current 2014 $'000
Convertible Loan (a)	**-**	**-**	1,250	-
Short term finance loan	**500**	**-**	-	-
Related party loan (b)	**5,464**	**-**	-	-
Hire Purchase	**8**	**17**	29	4
Owing for business acqusitions	**769**	**-**	1,579	256
CVA Creditors (UK) (c)	**461**	**277**	185	792
Contingent earn-out for acquisition of net assets of Progressive Processors (d)	**-**	**281**	-	250
Contingent earn-out for acquisition of net assets of Esquires Coffee Houses Ireland (e)	**-**	**235**	-	118
	7,202	**810**	3,043	1,420

(a) The Convertible Loan of $1,250k was converted to ordinary shares in early April 2014.

(b) The related party loan is an advance from one of the Group's shareholder, Beijing Yunnan Building Hotel Co Ltd. The Loan is interest free and repayable within 12 months.

(c) Prior to the acquisition of Esquires Coffee (UK) Limited the business entered into voluntary administration. As a result the business has an obligation to repay the creditors that existed at the date it entered into voluntary administration over a period of five years.

(d) The Contingent Earn Out for acquisition of net assets of Progressive Processors is based on the amount (whichever is the higher) equal to 3.5 times the audited net profit after tax (NPAT) of the Progressive business either for the year ended 31 March 2016; or the average over the years ended 31 March 2014, 2015 and 2016. Should the latter option be chosen, a share issue will occur in the first and second years based on 20% of the Earn Out amount for each year, with a full wash-up occurring in the final year.

(e) The Contingent Earn out for the acquisition of net assets of Esquires Coffee House Ireland (ECHI) is based upon the amount (whatever is higher) equal to 4 times the 31 March EBITDA of the ECHI business for either the year ended 31 March 2017, or the average of the 2016 and 2017 financial years, or the average of the 2015, 2016, and 2017 financial years.

	31-Mar 2015 $'000	31-Mar 2014 $'000
Currency borrowings and contingent consideration are demoninated in		
NZD	**806**	1,533
GBP	**1,507**	2,812
YUAN	**5,464**	-
EUR	**235**	118
	8,012	4,463

	31-Mar 2015 $'000	31-Mar 2014 $'000
Interest rates payable		
Convertible loan	N/A	0%
Related party loan	**0%**	N/A
Short term financing loan	**12.5%**	N/A
Hire purchase	**1% to 10%**	**1%**

All borrowings are unsecured. The Group has no available undrawn facilities.
All facilities expiring within one year are subject to a review by the lenders. The Group intends to repay these facilities from the proceeds of capital raising. Refer Note 4.

Fair value
The fair value of current borrowings is approximates to the fair value and the impact of discounting is not significant.
The fair value of the contingent consideration has been determined based upon future expected earnings based upon Board approved forecasts and are within level 3 of the fair value hierarchy. The inputs into this calculation and the movement in the fair values are shown above.

21. Finance costs and finance income

Finance costs for the reporting periods consist of the following:

	2015 $'000	2014 $'000
Finance charges	**7**	4
Convertible preference shares interest expense	**-**	39
Interest on bank and other borrowings	**210**	43
	217	86

There were no fixed interest rate contracts outstanding at balance date (2014: nil).

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22. Income Tax and Deferred Tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Cooks Global Foods Limited at 28% and the reported tax expense in profit or loss are as follows:

	2015	2014
	$'000	$'000
Loss before tax	**(4,419)**	(5,085)
Domestic tax rate for Cooks Global Foods Limited	**28%**	28%
Expected tax expense	**(1,237)**	(1,424)
Adjustment for tax-rate differences in foreign jurisdictions	**106**	36
Adjustment for non-deductible expenses:		
Relating to impairment of intangible assets	**23**	295
Other non-deductible expenses	**590**	511
Actual tax expense (income)	**(518)**	(581)
Tax expense comprises;		
Curent tax expense (income)	**(518)**	(581)
Deferred tax expense (income):		
- Origination and reversal of temporary differences	**-**	-
- Tax Losses not recognised	**518**	581
- Utilisation of unused Tax Losses	**-**	-
Tax expense	**-**	**-**

The Group has computed tax losses within each jurisdiction since acquisition as follows:

	31-Mar 2015 $'000	31-Mar 2014 $'000
New Zealand	**2,464**	1,053
United Kingdom	**1,242**	992
Ireland	**198**	176
China	**146**	-
	4,050	2,221

Available New Zealand imputation tax credits are nil (2014: nil).

At 31 March 2015 and 31 March 2014 the Group has a deferred tax liability of $Nil. Deferred tax liabilities relating to reacquired rights in the UK and Ireland amounting to $488,000 are offset by deferred tax losses in each of these countries. The majority of the above deferred tax assets and liabilities are not expected to crystallise within the next 12 months.

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23. Auditor remuneration

The Auditor of the Group is PricewaterhouseCoopers (2014: DFK Oswin Griffiths Carlton).

	2015	2014
	$'000	$'000
Audit of financial statements		
- Statutory Audit – PwC	**135**	-
- Overseas PwC network firms	**50**	-
Remuneration from audit and review of financial statements	**185**	-
Audit of financial statements		
- Statutory Audit – DFK Oswin Griffiths Carlton	**-**	75
- Overseas DFK network firms	**-**	26
Remuneration from audit and review of financial statements	**-**	101

24. Reconciliation of cash flows from operating activities

		Restated
	31-Mar	31-Mar
	2015	2014
	$'000	$'000
Loss after tax	**(4,419)**	(5,085)
Add non-cash items:		
Depreciation and amortisation	**509**	194
Management fees paid by share issue	**-**	326
Provision for doubtful debt	**205**	-
Impairment of intangible assets	**430**	1,055
Add/(Less) movements in working capital:		
Inventories	**(715)**	(298)
Trade and other receivables	**(893)**	625
Other short-term assets	**(770)**	(658)
Trade and other payables	**1,981**	1,175
Other liabilities	**148**	591
Net adjustment for opening balances of acquisitions during the year	**1,525**	1,155
Net cash flow applied to operating activities	**(1,999)**	(920)

25. Related party transactions

The Group's related parties include the directors and senior management personnel of the Group and any associated parties as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Keith Jackson is a director of Dairyland Products Limited, Jackson & Associates Limited and Tasman Capital Limited, and a trustee of Nikau Trust.

Stuart Deeks and Lewis Deeks are directors of Franchise Management Services Limited (previously DSL Management Limited).

Andrew Kerslake and Graeme Lee are directors of ADG Investments Limited.

Mike Hutcheson is a director of Image Centre Limited and Lighthouse Ventures Holdings Limited.

Norah Barlow is a director of Merseyside Limited.

Peter Kirton who resigned as a director of Esquires Coffee (UK) Limited during the year, has sons who own marketing companies Cosmic Design and Studio Hato.

Tony McVerry is a director of Esquires Coffee Houses Ireland Limited.

Shu Xin ("Ellen") Zhang is a director of Esquires Beijing management Co. Limited.

Shares held by directors and senior management personnel or their associates:

	2015	**2014**
Keith & Patricia Jackson & PM Picot	**37,173,719**	37,023,719
Jackson & Associates Limited	**-**	150,000
Tasman Capital Limited	**2,362,780**	2,362,780
DSL Management Limited	**137,348,909**	137,348,909
ADG Investments Limited	**42,199,758**	32,199,758
Lighthouse Ventures Holdings Limited	**455,533**	455,533
Peter Kirton & associates	**5,197,221**	1,125,252
Neil Butler	**2,500,000**	2,500,000
Maretha McVerry	**1,240,093**	1,240,093
Shu Xin Zhang & Jian Ming Zhou	**7,027,100**	-
Mike Hutcheson	**367,671**	367,671
Norah Barlow	**307,692**	-

25.1. Transactions with related parties

The value of transactions with related parties during the year were:

	2015	**2014**	
	$'000	**$'000**	**Services**
Image Centre Limited	**35**	28	Creative Service Provider
Franchise Management Services Limited	**345**	426	Management services
Jackson & Associates	**180**	213	Management services
Merseyside Limited	**40**	12	Directors fees
Cosmic Design	**-**	8	Marketing services (UK)
Studio Hato	**-**	5	Marketing services (UK)
Zealpac Limited	**57**	-	Management services

The above values are exclusive of GST or VAT if any.

Nikau Trust was issued no shares (2014: 2,633,333 shares) in lieu of payment for management services rendered by Keith Jackson for the year ended 31 March.

25.2. Balances outstanding with related parties

	2015	**2014**	
	$'000	**$'000**	**Services**
Image Centre Limited	**1**	9	Creative Service Provider
Franchise Management Services Limited	-	35	Management services
Jackson & Associates	**86**	17	Management services
Merseyside Limited	**-**	12	Directors fees
Cosmic Design	-	3	Marketing services (UK)
Studio Hato	-	3	Marketing services (UK)
Beijing Yunnan Building Hotel Co Ltd.	**5,464**	1	Funding

The above values are inclusive of GST or VAT if any.

25.3. Transactions with directors and senior management personnel

Key management of the Group are the executive members of Cooks Global Foods Limited's Board of Directors and senior management. Directors and senior management personnel payments (exclusive of GST if any) made during the year includes the following expenses:

	31-Mar 2015 $'000	31-Mar 2014 $'000
Directors fees	**160**	46
Salaries, wages and contractor payments	**676**	813
	836	859

Refer to note 17 for further employee cost information.

26. Segment reporting

Management currently identifies the Groups products and service lines in various geographical locations as its operating segments.

The Esquires franchising & retail segment, receives two main income streams: Retail Sales from owned stores (UK, Ireland and China) and Royalties from and Product Sales to Franchisees (UK, Ireland, Middle East, China). The supply segment represents the supply of tea/coffee/beverages and fresh produce.

Segment information for the reporting period is as follows:

31 March 2015	**Global franchising & design**	**UK franchising & retail**	**Ireland franchising & retail**	**China franchising & retail**	**Supply**	**Corporate**	**Total**
Global operational splits	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	**2,029**	**3,201**	**527**	**1,022**	**2,152**	**-**	**8,931**
Other income	**30**	**190**	**27**	**-**	**20**	**4**	**271**
Cost of inventories sold	**(396)**	**(584)**	**-**	**(446)**	**(1,430)**	**-**	**(2,856)**
Depreciation and amortisation	**(17)**	**(278)**	**(26)**	**-**	**(96)**	**(10)**	**(427)**
Impairment of intangible assets	**-**	**-**	**-**	**-**	**(430)**	**-**	**(430)**
Other expenses	**(1,742)**	**(3,220)**	**(712)**	**(1,161)**	**(720)**	**(2,136)**	**(9,691)**
Operating loss	**(96)**	**(691)**	**(184)**	**(585)**	**(504)**	**(2,142)**	**(4,202)**
Non-current assets							
Intangible assets	**107**	**1,099**	**561**	**6,702**	**478**	**1,482**	**10,429**
Property, plant and equipment	**54**	**171**	**-**	**331**	**522**	**27**	**1,105**

31 March 2014	**Global franchising & design**	**UK franchising & retail**	**Ireland franchising & retail**	**China franchising & retail**	**Supply**	**Corporate**	**Total**
Global operational splits	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	1,498	1,794	166	-	981	-	4,439
Cost of inventories sold	(672)	(380)	-	-	(727)	-	(1,779)
Depreciation and amortisation	(11)	(134)	-	-	(26)	-	(171)
Impairment of intangible assets	-	(1,055)	-	-	-	-	(1,055)
Other expenses	(1,935)	(2,145)	(736)	-	(513)	(1,104)	(6,433)
Operating loss	(1,120)	(1,920)	(570)	-	(285)	(1,104)	(4,999)
Non-current assets							
Intangible assets	130	1,125	617	-	908	1,226	4,006
Property, plant and equipment	50	395	-	-	489	11	945

27. Contingencies

(a) Contingent Liabilities

From time to time the Group receives claims. The Directors do not believe that any of these claims will result in a successful claim. (2014: $nil). Accordingly no provision has been recognised.

(b) Contingent Assets

The Group has made a claim under the warranty provisions included with the Esquires Coffee (UK) Limited sale and purchase agreement. The value of this claim cannot yet be quantified.

28. Capital commitments
There were no capital commitments as at 31 March 2015 (2014: $nil).

29. Financial risk management

Due to the broad range of the Group's activities, there is exposure to a variety of financial risks:
- Market risk (including currency risk and interest rate risk);
- Credit risk; and
- Liquidity risk

The Group's risk management programme focuses on minimising the potential adverse effects of these risks. The Group's business is primarily denominated in foreign currencies. The Group holds New Zealand dollars and other currencies to settle transactions in the normal course of business.

29.1. Market risk
Foreign Currency Risk
The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures. The majority of the Group's product, manufacturing and logistics costs are settled in NZD. Though the NZD remains the main currency for corporate funding and Group reporting, it will continue to diminish as a proportion of total Group as product sales outstrip growth in the New Zealand market. A significant amount of the Group's transactions are carried out in other than New Zealand Dollars. Exposures to currency exchange rates arise from the Group's overseas company holdings (United Kingdom, Ireland, Australia and China), and foreign currency denominated income for New Zealand domiciled companies (royalties, store openings, regional master franchise sales, product sales). These are primarily denominated in US dollars (USD), Pound Sterling (GBP), European currency (EURO), Australian dollars (AUD) and Chinese Yuan (YUAN).

The below tables show the impact on pre-tax loss for the year, if the major currencies that the Company transacts in weaken/strengthen by 10% to the NZD, with other variables held constant. The impact would mainly result in foreign exchange gains or losses on the conversion of cash, receivables and payables. The same movement on equity would be expected. 10% was chosen as a reasonable sensitivity given the historically volatile markets for foreign exchange.

NZ$000s	Carrying amount at 31 March 2015	NZD +10% Profit/Equity	NZD -10% Profit/Equity	Carrying amount at 31 March 2014	NZD +10% Profit/Equity	NZD -10% Profit/Equity
GBP cash	**275**	**28**	**(28)**	172	17	(17)
GBP accounts reveivable	**649**	**65**	**(65)**	515	52	(52)
GBP accounts payable	**(1,368)**	**(137)**	**137**	(837)	(84)	84
Total GBP		**(44)**	**44**		(15)	15
EURO cash	**126**	**13**	**(13)**	-	-	-
EURO accounts reveivable	**94**	**9**	**(9)**	17	2	(2)
EURO accounts payable	**(225)**	**(23)**	**23**	(112)	(11)	11
Total EURO		**(1)**	**1**		(9)	9
AUD cash	**2**	-	**-**	2	-	-
AUD accounts reveivable	**67**	**7**	**(7)**	57	6	(6)
AUD accounts payable	**(82)**	**(8)**	**8**	(78)	(8)	8
Total AUD		**(1)**	**1**		(2)	2
USD cash	-	-	-	190	19	(19)
Total USD	-	**-**	**-**		-	-
YUAN cash	**4,155**	**416**	**(416)**	-	-	-
YUAN accounts reveivable	**96**	**10**	**(10)**	-	-	-
YUAN accounts payable	**(971)**	**(97)**	**97**	-	-	-
Total YUAN		**329**	**(329)**		-	-

Interest Rate Risk

The Group currently has an overdraft facility and had cash deposits in various currencies at balance sheet date as follows:

	31-Mar 2015 Local Currency	31-Mar 2015 NZD Equivalent	31-Mar 2014 Local Currency	31-Mar 2014 NZD Equivalent
Cash at bank and in hand:	**$'000**	**$'000**	**$'000**	**$'000**
NZD	**152**	**152**	1,319	1,319
AUD	**2**	**2**	2	2
EUR	**85**	**126**	-	-
YUAN	**19,243**	**4,155**	-	-
GBP	**139**	**275**	89	172
USD	**-**	**-**	165	190
Cash and cash equivalents		**4,710**		**1,683**
Bank Overdraft EURO (Current Liability)	**-**	**-**	(5)	(9)
Bank Overdraft NZD (Current Liability)	**(1,198)**	**(1,198)**	(1,381)	(1,381)
Short term financing loan	**(500)**	**(500)**	-	-
		3,012		**293**

The impact of a 1% increase / decrease in interest rates over a one year period on the closing net cash balance would result in an increase / decrease in consolidated pre-tax profit and equity of $30,000 (2014: $3,000). 1% was chosen as a reasonable sensitivity given changeable interest rate markets.

29.2. Credit Risk

Credit risk is managed on a Group basis. The Group generally trades with customers and banking counterparties who are well established. Receivables balances are managed by and reported regularly to senior management according to the Company's credit management policies and procedures. The amount outstanding at balance sheet date represents the maximum exposure to credit risk. Refer to note 3.

Cash and cash equivalents of the Group are deposited with a number of trading banks in New Zealand and overseas: $152,000 is deposited with a major NZ trading bank (2014: $1,319,000), $275,000 (2014: $172,000) with a major British trading bank, $126,000 (2014: nil) with a major Irish trading bank and $4,155,000 (2014: Nil) with a major China trading bank.

29.3. Liquidity Risk

The Group maintains regular forecasts of liquidity based on expected cash flows. The table below analyses the Group's financial liabilities into relevant groups based on the remaining period at the reporting date to the end of the contractual date. The amounts disclosed are the contractual undiscounted cash flows.

Notes to the consolidated financial statements

For the year ended 31 March 2015

At 31 March 2015	**Less than 1 year $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**
Bank overdraft	**1,198**	**-**	**-**	**-**
Trade payables	**2,079**	**-**	**-**	**-**
Other payables	**871**	**-**	**-**	**-**
Short term finance loan	**500**	**-**	**-**	**-**
Related party loan	**5,464**	**-**	**-**	**-**
Hire Purchase	**8**	**17**	**-**	**-**
CVA Creditors (UK)	**461**	**277**	**-**	**-**
Owing for acquisition Esquires Coffee Ireland Limited			**235**	**-**
Owing for business acqusitions	**769**	**-**	**-**	**-**
Contingent earn-out for acquisition of net assets of Progressive Processors	**-**	**281**	**-**	**-**
	11,350	**575**	**235**	**-**

At 31 March 2014	**Less than 1 year $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**
Convertible loan	1,250	-	-	-
Bank overdraft	1,390	-	-	-
Trade payables	1,425	-	-	-
Other payables	510	-	-	-
Hire Purchase	29	4	-	-
CVA Creditors (UK)	185	792	-	-
Owing for acquisition Esquires Coffee Ireland Limited	-	118	-	-
Owing for acquisition of Esquires Coffee UK Limited	1,579	256	-	-
Contingent earn-out for acquisition of net assets of Progressive Processors	-	250	-	-
	6,368	1,420	-	-

For further details in relation to the liquidity risk refer to note 4.

29.4. Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure. The Group currently monitors capital on the basis of cash requirements and, in order to maintain or adjust the capital structure, generally issues new shares to investors through share issues. The Group and the Company have not been subject to any externally imposed capital requirements during the period. The Group is currently in need of additional capital injections to be able to execute its growth strategy, for further details of this refer to note 4.

30. Financial instruments by category

2015

	Loans and receivables	Total
Assets as per balance sheet		
Trade receivables	**1,255**	**1,255**
Cash and cash equivalents	**4,710**	**4,710**
Total	**5,965**	**5,965**

	Liabilities at fair value through profit or loss	Other financial liabilities at amortised cost	Total
Liabilities as per balance sheet			
Trade payables	**-**	**2,079**	**2,079**
Other payables	**-**	**871**	**871**
Bank overdraft	**-**	**1,198**	**1,198**
Contingent consideration	**235**	**-**	**235**
Contingent earn-out for acquisition of net assets of Progressive Processors	**281**	**-**	**281**
Borrowings and other liabilities	**-**	**7,496**	**7,496**
Total	**516**	**11,644**	**12,160**

2014

	Loans and receivables	Total
Assets as per balance sheet		
Trade receivables	567	567
Cash and cash equivalents	1,683	1,683
Investments	-	-
Total	2,250	2,250

	Liabilities at fair value through profit or loss	Other financial liabilities at amortised cost	Total
Liabilities as per balance sheet			
Trade payables	-	1,425	1,425
Other payables	-	510	510
Bank overdraft		1,390	1,390
Contingent consideration	118	-	118
Contingent earn-out for acquisition of net assets of Progressive Processors	250	-	250
Borrowings and other liabilities	-	4,095	4,095
Total	368	7,420	7,788

31. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
31 March 2015	**$'000**	**$'000**	**$'000**	**$'000**
Assets per the statement of financial position				
	-	-	-	-
Liabilities per the statement of financial position				
Contingent earn-out for acquisition of net assets of Progressive Processors	-	-	**281**	**281**
Owing for acquisition Esquires Coffee Ireland Limited	-	-	**235**	**235**
	-	**-**	**516**	**516**

	Level 1	Level 2	Level 3	Total
31 March 2014	**$'000**	**$'000**	**$'000**	**$'000**
Assets per the statement of financial position				
	-	-	-	-
Liabilities per the statement of financial position				
Contingent earn-out for acquisition of net assets of Progressive Processors	-	-	250	250
Owing for acquisition Esquires Coffee Ireland Limited	-	-	118	118
	-	-	368	368

32. Post-reporting date events

Norah Barlow has tendered her resignation as a Director with effect from 31 July 2015.

The investment in Dairyland Products Limited, currently classified as an Asset held for Sale, has been sold on 1 August 2015 under an unconditional sale and purchase agreement for cash consideration.

One of the directors has signed a letter of support to provide the company with short term advances, if required, up to $1 million to 31 October 2015.

The directors have obtained a commitment from strategic partners overseas for a significant portion of capital intended to be raised by the company by 31 October 2015.

There have been no other events subsequent to reporting date which have a material effect on these financial statements.

Independent Auditors' Report

to the shareholders of Cooks Global Foods Limited

Report on the Financial Statements

We have audited the Group financial statements of Cooks Global Foods Limited ("the Company") on pages 7 to 52, which comprise the statement of financial position as at 31 March 2015, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled 31 March 2015 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

We are independent of the Group. Other than in our capacity as auditors we have no relationship with, or interests in, the Group.

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pwc

Independent Auditors' Report

Cooks Global Foods Limited

Opinion

In our opinion, the financial statements on pages 7 to 52 present fairly, in all material respects, the financial position of the Group as at 31 March 2015, and its 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3.1 and Note 4 to the financial statements which describes the basis on which the Directors have adopted the going concern assumption. The financial statements have been prepared on a going concern basis which is dependent on the ability of the Group to achieve forecasted cash flows and obtain sufficient additional shareholder or alternative funding to enable the Group to meet its obligations as they fall due. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Other Matter

The financial statements of Cooks Global Foods Limited for the year ended 31 March 2014, were audited by another auditor who expressed a modified opinion on those statements.

Restriction on Use of our Report

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

PricewaterhouseCoopers.

Chartered Accountants Auckland
5 August 2015

STATUTORY INFORMATION AND CORPORATE GOVERNANCE

Directors Relevant Interests in Company Securities as at 31 March 2015

Substantial Security Holder	Shares Held
DSL Management Limited[1]	137,348,909
ADG Investments Limited[2]	42,199,758
Graeme Keith Jackson, Patricia Frances Jackson & Philip Mack Picot[3]	37,173,719
Mike Hutcheson	367,671
Norah Kathleen Barlow and Robert Barlow	307,692
Total Number of Shares on Issue:	**216,722,386**

1 Lewis Deeks and Stuart Deeks are directors and shareholders of DSL Management Limited
2 Graeme Lee and Andrew Kerslake are directors and beneficial shareholders of ADG Investments Limited

Director Dealings in Company Securities

There have been the following transactions in respect of Cooks Global Foods Limited (**CGF** or **Company**) securities by directors of the Company (**Directors**) in the 12 months ending 31 March 2015:

Director	Dealings
Mr. Graeme Keith Jackson, Mrs Patricia Frances Jackson and Mr. Philip Mack Picot as trustees of the Nikau Trust	• Mr. Graeme Keith Jackson consolidated the Company shares held by himself and his related entities into a single holding in his family trust (The Nikau Trust) in which he is a trustee. • 150,000 ordinary shares were transferred from Jackson & Associates to the Nikau Trust.
Mr. Andrew Kerslake and Mr. Graeme Lee	• 10,000,000 ordinary shares in the Company were issued at an issue price of $0.125 per share to ADG Investments Limited.
Ms Norah Kathleen Barlow	• 307,692 ordinary shares in the Company were issued at an issue price of $0.13 per share to Norah Kathleen Barlow and Robert Barlow.

Interests Register

CGF has D&O insurance which ensures that generally, Directors and officers will incur no monetary loss as a result of actions undertaken by them. CGF has entered into an indemnity in favour of its Directors for the purposes of Section 162 of the Companies Act 1993.

Use of Company Information

The Board received no notices from Directors wishing to use Company information received in their capacity as Directors which would not have been ordinarily available.

Other Director Interests

Other directorship appointments during the financial year ended 31 March 2015 held by CGF Directors:

Graeme Keith Jackson	**Norah Barlow**
• South Waikato Farms Limited • Weihai Station Limited • Esquires India Limited • Esquires Fiji Limited • Esquires Turkey Limited • Esquires Office Limited • Esquires Northern Cyprus Limited • Esquires Malaysia Limited • Esquires Asia Limited • Esquires Bahrain Limited • Franchise Management NZ Limited • Esquires Egypt Limited • Esquires Coffee Supply Limited • Esquires Kuwait Limited • Esquires Qatar Limited • Esquires Oman Limited • Esquires U.A.E. Limited • Esquires UK 1 Limited • Esquires Indonesia Limited • Esquires Coffee India Limited • Esquires China Limited • Esquires Global IP Holdings Limited • Esquires Saudi Arabia Limited • Esquires Port Denarau Marina Limited • Esquires NZ Franchise Holdings Limited • Franchise Holdings NZ Limited • Esquires Coffee China Limited • Esquires Coffee Malaysia IP Holdings Limited • Esquires Iraq IP Holdings Limited	• Lifetime Design Limited • Vigil Monitoring Limited • Methven Limited • Evolve Education Group Limited

• Esquires Middle East & Africa IP Holdings Limited • Esquires EP Bahrain Limited	
Lewis Deeks	**Stuart Deeks**
• Esquires China Limited	• Esquires China Limited

Spread of Quoted Security Holders as at 16 July 2015

	SHAREHOLDERS		SHARES	
RANGE	**NUMBER**	**%**	**NUMBER**	**%**
1 to 1,000	295	53.54	295,000	0.09
1,001 to 5,000	62	11.25	160,331	0.05
5,001 to 10,000	21	3.81	160,121	0.05
10,001 to 50,000	75	13.61	1,979,682	0.59
50,001 to 100,000	24	4.36	1,867,548	0.55
100,001 and Over	74	13.43	333,890,969	98.67
TOTAL	**551**	**100.00**	**338,353,651**	**100.00**

20 Largest Holdings of Equity Securities

As at 16 July 2015:

	Investor Name	Total Units	% Issued Capital
1	DSL Management Limited	137,348,909	40.59
2	Beijing Yunnan Building Hotel Co Ltd	53,290,600	15.75
3	ADG Investments Limited	42,199,758	12.47
4	Graeme Keith Jackson & Patricia Frances Jackson & Phillip Mack Picot	37,173,719	10.99
5	Yu Lei	12,582,300	3.72
6	Shu Xin Zhang & Jian Ming Zhou	7,027,100	2.08
7	Peter James Kirton	5,005,723	1.48
8	Emma Jane Waite	3,275,333	0.97
9	Real Action Group Limited	3,251,334	0.96
10	Just Cabins Limited	2,538,462	0.75
11	Neil Robert Butler & Kin Maree Green & OAC Trustees Limited	2,500,000	0.74
12	Tasman Capital Limited	2,362,780	0.70
13	Diana Elizabeth Christian & Sonya Marie Vujnovich	1,999,990	0.59
14	Michael Bruce Guthrie	1,897,152	0.56
15	Gerard Hall	1,600,000	0.47
16	Nadeel Limited	1,222,222	0.36
17	General Contracting & Franchising Company Llc	1,000,000	0.30
18	Trinity Portfolio Limited	944,000	0.28
19	Peter Gerald Gilbert	878,695	0.26
20	Graeme William Rothwell & Eve Elizabeth Rothwell & Hibiscus Independent Trustees 2009 Limited	788,200	0.23

SUBSTANTIAL PRODUCT HOLDERS

The following information is provided in compliance with section 293 of the Financial Markets Conduct Act 2013 and is stated as at 31 March 2015. The total number of voting financial products of Cooks Global Foods Limited at that date was 338,353,651 and ordinary shares are the only such product on issue.

Holder Name	Number Ordinary Shares held	% Issued Capital
Beijing Yunnan Building Hotel Co Ltd	53,290,600	15.75
DSL Management Limited	137,348,909	40.59
ADG Investments Limited	42,199,758	12.47
Graeme Keith Jackson, Patricia Frances Jackson and Phillip Mack Picot	37,173,719	10.99
Total Ordinary Shares on Issue:	**338,353,651**	**100.00**

EMPLOYEE REMUNERATION

During the accounting period, the following number of CGF's employees/independent contractors (not being a director) received remuneration and other benefits in that person's capacity as employee/independent contractor of CGF, the value of which exceeded $100,000 per annum:

Remuneration ranges	Number of employees 2015	Number of employees 2014
130,000 – 139,999	**1**	**-**
140,000 – 149,999	**2**	-
160,000 – 169,999	**1**	-
180,000 – 189,999	-	1

DIRECTOR REMUNERATION AND OTHER BENEFITS

During the accounting period, the Directors of the Company received the following remuneration:

Name	Directors' Fees	Executive Salary
Andrew Malcolm Kerslake	40,000	-
Mike Hutcheson	40,000	-
Norah Barlow	40,000	-
Graham Lee*	40,000	-
Lewis Deeks	-	180,000.00
John Stuart Deeks	-	180,000.00
Graeme Keith Jackson	-	180,000.00

*Graham Lee was appointed to the Board effective 12 May 2014 and resigned on 13 March 2015

Donations
No donations were made in the 12 month financial period ended 31 March 2015.

CORPORATE GOVERNANCE STATEMENT

ETHICAL STANDARDS

Cooks Global Foods Limited (the **Company**) expects its directors to act legally, ethically and with integrity in a manner consistent with the Company's policies, guiding principles and values.

ROLE OF THE BOARD

The Board of Directors of the Company is elected by the shareholders to supervise the management of the Company. The Board establishes the Company's objectives, overall policy framework within which the business of the Company is conducted and confirms strategies for achieving these objectives. The Board also monitors performance and ensures that procedures are in place to provide effective internal financial control.

The Board is responsible for guiding the corporate strategy and direction of the Company and has overall responsibility for decision making. The Board has delegated responsibility for implementing the Board's strategy and for managing the operations of the Company to the Chairman.

BOARD COMPOSITION AND PERFORMANCE

The Board currently comprises of six Directors including the Chairman & Chief Executive Officer, Keith Jackson. Graeme Lee resigned as a Director in March 2015 and Norah Barlow resigned as a Director in July 2015.

The Board met 14 times during the year on a formal basis. Two subcommittees, being the Audit and Remuneration Committees, were held outside these meetings on a regular basis as required.

The Chairman's role includes managing the Board; ensuring the Board is well informed and effective; implementing the Company's present strategy; and ensuring effective communication with shareholders.

The Company does not have a formal Director training programme at present.

REPORTING AND DISCLOSURE

The Board monitors:

- available cash in the Company to ensure there are sufficient funds available to satisfy debts as they fall due; and
- the continued support of the Company's principal creditors, to ensure their continued support of the Company and continued intention to not call up amounts owing to them.

Directors

Name	Status	Current/Resigned	Sub- committee membership	Attendance*
Keith Jackson	*Chairman & CEO Executive*	Appointed 18/8/08	-	14
Stuart Deeks	*Executive*	Appointed 3/10/13	-	7
Lewis Deeks	*Executive*	Appointed 3/10/13	-	14
Andrew Kerslake	*Non-Executive*	Appointed 3/10/13	Audit & Risk	14
Mike Hutchenson	*Non-Executive* *Independent*	Appointed 3/10/13	Remuneration	13
Norah Barlow	*Non-Executive* *Independent*	Appointed 1/01/14 Resigned 31/07/15	Audit & Risk	14
Graeme Lee	*Non-Executive* *Independent*	Appointed 12/05/14 Resigned 13/03/15	-	13

RISK MANAGEMENT

The Board reviews practices in relation to identification and management of significant business risk areas and regulatory compliance in the context of the Company's prevailing business strategy.

Under its constitution, the Company may obtain directors' and officers' liability insurance to cover directors acting on behalf of the Company.

SHAREHOLDER RELATIONS

The Company aims to ensure that shareholders are informed of all major developments affecting the Company affairs. Information is communicated to shareholders in the Annual Report, Interim Report, and regular NZX announcements, including major share transactions, acquisitions, store expansion and new franchises and any personnel changes of significance.

STAKEHOLDER INTERESTS

The Board is cognisant of stakeholder interests as they develop and considers policies to deal with different stakeholders accordingly. The Company will maintain public information as described in these policies to give stakeholders access to relevant information.

Annual Report
Year Ended 31st March 2015

www.cooksglobalfoods.com