



20 March 2015

### **Prior Year Treatment of Business Acquisitions**

As has been previously announced and consistent with Cooks Global Foods' (NZX:CGF) focus on strengthening its corporate governance, PwC were appointed as the company's auditors for the current year ending 31 March 2015.

Through the transition of the audit and as part of PwC's review of the company's prior year financial statements, PwC yesterday indicated to CGF's audit committee that they believe the 2014 financial statements may contain a technical error in relation to the accounting treatment of certain business acquisitions in 2013.

CGF's Directors, together with PwC, have commenced a process to determine both the accounting treatment that should have been adopted, as well as the financial impact on the prior year financial statements. However, at this stage, it is likely that the correct accounting treatment will result in a material reduction in goodwill and equity as at 31 March 2014.

The Board wants to emphasise that the adjustment is a technical accounting matter only and will have no impact on the underlying trading results or cash position of CGF, nor on its significant growth aspirations. We see this as part of a journey, initiated last year, to enhance governance of the Group and pursue best practice in all aspects of business activity.

CGF will provide an update to the market at the conclusion of this process with the details of any adjustments required.

Contact:

Keith Jackson, Executive Chairman

Cooks Global Foods

Mob: +64 (21) 702 509

Email: [keith.jackson@cooksglobalfoods.com](mailto:keith.jackson@cooksglobalfoods.com)

#### About Cooks Global Foods:

*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. CGF's Esquires currently operates or franchises coffee houses in the United Kingdom, Ireland, the Middle East and China. Related businesses within the group include New Zealand-based supply companies Progressive Processors Ltd and Scarborough Fair Limited which supply product into both Esquires stores and other third party customers.*