COOKS GLOBAL FOODS LTD.

ESQUIRES COFFEE

SCARBOROUGH FAIR

design environments

CRUX PRODUCTS

GROUNDED

ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

CONTENT

Cooks Global Foods operates in world markets and is listed on the NZAX market operated by NZX Limited in New Zealand under the code CGF. It owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia. Cooks currently operates or franchises Esquires Coffee Houses in Canada, the United Kingdom, Ireland, Saudi Arabia, Kuwait, Bahrain, UAE, Pakistan, Portugal, Indonesia, and China.
For more information visit: www.cooksglobalfoods.com

HIGHLIGHTS

ESQUIRES COFFEE CONSTANT CURRENCY[1] STORE NETWORK SALES AS AT 31 MARCH 2017, GREW 13% TO $39.4 MILLION AS THE COFFEE NETWORK GREW FROM 86 STORES TO 98 STORES.

COOKS REMAINS ON TRACK TO TRANSITION TO CASHFLOW BREAKEVEN IN THE 2018 FINANCIAL YEAR FOR ITS CONTINUING BUSINESS ACTIVITIES.

GROUP NET LOSSES AFTER TAX FROM CONTINUING OPERATIONS[2] OF $3.5 MILLION SIMILAR TO PRIOR YEAR DESPITE SUSTAINING A SIGNIFICANT FOREIGN CURRENCY ADVERSE MOVEMENT THIS YEAR.

TALKS ADVANCE TO RESTRUCTURE THE CHINESE COFFEE BUSINESS INTO A NEW JOINT VENTURE.

PROGRESSIVE PROCESSORS SOLD TO MANAGEMENT.

CORNERSTONE SHAREHOLDERS COMMIT TO PROVIDE $10 MILLION IN NEW EQUITY AS PART OF AN ONGOING CAPITAL RAISING TO FUND FURTHER GROWTH, PROVIDE WORKING CAPITAL AND CAPITALISE DEBT.

[1] Constant figures referenced in this release are adjusted for currency fluctuations using moving average exchange rate for the 12 months to 31 March 2017.

[2] Cooks Chinese coffee operations and its Progressive Processors supply business are now treated as discontinued operations. This follows the sale of the assets of Progressive effective 13 April 2017 and the impending formation of a joint venture with Chinese partners to accelerate the growth of the company's branded coffee operations in greater China.

REAPING THE REWARDS OF TRANSFORMATION

EXECUTIVE CHAIRMAN'S REPORT

"THE INTRODUCTION OF NEW STORE FORMATS, THE CLOSURE OF UNDERPERFORMING STORES, COUPLED WITH NEW STORE OPENINGS AROUND THE WORLD ARE DRIVING IMPROVEMENTS IN RECURRING REVENUES."

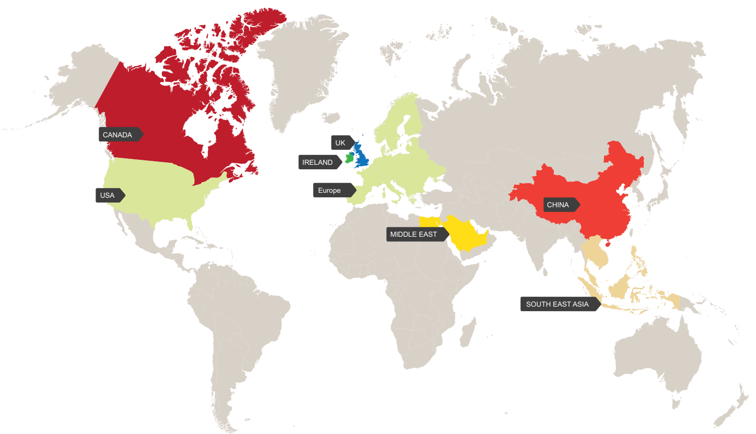
Cooks Global Foods is reaping the rewards of the significant reorganisation undertaken over the last three years and the ongoing strong demand we see for artisan-style Fairtrade and Organic branded coffee outlets around the world.

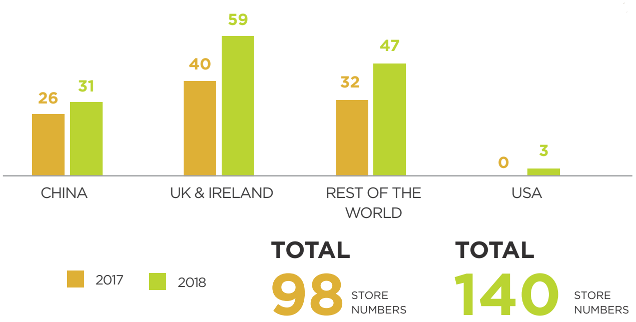
In the year to 31 March 2017, despite significant foreign currency headwinds, we held operating losses at our core Esquires Coffee operations to a similar level to prior year. The introduction of new store formats, which reflect our key brand values, the closure of underperforming stores, coupled with new store openings around the world are driving improvements in constant-currency recurring revenues including franchise fees, royalty payments, beverage supply sales and design and technical service fees.

These changes coupled with a re-organisation of our operations in China and the expected expansion of the global coffee store network to 140 stores by the end of the 2018 financial year, give us confidence that we will achieve our target of transitioning to cashflow breakeven for our continuing operations in FY18.

As announced in April, Cooks expects to establish a joint venture company with a Chinese-based investment entity to own the master franchise for the Esquires Coffee brand in China, Hong Kong, Macau and Taiwan. In exchange for a 30% stake in the new entity, Cooks will contribute its Chinese assets. The new entity will benefit from strong cash backing and local partners and will accelerate the development in this key growth market.

MAJOR FOCUS ON GROWTH





FINANCIAL PERFORMANCE

Group net losses from continuing operations for the year to 31 March 2017 increased marginally by 6.8% to $3.5 million from $3.3 million a year earlier, with both Ireland and the Middle East making a positive contribution and the UK segment significantly reducing its losses.

The forex loss for continuing operations for the year was $591K ($466K gain; 2016). This represents a negative swing from the prior year of over $1 million driven by Brexit and the NZD strengthening against other currencies.

The earnings results reflects a 13.1% rise in constant currency sales across the Esquires Coffee store network to $39.4 million in the 2017 financial year. These gains however were offset by a strong rise in the New Zealand dollar against sterling and to a lesser extent, the euro.

As a result, revenue from continuing operations for the year fell 14.5% to $5.3 million down from the prior year's $6.2 million. Almost all this fall was attributable to negative unrealised foreign exchange movements in reporting trading revenue figures from the UK and Ireland businesses in the group's base currency.

Group net losses of $12.2 million included well-signalled non-cash write downs totalling $4.5 million.

Ahead of its expected sale into a new Chinese joint venture, we wrote down the value of our Chinese coffee store operation by $4 million. We also wrote down the carrying value of the Progressive Processors supply business by $450,000 following its sale to local management.

The restructure of our Chinese business will see Cooks holding a 30% minority stake in the new joint venture, while the business will no longer be consolidated as a 100% subsidiary within the financial statements of the group, it will be equity accounted going forward which will see the recognition of our proportionate share of profit as the business grows.

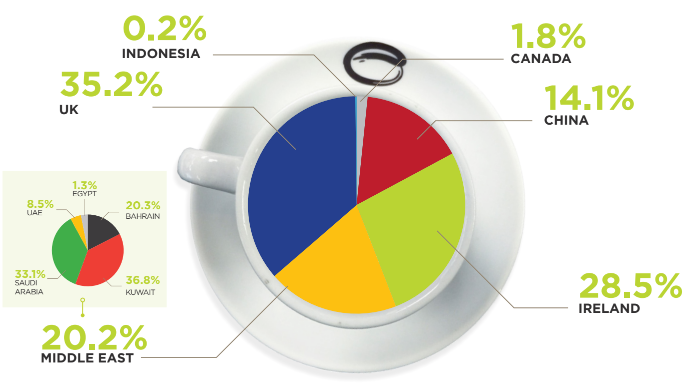
BALANCE SHEET AND FUNDING

In June 2017 shareholders approved the issue of up to $10 million of new shares to me and my associates as well as our cornerstone Chinese shareholders Jiajiayue Holding Group (JJY), the YunNan Metropolitan Construction Investment Group (YMCI).

These funds coupled with those raised as part of an ongoing Share Purchase Plan (SPP) launched in late June will reduce debt, provide capital sufficient to fund future growth and provide the back-office infrastructure necessary to support that growth.

Shareholders also approved a buy back for up to 20 million shares over time. The programme gives Cooks the flexibility to respond at times when it considers the market price of its shares is lower than is justified by the underlying value of its business.

NETWORK STORE SALES BY SEGMENT



Total store sales are the aggregate of sales of all Esquires branded coffee stores, whether franchised or owned, across the company's global brand network. Cooks' franchise businesses derive their income from franchise related fees, primarily related to those sales levels, as well as store sales figures for those stores directly owned by them. Network store sales therefore have a strong correlation to revenue earned by our franchise businesses.

UNITED KINGDOM STORES

During the year, the UK opened five new stores and closed one, taking total store numbers to 29 from 25 a year ago. The increase, coupled with the positive impact of the ongoing rebranding and store refurbishment programme, lifted constant currency UK store network sales by 7% to $13.9 million from $13.0 million at the same time a year ago.

IRELAND STORES

Ireland opened three new stores in the period taking the total to 11 and lifting constant currency store network sales in Ireland by 38% to $11.2 million from $8.1 million a year earlier.

BUSINESS UNIT PERFORMANCE

UNITED KINGDOM

Revenue in local currency increased more than 22% for the year but after conversion of revenue figures to the group reporting currency it decreased 13% to $1.54 million. The fall was due almost entirely to the sharp fall in sterling following the Brexit vote in June 2016.

Operating losses narrowed by nearly 40% to $730,000 from $1.22 million a year earlier as operating costs were shared across a larger revenue base.

IRELAND

Revenue increased 12% to $668,000, from $594,000 a year earlier while the segment was at breakeven in terms of it's operating position and continues to improve in performance year on year. Again, the strength of the New Zealand dollar diluted the financial performance of the business, with revenue and earnings growing strongly in local currency terms.

REST OF THE WORLD

Revenue fell 21% to $2.5 million from $3.2 million, while the segment reported an operating profit of $227,000, reversing last year's loss. Over the year, we added four new stores in the Middle East and one new store in Indonesia and another in Canada. The businesses in the Middle East continue to face a challenging trading environment with weak energy prices weighing on disposable incomes. The UAE has been particularly hard hit by the downturn, while new laws banning smoking in malls are weighing on performance in Kuwait although we do not expect this effect to endure.

SCARBOROUGH FAIR

Sales at Scarborough Fair were steady at $640,000, and the business posted a small loss as it invested in new product initiatives that will accelerate sales in the coming year and lift the businesses financial performance.

OUTLOOK

Cooks is supported by favourable market conditions. Even in a relatively mature market such as the UK, sales in the branded coffee sector grew by 11.2% in 2016 to reach £3.7 billion. Sales in the UK are also forecast to grow at an average 10.2% a year to reach £6 billion by 2021 .

This growth is mirrored throughout Europe and in the USA. Globally, in developed countries, the coffee shop is becoming widely accepted as the 'third place' where people spend most of their time: home, work place and the coffee shop.

The same is true for developing markets. The Chinese branded coffee market, where annual coffee consumption is only 6 cups per capita per annum, but is growing at more than 30% per annum, represents a significant opportunity for the company. Cooks believes the consumption potential is at least as great as neighbouring regions and countries such as Taiwan, where it was 122 cups in 2015, Japan 207 cups in 2014 and South Korea 240 cups in 2014[1].

Cooks also benefits from a highly supportive cornerstone shareholder base and a global team that is committed and incentivised to drive the success of the business. We are looking to the remainder of the new financial year and beyond with confidence.

On behalf of the board I would like to thank the dedicated team at Cooks, our franchisees and team members in Esquires Coffee houses around the world, and most importantly our discerning customers, who are making this possible.

For and on behalf of the Board of Directors

Keith Jackson
Chairman
Cooks Global Foods Limited

UNITED KINGDOM
Maidstone

UNITED KINGDOM
Dartford

UNITED KINGDOM
Twickenham

IRELAND
Airside

IRELAND
Carrick on Shannon

SAUDI ARABIA
Flamingo Mall

[1]The Wall Street Journal (10/06/15); The Taiwan News (10/10/16)

ESQUIRES COFFEE OPERATING METRICS

STORE NUMBERS as at 31 March	2017	2016	VARIANCE
	98	86	14.0%

12 MONTHS TO 31 MARCH

TOTAL NETWORK	31 MAR 2017	31 MAR 2016	VARIANCE
Esquires Coffee Store sales**	NZ$39,467,228	NZ$34,885,287	13.1%
Transactions	4,426,192	3,984,126	11.1%
Average transaction value**	NZ$8.92	NZ$8.76	1.8%

SAME STORE	31 MAR 2017	31 MAR 2016	VARIANCE
Esquires Coffee Store sales**	NZ$29,403,955	NZ$29,238,594	0.6%
Transactions	3,329,350	3,401,968	-2.1%
Average transaction value**	NZ$8.83	NZ$8.59	2.8%

3 MONTHS TO 31 MARCH

TOTAL NETWORK	31 MAR 2017	31 MAR 2016	VARIANCE
Esquires Coffee Store sales**	NZ$9,708,646	NZ$8,400,830	15.6%
Transactions	1,089,477	955,749	14.0%
Average transaction value**	NZ$8.92	NZ$8.79	1.4%

SAME STORE	31 MAR 2017	31 MAR 2016	VARIANCE
Esquires Coffee Store sales**	NZ$6,773,577	NZ$6,639,627	2.0%
Transactions	762,771	763,624	0.0%
Average transaction value**	NZ$$8.88	NZ$8.69	2.1%

** To remove foreign exchange fluctuations, current and prior period sales and transaction values are calculated using a moving average exchange rate for the 12 months to 31 March 2017.

Year to 31 March	Mar-2016	Opened	Closed	Mar-2017
China	26	4	4	26
Ireland	9	3	1	11
UK	25	5	1	29
Canada	3	1	-	4
Middle East	21	5	1	25
UAE	4	1	-	5
Saudi Arabia	6	2	-	8
Bahrain	5	1	-	6
Kuwait	5	1	-	6
Egypt	1	0	1	0
Indonesia	2	1	-	3
Total	**86**	**19**	**7**	**98**

Contents to Consolidated Financial Statements

Directors' report

The directors of Cooks Global Foods Limited are pleased to present to shareholders the Annual Report and consolidated financial statements for Cooks Global Foods Limited and its controlled entities (together the "Group") for the year ended 31 March 2017.

The directors are responsible for presenting consolidated 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 2017 and their financial performance and cash flows for the year ended on that date.

The directors consider that the consolidated 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 consolidated financial statements with the Financial Reporting 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 Company in the past year:

(a) The agreement with the largest shareholders of the Company, Jiajiayue Holding Group, YunNan Metropolitan Construction Investment Group and interests associated with the company's Executive Chairman Keith Jackson, to raise up to $10 million in new equity. The new share raising will see $6.5 million contributed in cash and $3.5 million applied to the capitalisation of existing loans from the major shareholders. The process of obtaining shareholder approval for this transaction was still not complete at 31 March 2017, however the Special Meeting was subsequently held on 29th June 2017 and the necessary approvals obtained.

(b) The decision was made by the Board of Directors during the year that Progressive Processors Limited, the Company's kiwifruit and asparagus processing business, was non-core to the Group's primary business activity and should be sold. The trading business was ultimately sold to local management and settled on 13th April 2017. This sees the Progressive business unit recorded as a Discontinued Activity in the consolidated financial statements for the year ended 31 March 2017. A write down of $444,000 has been booked in this year's accounts relating to this transaction.

(c) The Board of Directors decided also to restructure the Group's China business by way of joint venture with a Chinese party who would commit significant funds, initially around NZ$9.75 million, to help accelerate the growth of Esquires branded coffee houses across the Greater China region. The Group would reduce its stake in the business to 30% resulting in its Chinese investment being equity accounted in the future. At reporting date, this transaction was still in progress. A Term Sheet has since been signed and it is envisaged the transaction will be completed midway through the new financial year. The China business has been reclassified as an Asset Held for Sale and treated as a Discontinued Activity in the consolidated financial statements for the year ended 31 March 2017. A write down of $4 million in the carrying value of the China business' net assets has been recognised in this year's accounts.

(d) The Company signed Letters of Intent with parties during the year to formalise franchise agreements within the new territories of Portugal and Pakistan. Franchise Agreements have subsequent to reporting date been entered into with both parties.

(e) The Company is continuing discussions with various parties in the Middle East, Europe and the United States of America to formalise strategic business relationships that will facilitate the growth of the Group and help us achieve our store target of 140 stores for the financial year to 31 March 2018. The remaining share underwrite for Cooks Investment Holding Limited outstanding at 31 March 2017 has been held pending the signing of Term Sheets for one of these transactions within which it will be utilised.

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 influenced significantly by the $10 million in new equity being raised from the major shareholders. This transaction has only just been recently approved by the shareholders of the Company.

Greater detail of the going concern assumptions, the cash generating initiatives currently underway and alternative courses of action which could be pursued should key cash generating initiatives be unsuccessful are detailed in Note 4 of the Consolidated financial statements.

Donations & Audit Fees

The Group made no donations during the past year. Amounts paid to BDO New Zealand for audit and other services are shown in Note 21 of the Consolidated 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 consolidated financial statements set out in pages 15-56, of Cooks Global Foods Limited and its controlled entities for the period 1 April 2016 to 31 March 2017.

The Board of Directors of Cooks Global Foods Limited authorised these consolidated financial statements for issue on 31 July 2017.

Keith Jackson | Andrew Kerslake

Executive Chairman | Director

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF COOKS GLOBAL FOODS LIMITED

Opinion

We have audited the consolidated financial statements of Cooks Global Foods Limited ('the Company') and its controlled entities (together, 'the Group'), which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its controlled entities.

Material Uncertainty Related to Going Concern

We draw attention to note 4 to the consolidated financial statements, which indicates that the Group incurred a net loss of $12,179,000 and operating cash outflows of $5,174,000 during the year ended 31 March 2017 and, as of that date, the Group has reported net assets of $197,000 and current liabilities exceed current assets of $1,610,000. As stated in note 4, these events or conditions, along with other matters as set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How The Matter Was Addressed in Our Audit

Planned Disposal of Beijing Esquires Management Co Limited ('China Operations')

The Directors of the Group have been working to restructure the China Operations in the 2017 financial year. Subsequent to year end, the Group have entered into non-binding 'Term Sheet' to reduce the Group shareholding from 100% to 30%. The audit and accounting implications of this are:

a) Classification as Held for Sale and Presentation of Discontinued Operations

Key Audit Matter	How The Matter Was Addressed in Our Audit
As disclosed in note 13.2 to the consolidated financial statements the Group has classified the China Operations as Held for Sale and presented them as discontinued operations. We have determined this to be a key audit matter due to the significance of the event and its impact on the financial statements as a whole.	We focused on management's accounting treatment of China Operations as Held for Sale and presentation as discontinued operations. Our procedures included, amongst others: • Reading the Term Sheet, Board meeting minutes, market announcements and correspondence in respect of the restructure of the China Operations to understand the key terms and conditions, and to confirm our understanding of the transaction being negotiated. • Evaluating Group's assessment that concluded that the China Operations were appropriately classified as Held for Sale and presented as discontinued operations. • Assessing the adequacy of the Group's disclosures.

b) Impairment Assessments for Goodwill and Required Rights

Key Audit Matter	How The Matter Was Addressed in Our Audit
The Group has determined the recoverable amount of the goodwill and reacquired rights of the China Operations using fair value less costs of disposal methodology based on the transaction being negotiated. An impairment of goodwill of $4,043,000 was recognised for the year. Refer to note 15 Intangible Assets. Impairment of goodwill and reacquired rights was a key audit matter due to the high level of judgment required in assessing the valuation methodology and inputs used to support the Group's assessment of impairment.	Our procedures included, amongst others: • Assessing the Group's evaluation of indicators whether the goodwill and the reacquired rights allocated to China Operations may be impaired. In assessing this and using our valuation specialists, we evaluated the Group's methodology to determine the recoverable amount. • Recalculating the impairment charge by comparing the carrying amount of the assets to the Group's calculation of recoverable amount, for the intangible assets where impairments had been recognised. • Assessing the adequacy of the Group's disclosures in respect of goodwill and reacquired rights.

Key Audit Matter	How The Matter Was Addressed in Our Audit
Impairment assessments of Trademarks and Reacquired Rights	
The Group holds trademarks and global IP rights of $1,531,000 relating to intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia. Reacquired rights of $1,504,000 relating to Esquires Ireland Cash Generating Unit ('CGU') and Esquires UK CGU. The Group has used value in use and fair value less costs of disposal models to determine the recoverable amounts of these intangible assets to assess any potential impairment. The Group concluded no impairment charge was required in respect of trademarks and reacquired rights. Refer to note 15.2 Other Intangible Assets. We have determined this to be a key audit matter due the significant judgements involved to determine the recoverable amount of trademarks and reacquired rights such as: • Discount rates; • Market growth rates; • Store growth rates; • Expected revenue, costs and capital expenditure; and • Comparable sales transactions.	Our audit considered whether the methodology and judgements applied by the Group to their impairment models met the requirement of NZ IAS 36 Impairment of Assets. Our procedures included, amongst others: • Assessing the determination of the Group's cash generating units based on our understanding of the nature of the Group's business, how earning streams are monitored and reported and the economic environment in which it operates. • Together with our valuation specialists, assessing and testing the assumptions and methodologies used in the Group's value in use model. In doing so: - We compared the cash flow forecasts to Board approved forecasts; - We assessed the basis for the Groups cash flow forecasts including consideration of the historical accuracy of previous estimates; - We compared the discount rate, growth rates and the economic assumptions to available internal and external data; and - We performed sensitivity analysis and evaluated whether there are reasonably possible changes in assumptions which could cause the carrying amount of the CGU to exceed its recoverable amount. • Assessing the relevance of the comparable sales transactions used in the fair value less costs of disposal model to determine the recoverable amount of the trademarks. • Assessing the adequacy of the Group's disclosures in respect of trademarks and reacquired rights.

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2016 were audited by another auditor who expressed a disclaimer of opinion on 18 July 2016 as the predecessor auditor was unable to obtain sufficient appropriate audit evidence to support the viability of the planned initiatives, and upon which to form an opinion as to whether the application of the going concern assumption in the preparation and presentation of the financial statements is appropriate on those statements.

Other Information

The directors are responsible for the Annual Report, which includes information other than the consolidated financial statements and our auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Who we Report to

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

The engagement partner on the audit resulting in this independent auditor's report is Blair Stanley.

For and on behalf of:

BDO Auckland.

BDO Auckland
Auckland
New Zealand
31 July 2017

COOKS GLOBAL FOODS LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2017

	Notes	31-Mar 2017 $'000	31-Mar 2016 $'000
Revenue	5	**5,340**	6,152
Other income		**138**	304
Raw materials and consumables used		**(1,250)**	(1,366)
Depreciation and amortisation	16,15.2	**(166)**	(212)
Impairment of intangible assets	15.1	**-**	(71)
Property related costs		**(434)**	(528)
Net foreign exchange (losses)/gains		**(591)**	466
Employee costs	6	**(3,149)**	(3,457)
Other expenses	7	**(2,860)**	(4,283)
Operating loss		**(2,972)**	(2,995)
Finance costs	8	**(564)**	(313)
Loss before income tax		**(3,536)**	(3,308)
Income tax expense	9	**(16)**	-
Loss for the year from continuing operations		**(3,552)**	(3,308)
Net loss for the year from discontinued operations	13	**(8,627)**	(4,634)
Net loss for the year		**(12,179)**	(7,942)
Loss from discontinued operations attributable to:			
- Shareholders of the parent		**(8,283)**	(4,569)
- non-controlling interests		**(344)**	(65)
		(8,627)	(4,634)
Loss attributable to:			
- Shareholders of the parent		**(11,775)**	(7,877)
- non-controlling interests		**(404)**	(65)
		(12,179)	(7,942)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Change in foreign currency translation reserve		**760**	(16)
Other comprehensive income after tax		**760**	(16)
Total comprehensive loss for the year		**(11,419)**	(7,958)
Attributable to:			
- Shareholders of the parent		**(11,015)**	(7,893)
- non-controlling interests		**(404)**	(65)
		(11,419)	(7,958)
Loss per share:			
Basic and diluted loss per share (New Zealand Cents) from continuing and discontinued operations:	19	**(2.85)**	(2.25)
Basic and diluted loss per share (New Zealand Cents) from continuing operations:	19	**(0.85)**	(1.28)

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

COOKS GLOBAL FOODS LIMITED

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

		Attributable to Equity holders of the Company					
	Notes	Share Capital $'000	Foreign currency translation reserve $'000	Accumulated Losses $'000	Total $'000	Non-controlling interest $'000	Total Equity $'000
Balance at 1 April 2015		27,536	11	(19,152)	8,395	-	8,395
Comprehensive loss for the year							
Loss for the year		-	-	(7,877)	(7,877)	(65)	(7,942)
Other comprehensive income							
Items that may be subsequently reclassified to profit or loss:							
Change in foreign currency translation reserve		-	(16)	-	(16)	-	(16)
Total comprehensive income/(loss) for the year		-	(16)	(7,877)	(7,893)	(65)	(7,958)
Transactions with owners of the Company							
Issue of ordinary shares		9,512	-	-	9,512		9,512
Share issue expenses		(676)	-	-	(676)		(676)
Total contributions by owners of the Company	19	8,836	-	-	8,836	-	8,836
Non-controlling interest arising on business formation		-	-	-	-	374	374
Balance at 31 March 2016	19	36,372	(5)	(27,029)	9,338	309	9,647
Balance at 1 April 2016		**36,372**	**(5)**	**(27,029)**	**9,338**	**309**	**9,647**
Comprehensive loss for the year							
Loss for the year		**-**	**-**	**(11,775)**	**(11,775)**	**(404)**	**(12,179)**
Other comprehensive income							
Items that may be subsequently reclassified to profit or loss:							
Change in foreign currency translation reserve		**-**	**760**	**-**	**760**	**-**	**760**
Total comprehensive income/(loss) for the year		**-**	**760**	**(11,775)**	**(11,015)**	**(404)**	**(11,419)**
Transactions with owners of the Company							
Issue of ordinary shares	19	**503**	**-**	**-**	**503**		**503**
Ordinary shares to be issued		**1,000**	**-**	**-**	**1,000**		**1,000**
Total contributions by owners of the Company		**1,503**	**-**	**-**	**1,503**	**-**	**1,503**
Non-controlling interests fund's introduced		**-**	**-**	**-**	**-**	**466**	**466**
Balance at 31 March 2017	19	**37,875**	**755**	**(38,804)**	**(174)**	**371**	**197**

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

Consolidated Statement of Financial Position

As at 31 March 2017

	Notes	31-Mar 2017 $'000	31-Mar 2016 $'000
Assets			
Current Assets			
Cash and cash equivalents	10	**182**	1,032
Trade and other receivables	11	**2,579**	4,635
Inventories	12	**227**	828
Other current assets	11	**518**	3,302
Assets classified as held-for-sale	13	**6,495**	-
Current tax assets		**6**	4
Current Assets		**10,007**	9,801
Non-Current Assets			
Intangible assets	15	**3,035**	9,575
Property, plant and equipment	16	**256**	1,476
Other non-current financial assets		**15**	129
Non-current assets		**3,306**	11,180
Total Assets		**13,313**	20,981
Liabilities			
Current Liabilities			
Trade and other payables	17	**3,832**	6,042
Bank overdraft	10	**1,826**	1,807
Current tax liabilities		**-**	16
Liabilities classified as held-for-sale	13	**1,689**	-
Borrowings and other liabilities	18	**4,270**	2,178
Current liabilities		**11,617**	10,043
Non-Current Liabilities			
Deferred tax liabilities		**-**	29
Borrowings and other liabilities	18	**1,499**	1,262
Non-current liabilities		**1,499**	1,291
Total Liabilities		**13,116**	11,334
Net Assets		**197**	9,647
Equity			
Share capital	19	**37,875**	36,372
Accumulated losses		**(38,804)**	(27,029)
Foreign currency translation reserve		**755**	(5)
Equity attributable to owners of the parent		**(174)**	9,338
Non-controlling interests		**371**	309
Total equity		**197**	9,647

Director Director

This statement should be read in conjunction with the notes to the consolidated financial statements
The consolidated financial statements were approved for issue for and on behalf of the Board as at 31 July 2017.

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Notes	31-Mar 2017 $'000	31-Mar 2016 $'000
Operating activities			
Cash was provided from:			
Receipts from customers		**12,133**	12,421
Cash was applied to:			
Interest cost		**(494)**	(237)
Payments to suppliers & employees		**(16,813)**	(18,315)
Net cash applied to operating activities	22	**(5,174)**	(6,131)
Investing activities			
Cash was applied to:			
Sale of assets classified as held-for-sale		**-**	305
Purchase of property, plant and equipment		**(467)**	(291)
Acquisition of subsidiaries or investment in joint ventures		**(81)**	(605)
Net cash from/(applied) to investing activities		**(548)**	(591)
Financing activities			
Cash was provided from:			
Proceeds from borrowings		**2,863**	484
Proceeds from share issue		**2,210**	3,473
Cash was applied to:			
Repayment of borrowings		**(220)**	(1,522)
Net cash provided from financing activities		**4,853**	2,435
Net decrease in cash and cash equivalents held		**(869)**	(4,287)
Cash & cash equivalents at beginning of the year		**(775)**	3,512
Cash & cash equivalents at end of the year		**(1,644)**	(775)
Composition of cash and cash equivalents:			
Bank balances	10	**182**	1,032
Overdraft balances	10	**(1,826)**	(1,807)
		(1,644)	(775)

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

Notes to the Consolidated Financial Statements

1. Nature of operations

Cooks Global Foods Limited and its controlled entities (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 consolidated 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 consolidated financial statements are prepared and presented for Cooks Global Foods Limited and its controlled entities, separate consolidated financial statements for Cooks Global Foods Limited are not required to be prepared and presented.

The consolidated financial statements comprise the Company and its controlled entities (together the "Group") and the comparative financial period is for the year ended 31 March 2017.

For the purposes of complying with NZ GAAP, the Group is a for-profit entity. The Company's consolidated financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). 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 consolidated financial statements have been rounded off to the nearest thousand, or in certain cases, the nearest dollar.

The consolidated financial statements for the year ended 31 March 2017 were approved and authorised for issue by the Board of Directors on 31 July 2017.

3. Summary of accounting policies

3.1. *Going concern*

The directors have prepared the consolidated 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 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 2017. 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 standard is effective for reporting periods beginning on or after 1 January 2018. The Group has no intention for an early adoption of the new standard. The Group does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of NZ IFRS 9.

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 2018. The Group intends to adopt NZ IFRS 15 on its effective date and is not expected to significantly impact the Group.

NZ IFRS 16: Leases

NZ IFRS 16 replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The standard is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted but only in conjunction with NZ IFRS 15, 'Revenue from Contracts with Customers'. The Group intends to adopt NZ IFRS 16 on its effective date. The Group has many operating leases with respect to leased office and retail spaces. As the holder of the head lease over rental properties of a number of franchisees, the adoption of this standard will have a material impact on both the lease liability reflecting future lease payments and a 'right-of-use asset'. See Note 20.

3.4.Basis of consolidation

The Group consolidated financial statements consolidate those of the parent company and all of its controlled entities as of 31 March 2017. The Group controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All controlled entities have a reporting date of 31 March with the exception of the Chinese entities in the Group (See Note 14), that have 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 consolidated financial statements of controlled entities have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of controlled entities 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. Investments in associates and joint ventures

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

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.

3.6. 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).

Foreign operations

In the Group's consolidated 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.

3.7. 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.

3.8. 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 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.

Interest income
Interest income and expenses are reported on an accrual basis using the effective interest method.

3.9. 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 Tax authorities 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 consolidated 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 controlled entities 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.

3.10. 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.

Share-based payments
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

3.11. 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. Any reversal of an impairment loss will be limited to what the carrying amount would have been, net of depreciation or amortisation, if no impairment had taken place. 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.

3.12. Financial instruments

Classification

The group classifies its financial assets as loans and receivables.

(a) 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.

(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. The group's loans and receivables comprise ‘trade and other receivables’ and ‘cash and cash equivalents’ (see Note 10 and 11).

(c) Financial liabilities at fair value through profit or loss
Financial liabilities are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income. The Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss other than those identified in Note 28..

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. 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. Loans and receivables are subsequently carried at amortised cost less impairment using the effective interest method.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method or measured at fair value through profit and loss.

Financial assets measured at amortised cost (loans and receivables) are assessed at each reporting date to determine whether there is objective evidence for an impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

3.13. 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.

3.14. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 3.12 for a description of impairment testing procedures.

3.15. Other intangible assets

Recognition of other intangible assets

Acquired intangible assets

Trademarks, global IP rights 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. Global IP rights are not amortised. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.12. The following useful lives are applied:

- Trademarks: 10-20 years
- Reacquired rights: 10 - 20 years

Amortisation has been included within depreciation and amortisation.

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.

3.16. Property, plant and equipment and computer software

Property, plant 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.

Property, plant and 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 property, plant and 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.

Costs incurred for software currently under development for use in the global retail network have been classified as work in progress and will be brought into use once complete.

3.17. 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. Lease incentives received are recognised in the profit or loss over the lease term as an integral part of the total lease expense.

3.18. 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 consolidated financial statements of the Group's foreign entities into NZD (see Note 3.6),
- Accumulated losses include all current and prior period results,
- Non-controlling interests.

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.

3.19. Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale,
- Management is committed to a plan to sell,
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn,
- An active programme to locate a buyer has been initiated,
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of profit or loss and other comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

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

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

Going concern

The considered view of the Board of Directors of the Company is that, after making enquiries, we have a reasonable expectation that Cooks Global Foods Limited (the Company) and Group have access to adequate resources to continue operations for the foreseeable future. For this reason, the Board of Directors considers the adoption of the going concern assumption in preparing the consolidated financial statements for the year ended 31 March 2017 to be appropriate. (See Note 4).

Impairment testing of intangible assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on various valuation models as deemed appropriate. Estimation uncertainty relates to assumptions and judgements used as disclosed in Note 15.

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 or other party, whether there has been breach of contract such as default in payment terms, whether it has become probable that the customer or other party 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 Notes 11 and 27.2).

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 9).

4. Going Concern

The Group reported a loss of $12,179,000 (2016: $7,942,000) and operating cash outflows of $5,174,000 (2016: $6,131,000) for the year ended 31 March 2017. As at 31 March 2017 the Group has reported net assets of $197,000 and current liabilities exceed current assets by an amount of $1,610,000. Included in the reported loss this year, is a write down in asset value of $4,444,000 relating to the disposal of the business of Progressive Processors Limited and the restructuring of the China operations.

The ability of the Group to pay its debts as they fall due and to realise their assets and extinguish their liabilities in the normal course of business at the amounts stated in the consolidated financial statements has been considered by the Directors in the adoption of the going concern assumption during the preparation of these consolidated financial statements.

The Directors forecast that the Group can manage its cash flow requirements at levels appropriate to meet its cash commitments for the foreseeable future being a period of 12 months from the date of authorisation of these consolidated financial statements. In reaching this conclusion, the Directors have considered the achievability of the plans and assumptions underlying those forecasts. The key assumptions include the:

- Group's ability to successfully raise the required capital of $4.7 million or Cooks Investment Holdings Limited's ability to honour the underwrite of $4.7 million in accordance with the terms of the underwrite agreement and associated with the Shareholder Purchase Plan which closes on 4 August 2017 (Refer Note 30);
- Group's ability to maintain the repayment schedules of remaining debt in accordance with the repayment agreements; and
- Ability to generate operating cash flows from continuing operations at the same level as the 2017 financial year, the outcome of projects targeting the sale of territory master franchises generating cash inflow of $720,000 and the settlement of the China operations reorganisation by the end of September 2017.

The Directors acknowledge that there are material uncertainties within the forecast assumptions noted above. These uncertainties relate predominantly to the success and timing of the $4.7 million, the market conditions which the Group operates in and the outcome of the negotiations regarding the China operations reorganisation. Nevertheless, after considering the uncertainties described above the Directors have reasonable expectation that the Group has sufficient headroom in its cash resources to allow the Group to continue to operate for the foreseeable future or alternatively it can manage its working capital requirements to create additional required headroom.

Any significant departure from the above assumptions may cast significant doubt over the ability to continue as a going concern for the foreseeable future.

Whilst the Directors acknowledge that there are credit, exchange and liquidity risks in the global economic market in which the Group operates, they are confident that additional capital or funding will be sourced by the Group which has a track record of obtaining financial support from cornerstone investors and related parties and negotiating the deferment of debt repayments. The Directors are also confident that operating cash flows will improve as a result of restructuring activities to reduce the extent of cash outflow and improve revenue growth.

The Directors are considering other opportunities to further improve the Group's cash position which include discussing collaborations with partners overseas, negotiations with potential strategic equity partners, investigating new facility lines and greater focus on improving existing business activities.

After taking into account all available information, the Directors have concluded that there are reasonable grounds to believe that the forecasts and plans are achievable, the Group will be able to pay its debts as and when they become due and payable, and the basis of preparation of the financial report on a going concern basis is appropriate.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meets its debts as and when they fall due.

5. Revenue

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

		Continuing Operations		Discontinued Operations	
		31-Mar 2017	**31-Mar 2016**	**31-Mar 2017**	**31-Mar 2016**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Sale of Beverage product		**1,946**	3,087	**4,566**	4,031
Sale of Kiwifruit and Asparagus produce		**-**	-	**441**	1,382
Sale of goods		**1,946**	3,087	**5,007**	5,413
Royalties		**2,080**	2,061	**155**	48
Fees and other revenue		**1,314**	1,004	**30**	823
Rendering of services		**3,394**	3,065	**185**	871
Group revenue	13	**5,340**	6,152	**5,192**	6,284

6. Employee costs

Expenses recognised for employee costs are analysed below:

		Continuing Operations		Discontinued Operations	
		31-Mar 2017	**31-Mar 2016**	**31-Mar 2017**	**31-Mar 2016**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Wages, salaries		**2,539**	2,587	**2,607**	1,787
Other staff costs		**610**	870	**36**	503
	13	**3,149**	3,457	**2,643**	2,290

7. Other expenses

Expenses recognised as other costs are analysed below:

		Continuing Operations		Discontinued Operations	
		31-Mar 2017	**31-Mar 2016**	**31-Mar 2017**	**31-Mar 2016**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Administration and other costs		**731**	1,342	**2,007**	2,108
Directors fees (Note 23)		**80**	40	**-**	-
Selling and distribution costs		**400**	690	**1,874**	2,472
Management fees		**252**	705	**90**	90
Marketing costs		**472**	469	**37**	-
Professional and consulting services		**584**	451	**76**	1
Travel costs		**341**	586	**112**	33
	13	**2,860**	4,283	**4,196**	4,704

Notes to the Consolidated Financial Statements

8. Finance costs

Finance costs for the reporting periods consist of the following:

		Continuing Operations		Discontinued Operations	
		31-Mar 2017	**31-Mar 2016**	**31-Mar 2017**	**31-Mar 2016**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Finance charges		**40**	53	**12**	179
Interest on bank and other borrowings		**524**	260	**-**	18
	13	**564**	313	**12**	197

There were no fixed interest rate contracts outstanding at reporting date (2016: nil).

9. 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:

	31-Mar 2017 $'000	**31-Mar 2016 $'000**
Loss before tax from continuing operations	**(3,536)**	(4,448)
Loss before tax from discontinuing operations	**(8,623)**	(4,605)
	(12,159)	(9,053)
Domestic tax rate for Cooks Global Foods Limited	**28%**	28%
Expected tax expense	**(3,405)**	(2,535)
Adjustment for tax-rate differences in foreign jurisdictions	**75**	189
Adjustment for non-deductible expenses:		
Relating to impairment of intangible assets	**30**	-
Other non-deductible expenses	**112**	29
Actual tax expense (income)	**(3,188)**	(2,317)
Tax expense comprises:		
Current tax expense (income)	**(3,188)**	(2,317)
Deferred tax expense (income):		
- Origination and reversal of temporary differences	**(205)**	(29)
- Tax Losses not recognised	**3,488**	2,317
- Utilisation of unused Tax Losses	**-**	-
Income tax expense	**95**	**(29)**
Income tax expense is attributable to:		
Loss from continuing operations	**(16)**	-
Loss from discontinued operations	**(4)**	(29)
	(20)	(29)

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

	31-Mar 2017 $'000	31-Mar 2016 $'000
New Zealand	**6,541**	2,893
United Kingdom	**2,160**	1,473
Ireland	**211**	205
China	**-**	915
	8,912	5,486

Available New Zealand imputation tax credits are nil (2016: nil).

At 31 March 2017, the Group has a deferred tax liability of $Nil (2016: $29k). Deferred tax liabilities relating to reacquired rights in the UK, Ireland and China amounting to $831,000 (2016: $919,000) are offset by deferred tax losses. The majority of the above deferred tax assets and liabilities are not expected to crystallise within the next 12 months.

10. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31-Mar 2017 $'000	31-Mar 2016 $'000
Cash at bank and in hand:		
NZD	**26**	499
AUD	**18**	11
EUR	**30**	62
YUAN	**-**	329
GBP	**108**	131
Cash and cash equivalents	**182**	1,032
Bank Overdraft NZD (Current Liability)	**(1,826)**	(1,807)
Net Cash and cash equivalents	**(1,644)**	(775)

There are no restrictions on the cash and cash equivalents

The Group has an overdraft of $1,826,000 (2016: $1,807,000). This is secured by way of a General Security Agreement over the Group assets. The overdraft facility limit is $1,875,000. Interest is payable at a variable rate based on the ANZ Business Bank Indicator Rate (BBIR), interest rates payable at 31 March 2017 were 9.7% and 11.85% (2016: 12.5%).

Notes to the Consolidated Financial Statements

11. Trade and other receivables and other current assets

(a) Trade and other receivables consist of the following:

	31-Mar 2017 $'000	31-Mar 2016 $'000
Trade and other receivables		
Trade receivables	**1,137**	1,894
Less: provision for impairment of trade receivables	**(181)**	(393)
	956	1,501
Cooks Investment Holdings Limited receivable (Note 23)	**1,623**	3,134
Net trade and other receivables	**2,579**	4,635

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 $181,000 (2016: $393,000).

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

	31-Mar 2017 $'000	31-Mar 2016 $'000
Current	**96**	785
31 to 60 days	**98**	183
61 to 90 days	**60**	168
> 90 days	**883**	758
Total	**1,137**	1,894

(b) Other current assets consist of the following:

Other current assets		
Prepayments	**279**	2,237
Other short-term assets	**239**	1,065
Other current assets	**518**	3,302

12. Inventories

	31-Mar 2017 $'000	31-Mar 2016 $'000
Raw materials and consumables	**62**	552
Finished goods	**165**	276
Total inventories	**227**	828

Notes to the Consolidated Financial Statements

13. Assets classified as held-for-sale and discontinued operation

The Directors reclassified the following investments as held-for-sale during the year ended 31 March 2017 and presented as discontinued operations as the directors have engaged in selling the operating segments as they are either no longer seen to be core to the business operations or being reorganised to better capitalise the opportunity in the particular market.

The segments were not discontinued operations nor classified as held-for-sale prior to 31 March 2016. The comparative statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

13.1. Supply operation - Progressive Processors

The Directors approved the sale of Progressive Processors operations as it was no longer deemed to be core business of the Group. On 14 April 2017, the management of Progressive Processors acquired the operating assets and stock in return for a call option over 2.5 million shares held in the Group. The Group may place these shares to investors at their discretion.

At 31 March 2017, the operating result of this segment has been included in discontinued operations and the fair value of the sale of the operations assets have been included in held-for-sale assets.

	Note	31-Mar 2017 $'000	31-Mar 2016 $'000
Results of discontinued operation			
Revenue	5	**447**	1,390
Other income		**-**	-
Cost of inventories sold		**(542)**	(745)
Depreciation and amortisation	16,15.2	**(149)**	(81)
Inventory and other assets written off		**(250)**	-
Impairment of property, plant and equipment		**(194)**	-
Impairment of intangible assets	15.1	**-**	(430)
Other expenses	6,7	**(563)**	(585)
Operating loss		**(1,251)**	(451)
Finance costs	8	**-**	-
Loss before income tax		**(1,251)**	(451)
Income tax expense		**-**	-
Loss for the year		**(1,251)**	(451)
Loss attributable to:			
- Shareholders of the parent		**(1,251)**	**(451)**
- Non-controlling interests		**-**	**-**
Cash flows used in discontinued operation			
Net cash from operating activities		**(390)**	(193)
Net cash used in investing activities		**(28)**	(81)
Net cash used in financing activities		**-**	-
Net cash flows for the year		**(418)**	(274)

	Notes	31-Mar 2017 $'000
Effect on the financial position of the Group		
Property, plant and equipment	16	**194**
Assets classified as held-for-sale		**194**

13.2. China operation

The Directors of the Group have been working to reorganise the Group to accelerate the growth of the coffee operations whilst reducing the demands on the Group's financial resources allowing the Group to target generating positive cash flows.

The establishment of a new joint venture between the Group and a Chinese-based investment entity (CIE) to accelerate the growth of the Group's branded coffee business in Greater China including Taiwan, Hong Kong and Macau. The Chinese restructure is targeting the introduction of new business partners with an in-depth local knowledge of the fastest-growing branded coffee market in the world. It also incentivises these partners to drive the growth and development of the business.

The joint venture will:

- own the Master Franchise for the Esquires Coffee brand in China, Hong Kong, Macau and Taiwan;
- take over the assets and businesses of the Group's wholly-owned subsidiary Beijing Esquires Management Limited (BEML), the exclusive franchisee of Esquires Coffee for mainland China; and
- fund and drive the development of branded coffee houses across the Greater China region.

The Group will contribute: BEML; the rights to operate the Esquires Coffee brand in Greater China and rights to future royalty payments and franchise fees in the region. In exchange, the Group will gain a 30% share in the new entity.

The transaction with the CIE has been ratified by the Board and on 13 June 2017 and a formal term sheet has been entered into by all parties. This transaction is likely to be subject to shareholder approval, the Group envisages seeking this approval at its next annual general meeting.

At 31 March 2017, the operating result of this segment has been included in discontinued operations and the fair value of the assets and liabilities to be disposed upon sale of the operation included in held-for-sale assets and liabilities.

Notes to the Consolidated Financial Statements

	Note	31-Mar 2017 $'000	31-Mar 2016 $'000
Results of discontinued operation			
Revenue	5	**4,745**	4,894
Other income		**319**	14
Cost of inventories sold		**(1,680)**	(2,332)
Depreciation and amortisation	16,15.2	**(425)**	(124)
Impairment of goodwill		**(4,043)**	-
Other expenses	6,7	**(6,276)**	(6,409)
Operating loss		**(7,360)**	(3,957)
Finance costs	8	**(12)**	(197)
Loss before income tax		**(7,372)**	(4,154)
Income tax expense	9	**(4)**	(29)
Loss for the year		**(7,376)**	(4,183)
Loss attributable to:			
- Shareholders of the parent		**(7,032)**	**(4,118)**
- Non-controlling interests		**(344)**	**(65)**
Cash flows used in discontinued operation			
Net cash from operating activities		**(1,966)**	(3,027)
Net cash used in investing activities		**(406)**	(516)
Net cash used in financing activities		**700**	**-**
Net cash flows for the year		**(1,672)**	(3,543)

	Notes	31-Mar 2017 $'000
Effect on the financial position of the Group		
Inventories	12	**702**
Trade and other receivables	11	**188**
Other short-term assets	11	**2,399**
Cash and cash equivalents		**185**
Goodwill	15.1	**673**
Intangible asset - reacquired rights	15.2	**1,391**
Trademarks and Intellectual Property	15.2	**193**
Property, plant and equipment	16	**570**
Assets classified as held-for-sale		**6,301**
Trade and other payables	17	**(1,487)**
Current tax liabilities		**(7)**
Other liabilities		**(195)**
Liabilities classified as held-for-sale		**(1,689)**
Net assets classified as held-for-sale		**4,612**

Notes to the Consolidated Financial Statements

13.3. Summary of discontinued operations

	31 March 2017		
	Progressive Processors $'000	**China Operation $'000**	**Total $'000**
Assets classified as held for sale	**194**	**6,301**	**6,495**
Liabilities classified as held for sale	**-**	**(1,689)**	**(1,689)**
Loss from discontinued operations	**(1,251)**	**(7,376)**	**(8,627)**

Notes to the Consolidated Financial Statements

14. Interests in subsidiaries, joint ventures and other holdings

Composition of the Group

Principal subsidiaries	Country	% Holding 2017	% Holding 2016	Principal activity
Scarborough Fair Foods Pty Limited	Australia	**100**	100	Beverage Products
Esquires Coffee Canada Limited	Canada	**100**	100	Food and beverage
Esquires Coffee International Inc	Canada	**100**	100	IP Holding Company
Beijing Esquires Management Co. Limited	China	**100**	100	Food and beverage
Hunan Esquires Food and Beverage Management	China	**51**	51	Food and beverage
Shandong Esquires Management Co Limited	China	**10**	10	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**	100	Holding Company
Esquires HQ (UK) Limited	England	**100**	100	Holding Company
Esquires Real Estate (UK) Limited	England	**100**	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 Limited	Ireland	**100**	100	Name protection
Esquires Coffee Houses Ireland Limited	Ireland	**100**	100	Food and beverage
CGF Employee Share Trust Limited	NZ	**100**	-	Nominee Services
Cooks Supply Group Limited	NZ	**100**	100	Holding Company
Crux Products Limited	NZ	**50**	-	Export
Esquires Asia Limited	NZ	**100**	100	Name protection
Esquires Bahrain Limited	NZ	**100**	100	Master Licence Agreement
Esquires Canada IP Limited	NZ	**100**	100	IP Holding Company
Esquires China Limited	NZ	**100**	100	Holding Company
Esquires Coffee China Limited	NZ	**100**	100	IP Holding Company
Esquires Coffee India Limited	NZ	**100**	100	Holding Company
Esquires Coffee Malaysia IP Holdings Limited	NZ	**100**	100	IP Holding Company
Esquires Coffee Supply Limited	NZ	**100**	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 Jordan Limited	NZ	**100**	100	Master Licence Agreement
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**	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 Pakistan Limited	NZ	**100**	-	Master Licence Agreement
Esquires Port Denarau Marina Limited	NZ	**100**	100	Name protection
Esquires Portugal Limited	NZ	**100**	-	Master Licence Agreement
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

Notes to the Consolidated Financial Statements

15. Intangible Assets

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

15.1. Goodwill

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

	31-Mar 2017 $'000	31-Mar 2016 $'000
Gross carrying amount		
Balance 1 April	**4,716**	5,217
Impairment charge for the year	**(4,043)**	(501)
Transfer to assets classified as held-for-sale	**(673)**	-
Carrying amount at 31 March	**-**	4,716

As at 31 March 2017, the carrying value of our China business was assessed for impairment. The value of the China business held for sale at that date was determined based on the terms of the transaction entered into with a third-party Chinese-based investment entity and the value at which they had assessed their proposed 70% holding. The fair value so determined, less costs of disposal, was lower than the carrying value of the China business and as a result, we recognised in the consolidated statement of profit or loss and other comprehensive income a $4 million impairment loss against the asset now classified as held for sale.

The 2016 impairment charge related to the Scarborough Fair and Progressive Processors CGU's (Supply) of $478,000 and occurred as a result of a decline in operating performance and challenges recognising the expected synergies. An impairment charge of $23,000 was also recognised for the year ended 31 March 2016 relating to impairment of Goodwill in the Global franchising and design segment.

Goodwill is allocated as follows:

	31-Mar 2017 $'000	31-Mar 2016 $'000
Carrying amount		
Esquires China	**673**	4,716
Transfer to assets classified as held-for-sale	**(673)**	-
	-	4,716

15.2. Other intangible assets

	Trademarks $'000	Global IP Rights $'000	Re-acquired Rights $'000	Total $'000
Cost				
Balance at 1 April 2015	442	1,481	3,207	5,130
Additions	-	-	20	20
Balance at 31 March 2016	442	1,481	3,227	5,150
Balance at 1 April 2016	**442**	**1,481**	**3,227**	**5,150**
Transfer to assets held-for-sale	**(380)**	**-**	**(1,465)**	**(1,845)**
Balance at 31 March 2017	**62**	**1,481**	**1,762**	**3,305**
Accumulated amortisation				
Balance at 1 April 2015	-	-	(82)	(82)
Amortisation charge for the year	(84)	-	(125)	(209)
Balance at 31 March 2016	(84)	-	(207)	(291)
Balance at 1 April 2016	**(84)**	**-**	**(207)**	**(291)**
Amortisation charge for the year	**(115)**	**-**	**(125)**	**(240)**
Transfer to assets held-for-sale	**187**	**-**	**74**	**261**
Balance at 31 March 2017	**(12)**	**-**	**(258)**	**(270)**
Carrying amounts				
At 1 April 2015	442	1,481	3,125	5,048
At 31 March 2016	358	1,481	3,020	4,859
At 31 March 2017	**50**	**1,481**	**1,504**	**3,035**

Management assessed the recoverable amounts of the Group's Global IP Rights and Reacquired Rights assets using 'value in use' calculations to assess for any impairment.

For Esquires Global Intellectual Property Rights, data from comparable recent franchise chain sales, converted to a per store average value, were used as a measure of recoverable value for branded franchised outlets. Based on this work the recoverable amount for intellectual property or trademarks was assessed by management to be above its existing carrying value with no impairment required.

Reacquired Rights were assessed for impairment using discounted cash flow projections based on management approved forecasts for a maximum 10-year period matching the term of existing franchise agreements. Key assumptions in the models were: annual growth in total network sales of up to 30%; exchange rates of 0.63 (NZD/EURO) and 0.55 (NZD/GBP); and a discount rate of up to 20% per annum. Based on this work the recoverable amount for reacquired rights was assessed by management to be above its existing carrying value with no impairment required.

Notes to the Consolidated Financial Statements

16. Property, plant and equipment

	Furniture & Fittings $'000	Plant & Equipment $'000	Computers & Software $'000	Motor Vehicles $'000	Work in progress $'000	Total $'000
Cost						
Balance at 1 April 2015	626	860	107	28	-	1,621
Additions	118	826	83	23	62	1,112
Disposals	(362)	(540)	(16)	-	-	(918)
Balance at 31 March 2016	382	1,146	174	51	62	1,815
Balance at 1 April 2016	**382**	**1,146**	**174**	**51**	**62**	**1,815**
Additions	**1**	**771**	**44**	**4**	**13**	**833**
Transfer to Assets held-for-sale	**(252)**	**(792)**	**(5)**	**(30)**	**-**	**(1,079)**
Disposals	**(59)**	**(877)**	**(10)**	**(25)**	**-**	**(971)**
Balance at 31 March 2017	**72**	**248**	**203**	**-**	**75**	**598**
Accumulated depreciation						
Balance at 1 April 2015	(125)	(343)	(21)	(28)	-	(517)
Disposals	35	428	7	-	-	470
Depreciation	(80)	(156)	(51)	(5)	-	(292)
Balance at 31 March 2016	(170)	(71)	(65)	(33)	-	(339)
Balance at 1 April 2016	**(170)**	**(71)**	**(65)**	**(33)**	**-**	**(339)**
Depreciation	**(12)**	**(455)**	**(25)**	**(4)**	**(4)**	**(500)**
Disposals	**28**	**-**	**(51)**	**11**	**-**	**(12)**
Transfer to Assets held-for-sale	**118**	**364**	**1**	**26**	**-**	**509**
Balance at 31 March 2017	**(36)**	**(162)**	**(140)**	**-**	**(4)**	**(342)**
Carrying amounts						
At 1 April 2015	501	517	86	-	-	1,104
At 31 March 2016	212	1,075	109	18	62	1,476
At 31 March 2017	**36**	**86**	**63**	**-**	**71**	**256**

17. Trade and other payables

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

	31-Mar 2017 $'000	31-Mar 2016 $'000
Current		
- Trade payables	**1,448**	3,740
- Other payables	**2,384**	2,302
	3,832	6,042

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

Notes to the Consolidated Financial Statements

18. Borrowings and other liabilities

	Current 2017 $'000	Non-Current 2017 $'000	Current 2016 $'000	Non-Current 2016 $'000
Finance loans (a)	**1,432**	**250**	500	-
Related party loans (b)	**2,488**	**-**	1,167	-
Hire Purchase	**15**		10	17
Owing for business acquisitions	**153**	**-**	234	-
CVA Creditors (UK) (c)	**182**	**-**	267	250
Contingent earn-out for acquisition of net assets of Esquires Coffee Houses Ireland (d)	**-**	**1,249**	-	995
	4,270	**1,499**	2,178	1,262

(a) Finance loans represent advances from various lenders. $350,000 was repaid in April 2017. Interest rates payable on the loans vary from 9% to 20%.

(b) Related party loans represent advances from the Group's shareholders, Jiajiayue Holding Group (JJY) and YunNan Metropolitan Construction Investment Group Co. Limited (YMCI). The loans are interest free and repayable or convertible within 12 months. See Note 23 and 30.

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

(d) The Contingent Earn out for the acquisition of net assets of Esquires Coffee Houses Ireland (ECHI) is based upon the amount equal to 4 times the average EBITDA of the ECHI business either for the three financial years prior to the earn-out payment date or the financial year immediately prior to the earn-out payment date. The earn-out payment date can be triggered by formal notification from the vendor any time up to October 2020.

	31-Mar 2017 $'000	31-Mar 2016 $'000
Currency borrowings and contingent consideration are denominated in:		
NZD	**4,185**	527
GBP	**335**	751
YUAN	**-**	1,167
EUR	**1,249**	995
	5,769	3,440

	31-Mar 2017 $'000	31-Mar 2016 $'000
Interest rates payable		
Related party loans	11.25%	0%
Financing loans	9% to 20%	12.50%
Hire purchase	1% to 10%	1% to 10%

Hire purchase borrowings are secured over the underlying assets financed, all other borrowings are unsecured. The Group has no available undrawn facilities.
All facilities expiring within one year are subject to a review by the lenders. Refer Note 4.

Notes to the Consolidated Financial Statements

Fair value

The fair value of current borrowings 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 of Directors 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.

19. Equity

19.1. Share Capital

The share capital of Cooks Global Foods Limited consists of issued ordinary shares, each share representing one vote at the company's shareholder meetings. The par value is nil (2016: nil). All shares are equally eligible to receive dividends and the repayment of capital.

Composition of share capital	**2017**	**2016**
Number of Shares issued:	**No. of Shares**	**No. of Shares**
Ordinary shares opening balance	412,666,151	338,353,651
Ordinary shares issued	3,929,712	74,312,500
Total ordinary shares authorised at 31 March	**416,595,863**	412,666,151

Composition of share capital	**2017**	**2016**
Value of Shares issued:	**$'000**	**$'000**
Ordinary shares opening balance	**36,372**	27,536
Ordinary shares issued less share issue expenses	**503**	8,836
Ordinary shares to be issued	**1,000**	-
Total ordinary shares authorised at 31 March	**37,875**	36,372

At 31 March 2017, $1,623,000 of the ordinary share capital is unpaid (2016: $3,134,000), see Note 11.

During the year ended 31 March 2017, the company issued 3,929,712 shares.

During the year ended 31 March 2016, the company issued 74,312,500 shares of which 35,156,250 shares were issued to Jiajiayue Investment Holding Co. Limited (JJY) and 35,156,250 shares were issued to Cooks Investment Holdings Limited (CIHL). Keith Jackson has entered into an underwrite agreement with CIHL for any unsubscribed shares in this investment vehicle. As at 31 March 2017 $1,622,622 (2016: $3,133,700) was owing to CGF under the terms of this agreement.

Notes to the Consolidated Financial Statements

19.2. Loss per share

The calculation of basic loss per share for the year ended 31 March 2017 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 2017 was based on the weighted average number of ordinary shares.

	Group 2017 $	Group 2016 $
Weighted average ordinary shares issued	**412,666,151**	353,012,555
Weighted average potentially dilutive options issued	**-**	-
Basic and diluted loss per share (New Zealand Cents) from continuing and discontinued operations:	**(2.85)**	(2.25)
Basic and diluted loss per share (New Zealand Cents) from continuing operations:	**(0.85)**	(1.28)

19.3. Share based payments

The Group has share based payment plans available for employees and contractors as part of their short-term remuneration packages and for franchisees as part of an incentive program to promote store sales growth. A transaction will be classified as a share based payment where the Group receives services from employees or contractors, or royalty payments from franchisees and pays for these in shares.

Entitlement for share based payments is determined at the end of the financial year on the following basis:

- For employees or contractors: based on a three tier system of classification; a minimum period of service and full time equivalence; and performance criteria.
- For franchisees: based on pre-determined minimum performance and operating levels; and regional management discretion.

Board approval is required for all share based payments.

Employee and contractor share based payments initially take the form of a grant which vests in one year's time on condition they remain employed or contracted by the company on the vesting date otherwise the grant lapses.

Franchisee share based payments are made within one year of the grant but not subject to any further conditions.

The Share price of the grant is determined at the time based on either the share price of the most recent significant capital raising or an approximation to the 200 day moving average share price.

Any share based payments associated with company or asset acquisitions are excluded from this policy and the terms and conditions of such will be determined by the relevant Sale and Purchase Agreement which is approved by the Board.

	31-Mar-2017 Number of shares	31-Mar-2017 $'000	31-Mar-2016 Number of shares	31-Mar-2016 $'000
Shares granted during the year	**3,554,730**	**455**	-	-
Shares vested during the year	**(3,554,730)**	**(455)**	-	-
	-	**-**	-	-

20. Leases

20.1.Operating leases as Head Lessee

The Group leases an office and production building in New Zealand under an operating lease. In the United Kingdom, Ireland and China, 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 $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
31 March 2017	**3,727**	**10,864**	**10,537**	**25,128**
31 March 2016	3,871	9,447	4,374	17,692

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 $294,000 (2016: $356,000) representing the minimum lease payments.

The rental contracts have non-cancellable terms ranging from 2 months up to 17 years.

20.2. 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 the note above) are as follows:

	Minimum lease payments due Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
31 March 2017	**3,541**	**10,415**	**10,530**	**24,486**
31 March 2016	2,623	6,116	4,028	12,767

	Minimum lease income due Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
31 March 2017	**3,541**	**10,415**	**10,530**	**24,486**
31 March 2016	2,623	6,116	4,028	12,767

Notes to the Consolidated Financial Statements

21. Auditor remuneration

The Auditor of the Group is BDO (2016: PricewaterhouseCoopers).

	31-Mar 2017 $'000	31-Mar 2016 $'000
Audit of financial statements		
- Statutory Audit	**101**	105
- Overseas network firms	**64**	58
- Other auditors (Moore Stephens & PwC)	**18**	27
Remuneration from audit of financial statements	**183**	190

22. Reconciliation of cash flows from operating activities

	31-Mar 2017 $'000	31-Mar 2016 $'000
Loss after tax	**(12,179)**	(7,942)
Add non-cash items:		
Deferred tax	**(29)**	-
Depreciation and amortisation	**740**	417
Impairment of goodwill	**4,043**	-
Impairment of intangible assets	**-**	501
Impairment of other assets	**174**	-
Provision for doubtful debt	**75**	188
Share based payments	**503**	748
Warranty recoveries	**-**	(222)
Add/(Less) movements in assets/liabilities:		
Inventories	**601**	185
Trade and other receivables	**545**	(58)
Other short-term assets	**2,782**	(1,110)
Trade and other payables	**(2,226)**	1,400
Other liabilities	**4,603**	(238)
Assets classified as held-for-sale	**(6,495)**	-
Liabilities classified as held-for-sale	**1,689**	-
Net cash flow applied to operating activities	**(5,174)**	(6,131)

23. 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 Cooks Investment Holdings Limited, Dairyland Products Limited, Jackson & Associates Limited and Tasman Capital Limited, and a trustee of Nikau Trust.

Andrew Kerslake is a director of ADG Investments Limited.

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

Peihuan Wang is a director of Jiajiayue Holding Group Limited.

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

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

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

	31-Mar 2017 $'000	31-Mar 2016 $'000
Jiajiayue Holding Group	**103,330,704**	103,330,704
Yunnan Metropolitan Construction Investment Group Co Ltd	**77,577,227**	53,290,600
Cooks Investment Holdings Limited	**53,700,683**	103,330,705
ADG Investments Limited	**42,199,758**	42,199,758
Keith & Patricia Jackson & PM Picot	**37,173,719**	37,173,719
Shu Xin Zhang & Jian Ming Zhou	**7,027,100**	7,027,100
Peter James Kirton	**5,005,723**	5,005,723
Neil Butler	**2,500,000**	2,500,000
Tasman Capital Limited	**2,362,780**	2,362,780
CGF Employee Share Trust	**2,000,000**	-
Maretha McVerry	**1,240,093**	1,240,093
Lighthouse Ventures Holdings Limited	**455,533**	455,533
DSL Management Limited	**-**	5,000,000

23.1.Transactions with related parties

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

	31-Mar 2017 $'000	31-Mar 2016 $'000	Nature of Transactions
Cooks Investment Holdings Limited	**1,623**	-	Cash received from unpaid shares
Jiajiayue Holding Group Limited	**1,327**	-	Funding loan advanced
YunNan Metropolitan Construction	**1,079**	-	Funding loan advanced
YunNan Metropolitan Construction Investment Group Co Limited	**221**	200	Rental agreement
Jackson & Associates	**100**	189	Management services
Nikau Trust	**100**	-	Funding loan advanced
Light House Ideas Company	**40**	57	Director's fee
Image Centre Limited	**6**	84	Creative service provider
Cooks Investment Holdings Limited	**-**	3,133	Shares issued
Beijing Yunnan Building Hotel Co Ltd.	**-**	1,167	Funding loan advanced

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

23.2.Balances outstanding with related parties

	31-Mar 2017 $'000	31-Mar 2016 $'000
Cooks Investment Holdings Limited (1)	**1,623**	3,133
Jiajiayue Holding Group Limited	**1,327**	-
YunNan Metropolitan Construction Investment Group Co Limited	**1,079**	-
Nikau Trust	**158**	-
Jackson & Associates	**14**	4
Light House Ideas Company	**8**	-
Beijing Yunnan Building Hotel Co Ltd.	**-**	1,167

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

(1) Keith Jackson has entered into an underwrite agreement with CIHL for any unsubscribed shares in this investment vehicle. As at 31 March 2017 $1,622,622 (2016: $3,133,700) was owing to CGF under the terms of this agreement.

23.3.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 2017 $'000	31-Mar 2016 $'000
Directors fees	**80**	40
Salaries, wages and contractor payments	**365**	1,036
Termination payments	-	563
Share based payments	**20**	-
	465	1,639

24. Segment reporting

Management currently identifies the Groups product 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 and China) and Royalties from and Product Sales to Franchisees (UK, Ireland, Middle East and China). The supply segment represents the supply of tea/coffee/beverages and fresh produce.

Segment information for the reporting period is as follows:

	Continuing operations					
31 March 2017	**Global**	**UK**	**Ireland**	**Supply**	**Corporate**	**Total**
Global operational splits	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	**2,489**	**1,543**	**668**	**640**	**-**	**5,340**
Other income	**-**	**112**	**-**	**-**	**26**	**138**
Cost of inventories sold	**(511)**	**(170)**	**-**	**(569)**	**-**	**(1,250)**
Depreciation and amortisation	**(33)**	**(86)**	**(31)**	**-**	**(16)**	**(166)**
Other expenses	**(1,718)**	**(2,129)**	**(673)**	**(312)**	**(2,202)**	**(7,034)**
Operating loss	**227**	**(730)**	**(36)**	**(241)**	**(2,192)**	**(2,972)**
Non-current assets						
Intangible assets	**68**	**957**	**529**	**-**	**1,481**	**3,035**
Property, plant and equipment	**94**	**122**	**14**	**2**	**24**	**256**

	Discontinued operations		
31 March 2017	**China**	**Supply**	**Total**
Global operational splits	**$'000**	**$'000**	**$'000**
Revenue	**4,745**	**447**	**5,192**
Other income	**319**	**-**	**319**
Cost of inventories sold	**(1,680)**	**(542)**	**(2,222)**
Depreciation and amortisation	**(425)**	**(149)**	**(574)**
Impairment of goodwill	**(4,043)**	**-**	**(4,043)**
Other expenses	**(6,276)**	**(1,007)**	**(7,283)**
Operating loss	**(7,360)**	**(1,251)**	**(8,611)**
Non-current assets			
Intangible assets	**2,257**	**-**	**2,257**
Property, plant and equipment	**570**	**194**	**764**

Notes to the Consolidated Financial Statements

31 March 2016 Global operational splits	Continuing operations Global $'000	 UK $'000	 Ireland $'000	 Supply $'000	 Corporate $'000	 Total $'000
Revenue	3,150	1,773	594	635	-	6,152
Other income	-	16	-	285	3	304
Cost of inventories sold	(408)	(285)	-	(673)	-	(1,366)
Depreciation and amortisation	(17)	(90)	(31)	(58)	(16)	(212)
Impairment of intangible assets	-	-	-	(48)	(23)	(71)
Other expenses	(1,675)	(2,630)	(1,135)	(129)	(2,233)	(7,802)
Operating loss	1,050	(1,216)	(572)	12	(2,269)	(2,995)
Non-current assets						
Intangible assets	107	1,043	530	-	1,482	3,162
Property, plant and equipment	37	86	9	3	98	233

31 March 2016 Global operational splits	Discontinued operations China $'000	 Supply $'000	 Total $'000
Revenue	4,894	1,390	6,284
Other income	14	-	14
Cost of inventories sold	(2,332)	(745)	(3,077)
Depreciation and amortisation	(124)	(81)	(205)
Impairment of intangible assets	-	(430)	(430)
Other expenses	(6,409)	(585)	(6,994)
Operating loss	(3,957)	(451)	(4,408)
Non-current assets			
Intangible assets	5,935	478	6,413
Property, plant and equipment	726	517	1,243

25. Contingencies

Contingent Liabilities

There are no contingent liabilities as at 31 March 2017 (2016: $nil).

26. Capital commitments

There were no capital commitments as at 31 March 2017 (2016: $nil).

27. 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.

27.1. 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 a
re carried out other than in New Zealand Dollars. Exposures to currency exchange rates arise from the Group's overseas company holdings (Australia, Canada, China, Ireland and United Kingdom), and foreign currency denominated income for New Zealand domiciled companies (royalties, store openings, design and other franchise fees, product sales). These are primarily denominated in Australian dollars (AUD), Canadian Dollars (CAD), Chinese Yuan (YUAN), European currency (EURO), Pound Sterling (GBP) and US dollars (USD).

The below tables show the impact on pre-tax loss for the year, if the major currencies that the Group 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 2017**	**NZD +10% Profit/Equity**	**NZD -10% Profit/Equity**	**Carrying amount at 31 March 2016**	**NZD +10% Profit/Equity**	**NZD -10% Profit/Equity**
AUD cash	**18**	**2**	**(2)**	11	1	(1)
AUD accounts receivable	**33**	**3**	**(4)**	51	5	(6)
AUD accounts payable	**(29)**	**3**	**(3)**	(5)	-	(1)
Total AUD		**8**	**(9)**		6	(8)
CAD accounts receivable	**21**	**2**	**(2)**	-	-	-
CAD accounts payable	**(53)**	**5**	**(6)**	-	-	-
Total CAD		**7**	**(8)**		-	-
EURO cash	**30**	**3**	**(3)**	62	1	(1)
EURO accounts receivable	**65**	**6**	**(7)**	129	12	(14)
EURO accounts payable	**(48)**	**4**	**(5)**	(539)	49	(60)
Total EURO		**13**	**(15)**		62	(75)
GBP cash	**108**	**10**	**(12)**	131	10	(12)
GBP accounts receivable	**323**	**29**	**(36)**	592	54	(66)
GBP accounts payable	**(784)**	**71**	**(87)**	(2,300)	209	(256)
Total GBP		**110**	**(135)**		273	(334)
YUAN cash	**186**	**17**	**(21)**	329	12	(15)
YUAN accounts receivable	**189**	**17**	**(21)**	373	34	(41)
YUAN accounts payable	**(1,522)**	**(138)**	**169**	(1,355)	123	(151)
Total YUAN		**(104)**	**127**		169	(207)

Interest Rate Risk

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

	31 March 2017		31 March 2016	
	Local currency	NZD Equivalent	Local currency	NZD Equivalent
	$'000	$'000	$'000	$'000
Cash bank and in hand:				
NZD	**26**	**26**	499	499
AUD	**17**	**18**	10	11
EUR	**20**	**30**	37	62
YUAN	**-**	**-**	563	131
GBP	**61**	**108**	153	329
Cash and cash equivalents		**182**		1,032
Bank overdraft NZD (Current liability)	**(1,826)**	**(1,826)**	(1,807)	(1,807)
Short term financing	**(1,432)**	**(1,432)**	(500)	(500)
		(3,076)		(1,275)

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 $33,260 (2016: $12,750). 1% was chosen as a reasonable sensitivity given changeable interest rate markets.

27.2.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.

During the year ended 31 March 2016 the company issued 35,156,250 shares to Cooks Investment Holdings Limited (CIHL), a company controlled by Keith Jackson. Refer Notes 19 and 23. The sum of $1,622,622 is owing at 31 March 2017 (2016: $3,133,700. In the opinion of the Directors there is minimal credit risk associated with the amount owing by CIHL.

Cash and cash equivalents of the Group are deposited with a number of trading banks in New Zealand and overseas: $26,000 is deposited with a NZ trading bank (2016: $499,000), $153,000 (2016: $329,000) with a British trading bank, $30,000 (2016: $62,000) with an Irish trading bank and $185,000 (2016: $131,000) with a Chinese trading bank. The Group uses banks with credit ratings of AA – BB.

Notes to the Consolidated Financial Statements

27.3. 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.

At 31 March 2017	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Bank overdraft	**1,826**	**-**	**-**	**-**
Trade payables	**1,448**	**-**	**-**	**-**
Other payables	**2,384**	**-**	**-**	**-**
Short term finance loan	**1,432**	**250**	**-**	**-**
Related party loan	**2,488**	**-**	**-**	**-**
Hire Purchase	**15**	**-**	**-**	**-**
CVA Creditors (UK)	**182**	**-**	**-**	**-**
Owing for acquisition Esquires Coffee Ireland Limited	**-**	**-**	**1,249**	**-**
	9,775	**250**	**1,249**	**-**

At 31 March 2016	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Bank overdraft	1,807	-	-	-
Trade payables	3,740	-	-	-
Other payables	2,302	-	-	-
Short term finance loan	500	-	-	-
Related party loan	1,167	-	-	-
Hire Purchase	10	17	-	-
CVA Creditors (UK)	267	250	-	-
Owing for acquisition Esquires Coffee Ireland Limited	-	-	995	-
	9,793	267	995	-

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

27.4. 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 strategy, for further details of this refer to Note 4.

Notes to the Consolidated Financial Statements

28. Financial instruments by category

2017

	Loans and receivables $'000	Total $'000
Assets as per consolidated statement of financial position		
Trade and other receivables	**2,579**	**2,579**
Cash and cash equivalents	**182**	**182**
Total	**2,761**	**2,761**

	Liabilities at fair value through profit or loss $'000	Other financial liabilities at amortised cost $'000	Total $'000
Liabilities as per consolidated statement of financial position			
Trade payables	**-**	**1,448**	**1,448**
Other payables	**-**	**2,384**	**2,384**
Bank overdraft	**-**	**1,826**	**1,826**
Contingent consideration	**1,249**	**-**	**1,249**
Borrowings and other liabilities	**-**	**4,520**	**4,520**
Total	**1,249**	**10,178**	**11,427**

2016

	Loans and receivables $'000	Total $'000
Assets as per consolidated statement of financial position		
Trade and other receivables	5,028	5,028
Cash and cash equivalents	1,032	1,032
Total	6,060	6,060

	Liabilities at fair value through profit or loss $'000	Other financial liabilities at amortised cost $'000	Total $'000
Liabilities as per consolidated statement of financial position			
Trade payables	-	3,740	3,740
Other payables	-	2,302	2,302
Bank overdraft	-	1,807	1,807
Contingent consideration	234	-	234
Borrowings and other liabilities	-	3,440	3,440
Total	234	11,289	11,523

Notes to the Consolidated Financial Statements

29. 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 2017	**$'000**	**$'000**	**$'000**	**$'000**
Assets per the statement of financial position				
	-	-	-	-
Liabilities per the statement of financial position				
Owing for acquisition Esquires Coffee Ireland Limited	-	-	1,249	1,249
	-	-	1,249	1,249

	Level 1	Level 2	Level 3	Total
31 March 2016	**$'000**	**$'000**	**$'000**	**$'000**
Assets per the statement of financial position	-	-	-	-
Liabilities per the statement of financial position				
Owing for acquisition Esquires Coffee Ireland Limited	-	-	995	995
	-	**-**	995	995

Fair value for the liability owing for the acquisition of Esquires Coffee Houses Ireland Limited has been assessed using Level 3 valuation methods. The value of the Earn Out provision to date was based on an estimation of the future financial performance of the Irish business assuming the Earn Out provision extends to its maximum term. Key assumptions in determining the likely Earn Out payment were: annual growth in total network sales of 25%; exchange rate of 0.63 (NZD/EURO) and an annual inflation rate of 1%.

30. Post-reporting date events

The company held a special shareholders meeting on 29th June 2017 at which the shareholders voted on two resolutions. The ordinary resolutions approved the $10 million capital raising through the issue of shares to the company's cornerstone shareholders, (Jiajiayue Holding Group Co Limited, YunNan Metropolitan Construction Investment Group and interests associated with Keith Jackson), at 7.75 cents per share and gave the company authority to buy back up to 20 million shares over time through an on-market share buyback programme.

The company confirmed at the meeting it would proceed with its previously-announced share purchase plan to give all shareholders the opportunity to acquire new shares in the company at the same price offered to cornerstone shareholders.

Of the $10 million capital raise, $3.5 million is to be applied to the capitalisation of existing loans owed to the Chinese shareholders. Of the remaining $6.5 million, $4.7 million relates to the underwrite, provided by Cooks Investment Holdings Limited (CIHL) of the share offer to existing shareholders. Keith Jackson has entered into an underwrite agreement with CIHL for any unsubscribed shares in this investment vehicle.

Nikau Trust, a vehicle associated with Keith Jackson, has advanced short term funds of $750k to the company subsequent to Balance date on normal commercial terms.

Subsequent to the year end, the Group entered into a repayment plan to pay off the ANZ Flexi loan facility of $1,450,000 (Refer Note 10).

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

STATUTORY INFORMATION AND CORPORATE GOVERNANCE

Directors Relevant Interests in Company Securities as at 31 March 2017

Substantial Security Holder	Shares Held
ADG Investments Limited1[1]	42,199,758
Graeme Keith Jackson; Graeme Keith Jackson, Patricia Frances Jackson & Philip Mack Picot; Cooks Investment Holdings Limited; Tasman Capital Limited	93,237,182
Mike Hutcheson	367,671
Zhe Hui[2]	745,106
Total Number of Shares on Issue:	**136,549,717**

1 Andrew Kerslake is a director and beneficial shareholder of ADG Investments Limited.
2 Zhe Hui is the beneficial holder of 745,106 ordinary shares in the Company currently held by Cooks Investment Holdings 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 2017:

Director	Dealings
Mr. Zhe Hui	• Mr. Hui is the beneficial holder of 745,106 ordinary shares in the Company currently held by Cooks Investment Holdings Limited (**CIHL**).
Mr. Graeme Keith Jackon (Cooks Investment Holdings Limited)	• Mr Jackson is sole director and shareholder of CIHL. • On 31 March 2017 CIHL transferred the legal interest in 1,332,882 fully paid ordinary shares in CGF to YU Lei, for consideration of $0.0775 per share. • On 28 February 2017 CIHL transferred the legal interest in 24,286,627 fully paid ordinary shares in CGF to Yunnan Metropolitan Construction Investment Group Co Limited (**YMCI**). The consideration for these shares was the termination of the bare trustee arrangement with YMCI and in accordance with the terms set out in the Regulation Agreement dated 13 January 2016.

	• On 20 January 2017 CIHL transferred the legal interest in 24,010,513 fully paid ordinary shares in CGF to certain shareholders in CGF. The consideration for these shares was the termination of the bare trustee arrangement and in accordance with the terms set out in the Regulation Agreement dated 13 January 2016.

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 2017 held by CGF Directors:

Graeme Keith Jackson

- Arana Holdings Limited
- Cooks Global Foods Limited
- Cooks Investment Holdings Limited
- Cooks Supply Limited
- Cotterill & Rouse Limited
- Crux Products Limited
- Dairlyland Products Limited
- Dairy Farm Investments (Brucknell) Limited
- Dairy Farm Investments (Management) Limited
- Dairy Farm Investments (Ruawhata) Limited
- Dairy Farm Investments Limited
- DFI (Brucknell) Limited
- Esquires Asia Limited
- Esquires Bahrain Limited
- Esquires Canada IP Limited
- Esquires China Limited
- Esquires Coffee China Limited
- Esquires Coffee India Limited
- Esquires Coffee Malaysia IP Holdings Limited
- Esquires Coffee Supply Limited
- Esquires Egypt Limited
- Esquires EP & Bahrain Limited
- Esquires Fiji Limited
- Esquires Global IP Holdings Limited
- Esquires India Limited
- Esquires Indonesia Limited
- Esquires Iraq IP Holdings Limited
- Esquires Jordan Limited
- Esquires Kuwait Limited
- Esquires Malaysia Limited
- Esquires Middle East & Africa IP Holdings Limited
- Esquires Northern Cyprus Limited
- Esquires NZ Franchise Holdings Limited
- Esquires Office Limited
- Esquires Oman Limited
- Esquires Port Denarau Marina Limited
- Esquires Qatar Limited
- Esquires Saudi Arabia Limited
- Esquires Turkey Limited
- Esquires U.A.E. Limited
- Esquires UK 1 Limited
- Franchise Development Limited
- Franchise Holdings NZ Limited
- Franchise Management NZ Limited
- Jackson & Associates Limited
- Last Tree Standing Limited
- LSD Global Limited
- Progressive Processors Limited
- Scarborough Fair Limited
- Tasman Capital Limited
- Weihai Station Limited

Michael George Rae Hutcheson	
• Cooks Global Foods Limited • Eunoia Holdings Limited • Lighthouse Ventures GP Limited • Lighthouse Ventures Limited	• Lonely Cow Wines Holdings Limited • Scarborough Fair Limited • The Lighthouse Ideas Company Limited

Andrew Malcolm Kerslake	
• ADG Investments Limited • Cooks Global Foods Limited • HAGZ Investments Limited • HMFIC Investments Limited • Jaqan Limited • Malcolm Lansley Investments Limited	• Norwood Ventures Limited • RMW Holdings Limited • Simple Properties Limited • Simply Fresh (2007) Limited • The Car Fair Company Limited

Zhe Hui	Peihuan Wang
• Cooks Global Foods Limited	• Cooks Global Foods Limited • Crux Products Limited • Weihai Station Limited

Spread of Quoted Security Holders as at 1 June 2017

RANGE	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBER	%
1-1,000	284	48.71	283,411	0.07
1,001-5,000	66	11.32	174,121	0.04
5,001-10,000	27	4.63	216,671	0.05
10,001-50,000	83	14.24	2,303,383	0.55
50,001-100,000	23	3.95	1,763,320	0.42
100,001 and over	100	17.15	411,854,957	98.87
TOTAL	**583**	**100.00**	**416,595,863**	**100.00**

20 Largest Holdings of Equity Securities
As at 1 June 2017:

Rank	Investor Name	Total Units	% Issued Capital
1	Jiajiayue Holding Group Limited	103,330,704	24.80
2	Yunnan Metropolitan Construction Investment Group Co Ltd	77,577,227	18.62
3	Cooks Investment Holdings Limited	53,700,683	12.89
4	ADG Investments Limited	42,199,758	10.13
5	Graeme Keith Jackson & Patricia Frances Jackson & Phillip Mack Picot	37,173,719	8.92
6	Yu Lei	13,915,182	3.34
7	Shu Xin Zhang & Jian Ming Zhou	7,027,100	1.69
8	Graham Maxwell Drury & Gloria Kaye Drury & Srhb 2006 Trustee Company Ltd	6,451,135	1.55
9	Peter James Kirton	5,005,723	1.20
10	DSL Management Limited	5,000,000	1.20
11	Emma Jane Waite	3,275,333	0.79
12	Real Action Group Limited	3,251,334	0.78
13	Ruby Cove Holdings Limited	3,225,568	0.77
14	Jonathan Mervis	2,709,477	0.65
15	Just Cabins Limited	2,538,462	0.61
16	PKB Trustees Limited	2,526,909	0.61
17	Neil Robert Butler & Kim Maree Green & Oac Trustees Limited	2,500,000	0.60
18	Tasman Capital Limited	2,362,780	0.57
19	CGF Employee Share Trust	2,000,000	0.48
20	Diana Elizabeth Christian & Sonya Marie Vujnovich	1,999,990	0.48
		377,771,084	**90.68**

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 1 June 2017. The total number of voting financial products of Cooks Global Foods Limited at that date was 416,595,863 and ordinary shares are the only such product on issue.

Holder Name	Number Ordinary Shares held
Jiajiayue Holding Group Limited	103,330,704
Yunnan Metropolitan Construction Investment Group Ltd	77,577,227
Graeme Keith Jackson; Graeme Keith Jackson & Patricia Frances Jackson & Phillip Mack Picot; Cooks Investment Holdings Limited, Tasman Capital Limited	93,237,182
ADG Investments Limited	42,199,758

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 2017	Number of employees 2016
130,000 – 139,999	**1**	-
140,000 – 149,999	**2**	2
180,000 – 189,999	**3**	-

DIRECTOR REMUNERATION AND OTHER BENEFITS

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

Name	Directors' Fees	Executive Salary	Share based payments
Andrew Malcolm Kerslake	40,000	-	-
Mike Hutcheson	40,000	-	-
Graeme Keith Jackson	-	180,000	10,000
Zhe Hui	-	-	-
Peihuan Wang	-	-	-

Donations
No donations were made in the 12 month financial period ended 31 March 2017.

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 five Directors including the Chairman & Chief Executive Officer, Keith Jackson.

The Board met three times during the year on a formal basis. One subcommittee, being the Audit and Finance Committee, was 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	Audit & Finance	7
Andrew Kerslake	*Non-Executive*	Appointed 3/10/13	Audit & Finance	7
Mike Hutchenson	*Non-Executive Independent*	Appointed 3/10/13	Audit & Finance	7
Peihuan Wang	*Non-Executive Independent*	Appointed 29/4/16	-	2
Zei Hui	*Non-Executive Independent*	Appointed 29/4/16	-	2

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.

Directory

Company number:	2089337
Year of incorporation:	2008
Registered office:	Level 5, 3 City Road Auckland 1010
Nature of business:	Food & beverage industry
Directors:	Michael George Rae Hutcheson Graeme Keith Jackson Andrew Malcolm Kerslake Zhe Hui (Appointed 29 April 2016) Peihuan Wang (Appointed 29 April 2016)
Solicitors:	Duncan Cotterill Wellington
Bankers:	ANZ Bank, Auckland
Auditors:	BDO Auckland Auckland
Share registry:	Link Market Services Limited Auckland