



## **Cooks Global Foods Limited**

### **Preliminary Announcement and Interim Report for 6 months to 30th September 2013**

Prior to the end of September 2013 Cooks Global Foods (Cooks) advised in a series of announcements to the market that it had entered into a number of transactions subject to shareholder approval to transform the company by acquiring Franchise Development Limited, Esquires Coffee (UK) Limited, Esquires Coffee Houses Ireland Limited and the business and assets of Progressive Processors (Transactions).

The businesses were paid for by a combination of cash and shares and at the same time all term debt within Cooks was converted to equity.

The Transactions were detailed in a Notice of Meeting and listing profile and were unanimously approved at a Meeting of Shareholders held in Auckland on 1 October 2013. The Transactions therefore do not relate to the period up to 30<sup>th</sup> September 2013 which only shows costs incurred as part ensuring that the Transactions involved in the company's transformation were able to be consummated.

### **Capital Raising**

Cooks raised \$3.0 m in convertible loans prior to completing the Transactions that were then converted to Ordinary shares. In addition Cooks has commitments for a further \$2.45m which means that in total \$5.5 million will have been raised in equity from qualified investors. Of the funds raised to date or committed \$4.7 million was approved as part of the meeting approvals and the balance have been committed under the Board's discretionary ability to issue equity securities under the listing rules.

Cooks secured the global Intellectual Property rights to Esquires Coffee Houses (excluding Australia, New Zealand and Canada) through the above described convertible loans and in turn loaned funds to Franchise Development to secure their purchase. All these loans are now converted to shares with the assets now within the Cooks wholly owned group.

### **Share Purchase Plan**

On 11<sup>th</sup> December 2013 the company issued a Share Purchase Plan (SPP) with the objective of giving all shareholders the opportunity to partake in the company's growth. Shareholders can invest up to \$15,000 at 19 cents per share. The Board are confident of strong shareholder support and intend to place any shortfall. The maximum amount that can be raised in connection with the SPP is \$6.75 million.

## **Governance**

Directors as at 30<sup>th</sup> September 2013 were Keith Jackson, Graeme Rothwell and Diana Miller (nee Christian). Following the shareholder approvals granted on 1<sup>st</sup> October, Graeme Rothwell and Diana Miller retired and were replaced by Andrew Kerlake, Mike Hutcheson, Stuart Deeks and Lewis Deeks. Cooks has further announced on 10<sup>th</sup> December 2013 that Norah Barlow, CEO of the Summerset Group will join the Board with effect from 1<sup>st</sup> January 2014.

## **General**

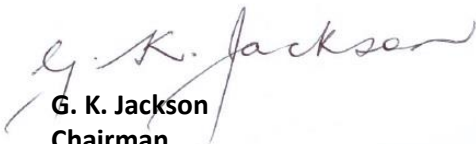
Since 1<sup>st</sup> October all the acquisitions have been made and the new shares issued. This also means that all term debts were removed from the Balance Sheet that related to loans from interests associated with my personal interests and this meant that effectively the business is debt free, subject only to the new funding that has been raised to facilitate the transactions through ANZ. The Balance Sheet that will be presented as at 31<sup>st</sup> March will reflect these adjustments. Subsequent to completing the Transactions Cooks has also acquired the Scarborough Fair business which is a fair trade and organic tea, coffee and chocolate brand.

## **Esquires Coffee Houses**

As at the report date Esquires has 57 Coffee Houses operational as part of the CGF group. The stores are based in UK, Ireland, Middle East and China. Within the last 4 weeks the group has added 4 stores in China and the Middle East and a new store opened in Ireland in September 2013. There is an aggressive store development plan under way. Discussions are continuing with the objective of acquiring the Canadian business of Esquires Coffee Houses, this includes 13 stores in British Columbia and Alberta.

## **Future Projections**

The company is well positioned to deliver the results set out in the Independent Appraisal report submitted to the shareholders at the meeting.



**G. K. Jackson**  
**Chairman**

**13<sup>th</sup> December 2013**

**Cooks Global Foods Limited**

**Income Statement  
For the Six month period to 30th September 2013**

<b>\$</b>	<b>Six months to 30th September 2013 \$000's</b>	<b>Six months to 30th September 2012 \$000's</b>
Sales Revenues	0	0
Cost of Sales	0	0
Gross Profit	0	0
Sale of Assets	0	0
Less Costs	(791)	(60)
EBITDA	(791)	(60)
Depreciation & Amortisation	0	0
EBIT	(791)	(60)
Net Interest	(40)	(388)
Operating Net Profit / (Loss)	(831)	(448)
Earnings per Share (cents per share)	(2.55)	(1.33)

**Statement of Movements in Equity  
For the Six month period to 30th September 2013**

<b>\$</b>	<b>As at 30th September 2013 \$000's</b>	<b>As at 30th September 2012 \$000's</b>
Equity at the Beginning of the Period	(3,661)	(5,317)
Net Surplus / (Deficit) for the period	(831)	(448)
Contributions by owners	0	600
Equity at End of Period	(4,492)	(5,165)

**Balance Sheet**  
**As at 30th September 2013**

\$	As at 30th September 2013 \$000's	As at 30th September 2012 \$000's
Current Assets		
Cash	259	148
Trade Receivables	1,569	0
Inventories	0	0
Other Current Assets	120	205
Total Current Assets	1,948	353
Non-Current Assets		
Property, Plant & Equipment	0	0
Intangible Assets	20	8
Total Non-Current Assets	20	8
Total Assets	1,968	361
Current Liabilities		
Trade Creditors	(327)	(163)
Secured Loans	(2,700)	(5,363)
Unsecured Loans	0	0
Other Current Liabilities	40	0
Total Current Liabilities	(2,987)	(5,526)
Non-Current Liabilities		
Secured Loans	(2,925)	0
Unsecured Loans	0	0
Total Non-Current Liabilities	(2,925)	0
Total Liabilities	(5,912)	(5,526)
Net Assets	(3,444)	(5,165)
Net Assets per Share	(10.58) cents	(15.87) cents
Net Tangible Assets per Share	(10.58) cents	(15.87) cents
Earnings per Share	(2.55) cents	(1.33) cents
Shareholder's Equity		
Share Capital – Opening Equity	(3,661)	(5,317)
Accumulated Deficit	(831)	(448)
Equity contributions from Shareholders	948	600
Shareholder's Equity	(3,444)	(5,165)

**Statement of Cash Flows**  
**For the Six months ended 30th September 2013**

**Cash Flow from Operating Activities**

\$	Six months to September 2013 \$000's	Six months to September 2012 \$000's
Receipts		
Payment to Suppliers and Employees	(130)	(93)
Other Cash Flows relating to Operating Activities	(65)	
Net Operating Cash Flows	(195)	(93)

**Statement of Cash Flows**  
**For the Six months ended 30th September 2013**

**Cash Flow from Investing Activities**

\$	Six months to September 2013 \$000's	Six months to September 2012 \$000's
Cash Paid for Purchases	0	0
Interest Capitalised	0	0
Net Investing Cash Flows	0	0

**Statement of Cash Flows**  
**For the Six month ended 30th September 2013**

**Cash Flow from Financing Activities**

\$	Six months to September 2013 \$000's	Six months to September 2012 \$000's
Cash proceeds from sale of business assets	0	0
Cash Receipts from Shareholders	0	600
Borrowings	2,700	0
Loans to other parties	(1343)	(161)
Interest	(40)	(33)
Net Financing Cash Flows	1317	406

## **Notes to and Forming Part of the Interim Financial Statements**

**For the Six month period ended 30th September 2013**

### **Statement of Compliance**

Cooks Global Foods Limited (Cooks or Company) is a profit oriented entity registered in New Zealand under the Companies Act 1993. The Company is an issuer for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act

The unaudited interim financial statements have been prepared in accordance with New Zealand equivalents to International Financial reporting standards 34 (NZ IAS-34) "Interim Financial Reporting".

### **Basis of Preparation**

The financial statements have been prepared on the basis of historic cost. Cost is based on the fair value of the consideration given in exchange for the assets. Accounting standards are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability thereby ensuring that the substance of the underlying transactions or other events is reported. Given that Cooks was established on 1<sup>st</sup> September 2013 there are no comparative figures available for prior periods.

### **Share Capital**

Balance at end of the period-  
Ordinary Shares- 27,576,623 plus 4,975,508 Convertible Preference Shares

### **Capital Commitments, Contingent Liabilities**

There were no capital commitments or contingent liabilities as at 30th September 2013

### **Cyclical Nature of Operations**

The interim financial statements for the six months ended 30th September 2013 will not reflect a normal years trading as the period is only six months together with the fact that the company has divested of its business assets and is currently not operating in the normal way as it reviews options for the future.