COOKS GLOBAL FOODS LTD.

ESQUIRES COFFEE

SCARBOROUGH FAIR

PROGRESSIVE PROCESSORS LTD

design environments

CRUX PRODUCTS

Annual Report

YEAR ENDED 31 MARCH 2016

COOKS GLOBAL FOODS
2016 ANNUAL REPORT

Contents

HIGHLIGHTS

SECTION 1

39.2% — Year-on-year increase in Cooks Global Foods sales to $12.4 million as Esquires network sales lift royalties, coffee, product and other retail sales and master franchise and design fees

$39.1 million[1] — 22% year-on-year increase in Esquires Coffee store network sales

$9 million — Equity raising introduces strategic investors with interests aligned with shareholders

$4.1 million — EBITDAA[2] losses reflecting a full-year of investment in the Chinese operation

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[1] All references to Esquires Coffee store network financial performance are expressed in constant currency terms, where the prior year's figures are expressed in the currencies prevailing in the current financial year.

[2] Earnings or losses before interest, tax, depreciation, amortisation, foreign exchange gains and losses and abnormal items. EBITDAA is a NON-GAAP measure of financial performance. It is reconciled to the GAAP measure of financial performance of net profit before tax on page 14 of this report.

EXECUTIVE CHAIRMAN'S REPORT

SECTION 2

KEITH JACKSON
Executive Chairman

Cooks Global Foods has in the last financial year seen growing momentum in its business as the expansion of its Esquires Coffee house foot print and a refocusing of the global business on the core Organic & Fairtrade brand values delivers revenue growth.

In line with our strategy, we are growing the Esquires Coffee brand in existing and strategically important markets and we are growing the supply chain to service this ever increasing store footprint. Progress is in line with our strategic plan.

Total revenue in the year to 31 March 2016 rose 39% to $12.4 million from $8.9 million in the prior year. A 22% increase in Esquires Coffee store network sales to $39.1 million from $32.1 million in the prior year delivered increases in royalties, coffee, product and other retail sales and design fees.

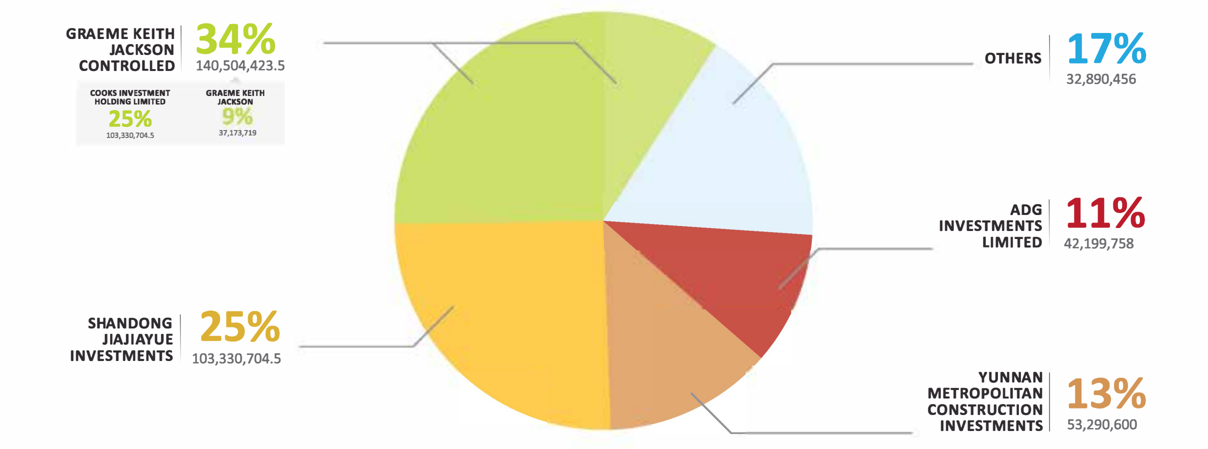
EBITDAA losses for the 2016 financial year increased on the prior year's loss of $3 million. This result understates the company's achievements as the 2015 financial year included only three months from the Chinese master franchise[3], where the company is investing for growth. Excluding the $2.6 million EBITDAA losses from China, group EBITDAA losses narrowed from $2.4 million to $1.5 million. Meanwhile, head-office costs were effectively managed.

Esquires Coffee store numbers grew 22% to 87 at the end of the financial year from 71 at the same time a year ago. Store numbers fell short of the target Cooks Global Foods set out at the start of the year as management focussed on restructuring the business, including a $9 million capital raising and the exit from the business of two of the company's Directors and largest shareholders.

As part of the capital raising, Jiajiayue Group (JJY) - the company's joint venture partner in the Shandong province - has taken a 25% stake in Cooks Global Foods. Meanwhile, the Yunnan Metropolitan Construction Investment Group (YMCI), an existing substantial shareholder and major property developer owned by the Yunnan provincial government, increased its economic interest to 18.8% from 15.7%.

[3] The Chinese master franchise was acquired in December 2015

Current Shareholding Structure



Both companies have also appointed directors to the Cooks Global Foods Board. These alliances, which complement Cook's joint venture with the Shenzhen-listed retail and property group BuBuGao (Better Life) Group (BBG) to develop Esquires Coffee houses in the Hunan Province, align the interests of strategic partners with shareholders.

The agreements further incentivise these organisations to accelerate growth in China, while their on-the-ground experience will be highly valuable on the Cooks Global Foods Board as the company develops its strategies both in China and further afield. Cooks Global Foods and JJY, for instance, have recently established a joint venture, Crux Products, to export New Zealand agricultural and other products to China.

Net loss before tax increased 79.5% to $7.9 million from $4.4 million in the prior year. This difference reflected a number of one-off costs including restructuring costs of $1.1 million associated with the exit of the largest shareholder, which included a share-based payment of $512,000. This also reflects the timing of bringing the China results into the accounts for the first full year as in fact all operational results improved significantly for the year.

Meanwhile, the company also incurred $0.1 million of costs associated with the equity capital raising completed at the start of this year, and $0.2 million related to the earn-out arrangements from prior acquisitions.

Additionally, higher interest charges and $0.7 million of non-cash items including share-based incentive payments contributed to the fall.

Depreciation charges decreased on the prior year with higher depreciation on the Chinese stores being more than offset by lower depreciation in the UK, where the company rebranded and then sold two stores to franchisees, with a resulting loss on disposal of the relevant fixed assets.

Esquires Coffee Summary Operating Metrics

SUMMARY FINANCIAL OPERATING METRICS*

YEAR TO 31 MARCH	2016	2015	CHANGE
ESQUIRES COFFEE NETWORK SALES	$39.1 MILLION	$32.1 MILLION	22%
STORE TRANSACTIONS	3.9 MILLION	3.4 MILLION	17%
AVERAGE TRANSACTION VALUE	$9.90	$9.49	4%

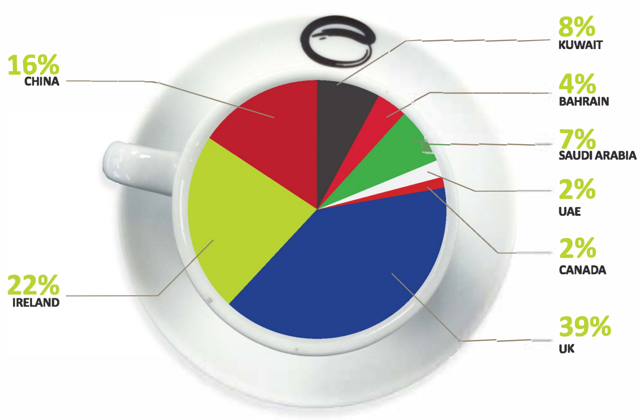
SAME STORE OPERATING METRICS

YEAR TO 31 MARCH	2016	2015	CHANGE
ESQUIRES COFFEE NETWORK SALES	$28 MILLION	$27.7 MILLION	1%
STORE TRANSACTIONS	2.9 MILLION	2.9 MILLION	-
AVERAGE TRANSACTION VALUE	$9.81	$9.42	4%

*Includes the contribution of three Canadian stores from July 2015. In the UK, rebranded stores witnessed a 9% sales growth, compared to the same period in the prior year, whereas the rest suffered a 2% decrease.

Esquires Revenue Breakdown

As of 31 March 2016



ESQUIRES COFFEE STORE NUMBERS

MARKET YEAR TO 31 MARCH	2016	OPENED	CLOSED	2015	2021 BUDGET	2021 TARGET
CHINA***	26	9	4	21	220	300
UK**	25	1	-	24	100	120
MIDDLE EAST	22	6	5	21	70	80
SOUTHEAST ASIA	2	2	-	-	40	50
IRELAND	9	4	-	5	27	30
CANADA	3	3	-	-	32	40
USA	-	-	-	-	125	140
EUROPE	-	-	-	-	36	40
TOTAL	87	25	9	71	650	800

**Target

***Cooks Global Foods had full ownership of 13 stores in China and 2 stores in the UK at the period end.

The Esquires Coffee store network
The international Esquires Coffee brand[4] is taking advantage of the third wave of evolution in café culture from international brands to artisan style independent coffee specialists. It has the authentic and

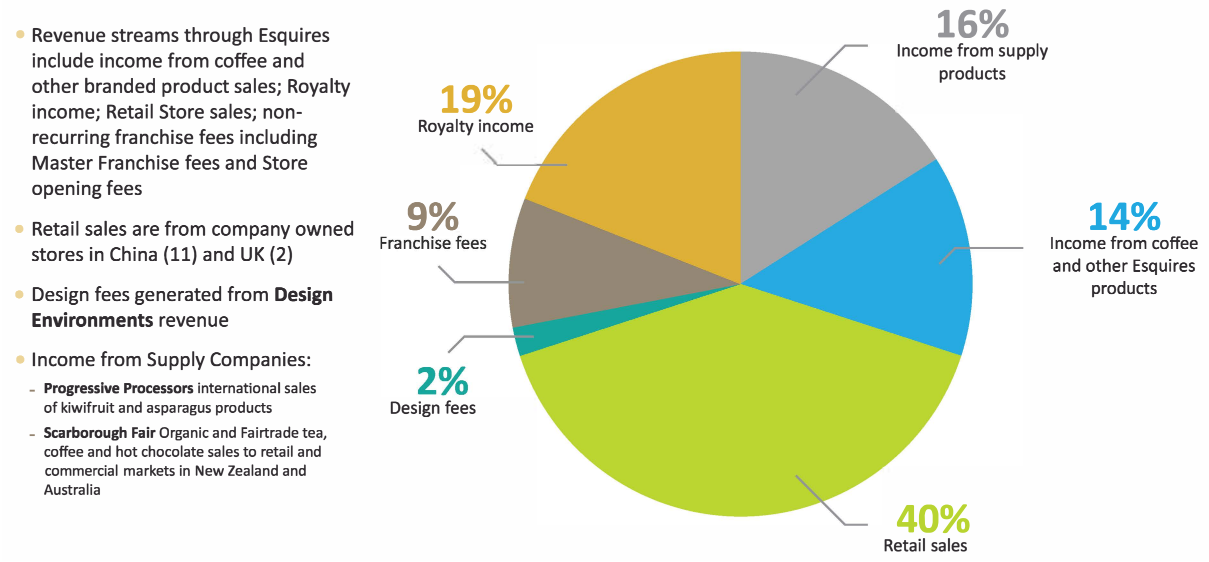
[4] Cooks Global Foods owns the intellectual property and master franchising rights to Esquires Coffee Houses worldwide excluding New Zealand and Australia.

artisanal New Zealand coffee experience at its heart, giving the company access to a highly attractive premium market around the world.

Total network sales grew by 22% to $39.1 million from $32.1 million in the prior year. Brand and operational improvements are resonating with customers and have lifted average transaction values across the network by 4% to $9.90. This performance confirms the Esquires brand resonates with customers and gives us great confidence in our growth aspirations.

Steps to better align older stores with the global brand are also delivering improvements to the existing network. Same store sales increased 1.5% due to an increase in same store average transaction values and we expect further improvement in the coming year as rebranded stores generate a greater share of network same store sales. Same store transaction volumes have declined marginally, in part reflecting the higher average transaction values.

FY16 Revenue Sources



Balance sheet

Gearing (net debt to net debt and equity) declined to 19%, reflecting the issue of $9 million in new equity and the repayment of debt including a loan from one of the company's major shareholders YMCI. As at year end, the company's cash position was $3.7 million down from the prior year's $4.7 million, while debt declined to $1.7 million from $4.6 million (excluding the group's bank overdraft). We continue to enjoy a strong relationship with the group's strategic investors and continue to explore a range of options to fund the significant opportunities we see for the Esquires Coffee brand.

Outlook

Cooks Global Foods is working hard to achieve its global growth plans. Although the restructuring during the last financial year has meant that we have not grown as fast as we would have hoped, we are encouraged by the improvements we have seen in group performance and now have a strengthened shareholder register and a Board and management that are fully aligned with the future direction and plans.

Cooks Global Foods continues to target 800 stores by March 2021. We do not expect this growth to occur smoothly, with the achievement of this target dependent on the continued development of the existing operations, obtaining sufficient funding to fuel this growth and the growth of strategically important new markets such as the USA where we see huge potential.

Within the current network a major focus will be in China where the potential is enormous and we already have a strong base together with an excellent network of business partners with whom we will work closely to deliver the potential of the market.

We are confident we have in place the right structure and team to achieve this goal and we are looking ahead to the remainder of the financial year with confidence. The Director's thank the teams at Cooks Global Foods and those working in the broader Esquires Coffee network for their efforts.

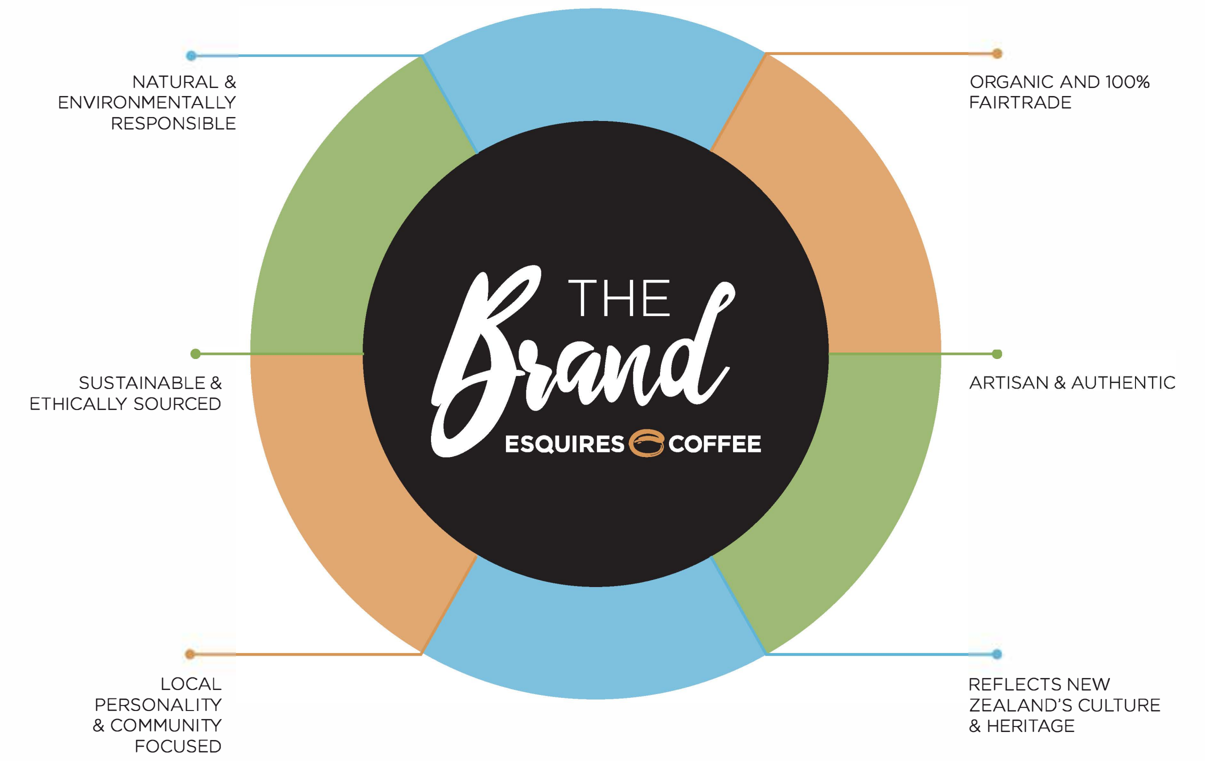
Keith Jackson
Executive Chairman

BRAND AND VISION

SECTION 3

To be the world’s leading organic and fair trade coffee retailer

Values:



About Cooks

Cooks Global Foods owns the international intellectual property and master franchising rights to the Esquires Coffee brand (excluding Australia and New Zealand). In the UK, Ireland and China it directly operates and franchises Esquires Coffee stores; whilst in the Middle East, Indonesia, Northern Cyprus and Canada it has master franchise agreements. It operates an in-house design company, Design Environments to ensure Esquires’ Organic, Fairtrade, natural, environmentally responsible, artisan and authentic core values are embedded in all Esquires stores. Cooks also owns Scarborough Fair and Progressive Processors, respectively a supplier of Organic and Fairtrade coffee, tea and hot chocolate and a manufacturer of value-added food products. These supply chain businesses sell their products locally and internationally and the intention is to grow product sales into Esquires global network.

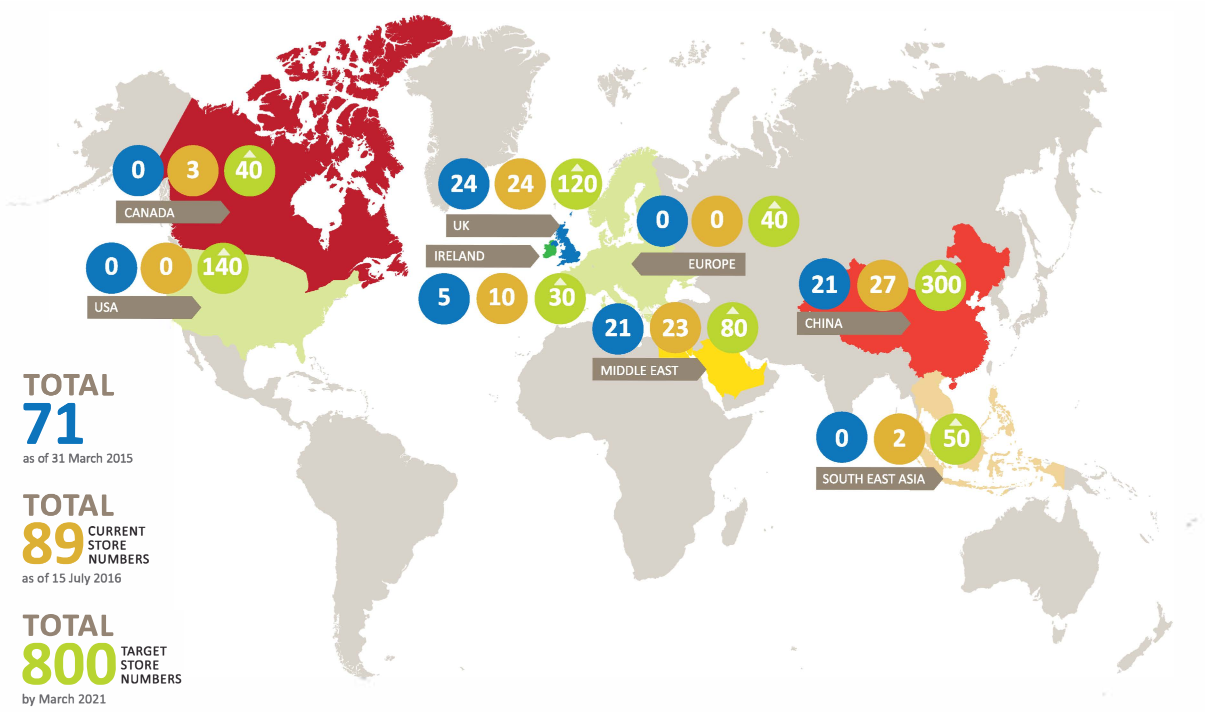
COOKS GROWTH STRATEGY
SECTION 4

Section 4.1 Growing Esquires Coffee

Cooks has three elements to its core growth strategy:

- Growing the Esquires brand in its existing markets;
- Growing the Esquires brand in strategically important new markets; and
- Growing its supply chain businesses Scarborough Fair and Progressive Processors.

Continuing to expand our global presence

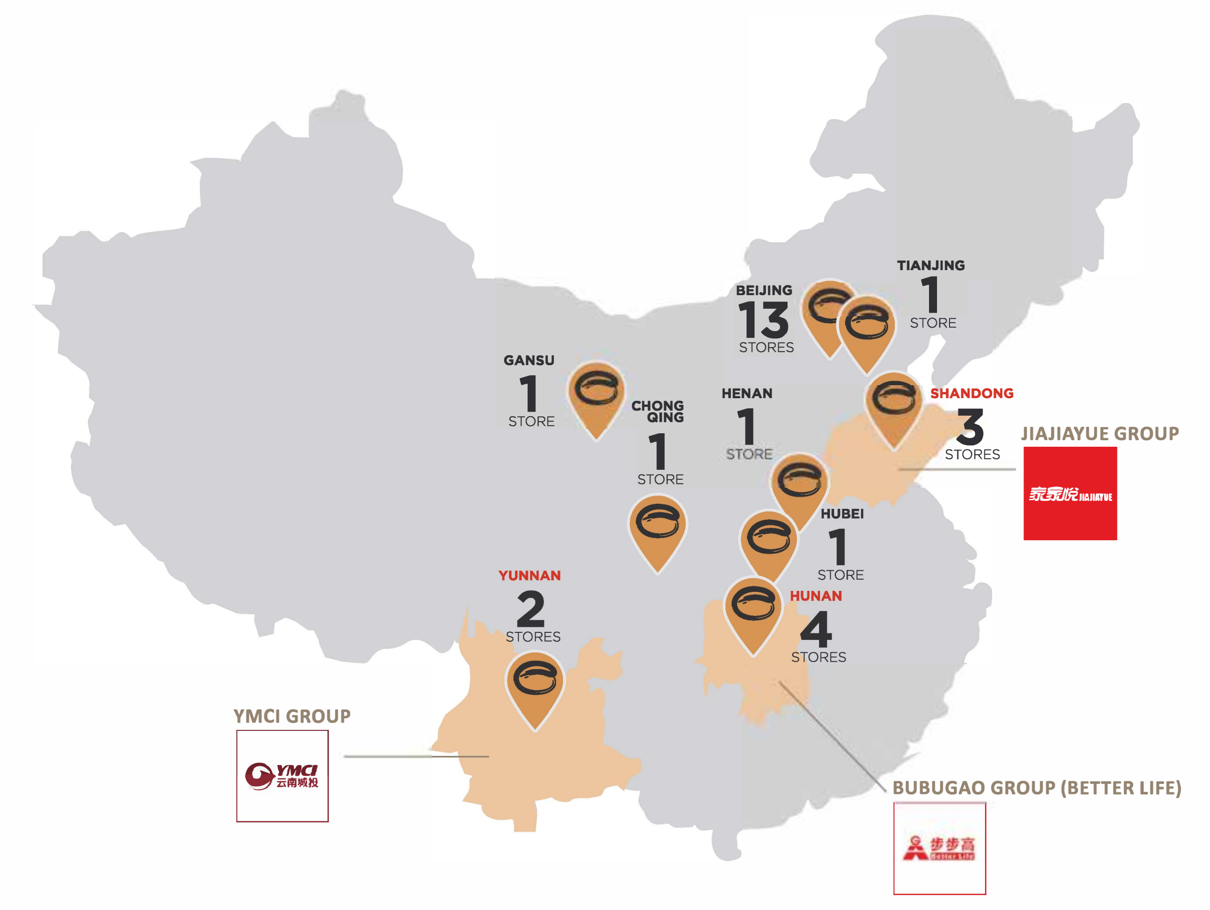


Around the world Cooks Global Foods has established partnerships with organisations that have the local knowledge relevant to running a successful café franchise. It is making good progress in its established markets of China, Ireland, the UK and the Middle East, aligning store formats and local brands with the new look of the Esquires Coffee brand.

Focus on China

China has a total of 27 stores

(as of 30 June 2016)



Cooks Global Foods acquired the master franchise for China in December 2015 and it is now seeking to establish joint ventures across the country with organisations that have the capital and expertise to drive the growth of the Esquires Brand.

It is now operating 27 stores and has aspirations to grow stores in China to 300 by 2021. These goals are supported with the alliances Cooks has struck with JJY and YMCI in the Hunan and Shandong provinces.

In the last year sales grew 18% and store numbers grew to 27 from 21 a year earlier. The Chinese business generated around 16% of total revenue.

Beijing

Esquires entered the Chinese market in partnership with its now 13% shareholder Yunan Metropolitan Real Estate Development Co (YMCI) in 2011. It quickly established credentials as an aspirational brand when it opened its first store in central Beijing. The first stores in China followed the western model with counter food, but now the business is evolving to meet local demand for a full service food offering. All new Esquires Coffee stores in China will have a kitchen producing meals that meet local tastes.

Shandong

Cook Global Foods established a partnership with Jiajiayue Group (JJY) supermarket chain in 2014 to develop 50 stores in the North eastern Chinese province of Shandong. Thanks to the province's position at the centre of historic north-south and east-west trading routes it has developed as a major economic centre and now has a population of more than 97 million people. JJY is one of the top 30 retailers in China and owns more than 600 supermarkets (including convenience stores), as well as hotels and commercial real estate. It has over 30,000 staff and sales in 2014 of more than NZD $2.4 billion. Already the venture has established 3 stores and it is targeting 50 by 2022.

Hunan

BuBuGao (Better Life) group BBG established a joint venture with Cooks Global Foods in the Hunan province in 2015 and already it has opened 4 stores. The province, in South Central China has a population of more than 67 million and is known for its agricultural production and it is also an important centre for steel, machinery and electronics. Like JJY, BBG is also a top 30 retailer in China, operating more than 470 supermarkets, convenience stores, hotel shopping malls and other commercial real estate ventures. BBG has taken a 49% stake in the joint venture and will progressively contribute property in its shopping malls that are primarily based in the Hunan province.

Ireland

The standout region in the Esquires network is Ireland, where sales grew 59%, generating 22% of total store revenue in the 2016 financial year. Store numbers have grown to 9 from 5 a year earlier.

In Ireland Cooks opened 4 new stores in Mullingar, Navan and Galway and its first Dublin store in March 2016, in O'Connell Street, Ireland's leading retail precinct.

The Irish business offers a broader food service than the rest of the Esquires Coffee network, with most stores operating an on-site kitchen. This operating model is serving as a template for many parts of the Esquires Coffee network, particularly China. Indeed, due to their broader format, the Esquires Coffee stores in Ireland consistently deliver some of the highest store sales figures in the network.

United Kingdom

Sales in the UK grew by 1.2% reflecting a rationalisation of the business to align the local brand and service offering with the global Organic, Fairtrade and sustainability brand values. At the end of the financial year, 12 stores had been rebranded, and we expect the rebranding process to be complete by early 2017.

Sales from the rebranded stores have been very encouraging, showing average 9% sales growth over the prior year compared to stores that are still to be rebranded, which showed no sales growth over the same period.

Operating losses narrowed in the business, which generates around 39% of total store sales, and the company is making good progress towards breakeven. The company is seeing strong demand from franchisees and has identified sufficient sites to open several new stores in the current financial year.

Both the UK and Irish businesses got a major boost early last year when Esquires Coffee stores were ranked by Ethical Consumer Magazine as having one of the best social and environmental impacts of 14 major UK Coffee chains. The report garnered national coverage.

The Middle East

The Middle East business grew sales by 33% due to the opening of new stores in Saudi Arabia, Egypt, Dubai, Bahrain and Kuwait and improvements in store performance.

Kuwait was the fastest growing region internationally during 2015. Additionally, the establishment of two stores at Jeddah Airport, Saudi Arabia, was extremely successful. The airport is the major gateway to Mecca for pilgrims and today these stores are the busiest in the global system. Cooks Global Foods also signed a master franchise for Jordan with the first store anticipated to open in late 2016 in the capital of Amman.

The Middle East, which generated 21% of sales in 2016, has a solid program of new store openings planned to continue to build the regional business. Cooks Global Foods is working with franchisees to align local branding with the global vision and values. It has installed new management to continue to grow the business and is also looking to improve logistical support for the region.

Rest of the world

In Indonesia two stores have been opened and will start to contribute to the group this financial year. Progress has not been as fast as the company would have hoped, but the company is confident growth will accelerate in the coming year. Meanwhile, three stores in Alberta, Canada joined the Esquires network during the year.

Section 4.2: Growing the supply chain

Cooks Global Foods will continue to grow the Esquires supply chain and look to partner with suppliers of product to Esquires Coffee Houses in regions where it is economic to do so. The approach ensures the goods supplied are high quality, consistently branded and marketed and profitably priced. The network will also benefit from the security of a self-managed and efficient supply chain.

Progressive Processors

Progressive Processors is based near Whakatane and is a producer, supplier and exporter of kiwifruit product bases (purees and kiwifruit juice) to juice and food manufacturers world-wide, as well as fresh asparagus. Its purees and kiwifruit juice are manufactured from pure whole ripened New Zealand kiwifruit. It supplies product domestically and also to export markets, particularly Japan and is planning to begin supply of a kiwifruit smoothie mix to the Esquires Coffee store network in the coming year.

Scarborough Fair

Scarborough Fair was created with a commitment to bring quality Fairtrade-certified products to the mainstream market at mainstream prices. The business will play an increasingly significant role in the development of the Esquires Coffee store network and Cooks Global Food Group’s international operations.

NON-GAAP FINANCIAL INFORMATION

SECTION 5

NON-GAAP FINANCIAL INFORMATION

Cooks Global Foods' standard profit measure prepared under New Zealand GAAP is net profit before

tax (NPBT). Cooks Global Foods has used a non-GAAP profit measure of earnings (or losses) before interest, tax, depreciation, amortisation, foreign exchange gains and losses and abnormals (EBITDAA), when discussing financial performance in this Annual Report. The directors and management believe this measure provides useful information as it is used internally to evaluate performance of business units, to establish operational goals and to allocate resources.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this Annual Report may not be comparable with those that other companies report and should not be viewed in isolation from, or considered as a substitute for, measures reported by Cooks Global Foods in accordance with NZ IFRS.

GAAP TO NON-GAAP RECONCILIATION

12 months to 31 March	**Unaudited March 2016 $000**	**Unaudited March 2015 $000**
Loss after tax attributable to shareholders of parent	**(7,942)**	**(4,419)**
Add back: income tax expense	29	-
Reported net loss before tax	(7,913)	(4,419)
Add back: finance costs	510	217
Operating loss	(7,403)	(4,202)
Add back: Depreciation and amortisation	417	857
Operating loss before depreciation and amortisation	(6,896)	(3,345)
Add back:		
Exchange loss/(gain)	(146)	8
Abnormal items		
-Restructuring cost	1,359	-
-Acquisition & Capital related costs	393	360
-Share-based incentive schemes	713	-
-Impairment of Intangible Assets	501	430
EBITDAA	**(4,166)**	**(2,547)**

BOARD

SECTION 6

Graeme Keith Jackson - Executive Chairman

Keith has an extensive background in management and governance with particular emphasis on the food and dairy industries. He was Chief Executive of Tegel Foods for 16 years from 1980 to 1996, Deputy Chairman of Ernest Adams from 1998 and Managing Director of Independent Dairy Producers, a small fresh milk company. Together with two others he formed Dairy Farm Investments, a company that now has dairy farms in New Zealand and Australia. Keith has also established Dairyland Products, a project company designed to combine New Zealand's core strength of low cost milk production with the added value provided by milk powder production. Keith founded Cooks Food Group in 2008 via a merger of four companies. he has a Bachelor of Commerce from Otago University.

Peihuan Wang - Director

Peihuan Wang is Chairman and General Manager of Shandong Jiajiayue Investment Holdings Co. Limited and Vice President of the China Chain Store and Franchise Association. Mr Wang also sits on the board of New Zealand company Weihai Station Limited, which runs farming operations and was granted consent from the overseas investment office to buy 595 hectares of land situated southwest of Auckland. Mr Wang has been the recipient of a number of awards in China including 'the National Quality Excellent Manager', 'Person of the Year - Chinese Chain Industry', 'Person of the Year - Chinese Retail Industry', and 'Weihai City Mayor's Quality Award'. Mr Wang is of Chinese nationality and resides in the Shandong Province. He brings a wealth of knowledge to the Board on the Chinese retail industry.

Hui Zhe - Director

Hui Zhe is the General Manager of YMCI Beijing Hotel, and is in charge of both the hotel development, and operational businesses for YMCI and its subsidiaries. Mr Zhe graduated from Xiamen University with a Bachelor of Accountancy in 1992 and has since worked as a financial controller for 15 years. He has worked in the hospitality industry for over twenty years, during which period he has represented property owners to major international hotel management groups; chaired and participated in planning, constructing, operating and financing aspects of multiple hotel development projects. He has also partnered and co-managed hotels with Hilton Group, Hyatt Group, Intercontinental Group, Marriott Group among others.

Andrew Kerslake - Director

Andrew's career began in banking and finance before spending 14 years at Schenker, a German based logistics company, where he moved from sales and operations to General Manager and finally Managing Director. Andrew has also completed the Senior Executive Management programme at Ashridge Management College in London. He also served as a board member of the New Zealand German Business Association for four years. Since 2001 he has focussed on his personal business interests with successful investments in the medical, grocery, automotive and electronic waste industries.

Mike Hutcheson - Director

Mike co-founded leading advertising agencies Colenso BBDO and Hutcheson Knowles Marinkovich and culminated his advertising career as Managing Director of Saatchi and Saatchi. Mike was also a director of a family building company and in the early '80s set up Replica Homes with franchises throughout New Zealand. In 2003 Mike launched The Lighthouse Ideas Company and in 2008 he and his partners undertook a management buyout of the Image Centre Group, publishers, printers and digital online communications specialists. Mike has written four books, and has been a regular television guest and commentator. He currently writes an innovation column for Idealog magazine, one of the magazines in his company's portfolio. In 2012 he was named Business Columnist of the Year in the Magazine Publisher's Awards.

MANAGEMENT

SECTION 7

Doug Williamson - Managing Director Great Britain.
Doug co-founded the Esquires Coffee brand in Vancouver, Canada in 1993. After leaving the business he ran a Canadian food import business and then established a successful advertising agency. He re-joined Esquires in 2013 when Cooks Global Foods acquired the intellectual property rights to the global brand. He has now moved to London from where he is driving the redevelopment of the brand in the UK.

Tony McVerry - Managing Director Ireland
Tony is the former master franchise holder in Ireland. He grew the Irish Esquires Coffee franchise business from a standing start in 2000 to a total of five stores before selling the master franchise to Cooks Global Foods in [when]. Prior to that Tony had a long career in banking. Starting with the Bank of Ireland in 1972, he then moved to First Active Bank in a variety of senior roles.

Ellen Zhang - Managing Director China
Ellen's association with Cooks Global Foods began as an owner of an Esquires Coffee store franchise in Auckland. She has since assisted Cooks in expanding Esquires presence in China and brings to the company awareness of the Chinese hospitality industry and its culture. Before emigrating to New Zealand, Ellen worked with one of the company's major shareholders, Yunan Metropolitan Real Estate Development Co (YMCI)

Michelle Brick - Managing Director Canada
Michelle is the former owner of the Esquires Coffee Franchise in Canada, which Cooks acquired in early 2016. Prior to this she had a career in business development in the oil and gas services industry.

Craig Brown - Chief Financial Officer
Craig has broad experience in financial and systems implementation and management. He is a chartered accountant and has worked as an Audit Manager with PwC. He has held positions as the CFO of CBRE Limited and Chief Accountant for Rentokil Initial (NZ). His financial experience encompasses a broad variety of multi-national companies and a range of other business structures in a diverse range of industries.

John MacDonald - Design & Brand Manager
John founded Cooks Global Foods subsidiary Design Environments in 1990 and has expertise in diverse retail and graphic design environments. John has been the principal designer for the Esquires Coffee brand since 2008. He has worked in various industries, including apparel and hospitality.

Shane Moates - General Manager Markets and Channels
Shane has more than 20 years' experience within the retail and hospitality industries. Prior to joining Cooks Global Foods, he was head of partnerships and business development at the fast growing Caffe Nero coffee chain based in the UK. Before that he held roles in business development and finance including five years with Exxon Mobil.

Alison Shackell - HR Manager
Ali is an experienced professional. Prior to joining Cooks Global Foods in 2013 she worked in industries ranging from financial services and information technology through to energy and insurance in a variety of companies, including Eagle Technology, Mighty River Power and Vero.

Chris Joseph - International Franchise Support
Chris is a franchise operations and international market development specialist, with a more than 25-year track record of rapidly building chain-branded businesses in highly competitive business environments. He has worked with high profile brands such as Domino's Pizza, Krispy Kreme doughnuts and Blimpie subs. Chris has conducted business in over 50 countries.

Nic McClean - Supply and Logistics

Nic brings 30 years' coffee experience to Cooks as GM Supply Chain. His broad back ground in senior sales and marketing roles also includes managing a franchised coffee shop network in New Zealand, running a coffee equipment and service business unit, coffee trainers and a national sales team. He has been marketing manager of a large Australian coffee company as well as a board member of a global vending alliance. Amongst his achievements was the founding of the New Zealand Barista competition which he ran for 7 years.

Peter Wudy - Business Development of Esquires Coffee

Peter is acknowledged for well-defined understanding of building of brands through Franchise Development with a successful and diverse background spanning over 30 years developing and executing franchise strategies for multinational companies in regional and international markets. He has previous experience in managing franchise networks, including recruitment, logistics, finance and real estate. Peter contributed greatly in the building of the franchising model and a winning marketing strategy, which resulted in the expansion of Esquires both regionally and internationally.

Haiping Niu - Digital and Communication

Haiping has seven years of experiences in cross-cultural multi-layer communication, market analysis, digital strategy and strategic development. She has worked in different industries including music, contemporary art, community education and business consultancy in the UK, China and New Zealand.

Tony Wang - Business Development of Crux Product

Tony has over 10 years of importing experiences in China. He has comprehensive understanding of and requirements, as well as the market and Chinese consumers through working for top state-owned trading company and JiaJiaYue Supermarket, one of the Top 30 retail chains in China. Tony is heading the project of building two-way trading channels between China and New Zealand.

Neil Butler - Managing Director Progressive Processors

Neil has more than 30 years' experience in the food processing, export and horticulture industries, including 15 years at the head of Progressive Processors, Cooks Global Foods supply subsidiary. Over his career he has overseen the manufacturing of specialised high quality food products for a range of international markets.

FINANCIAL STATEMENTS

SECTION 8

Directors' report

The directors of Cooks Global Foods Limited are pleased to present to shareholders the Annual Report and financial statements for Cooks Global Foods Limited and its controlled entities (together the "Group") for the year ended 31 March 2016.

The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 31 March 2016 and their financial performance and cash flows for the year ended on that date.

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

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

- The major share transaction approved at a special meeting of shareholders of the Company on 20th November 2016. This involved the largest shareholder of the Company selling its shareholding in equal parts to Shandong Jiajiayue Investment Holding Co. Limited (JJY) and Cooks Investment Holdings Limited (CIHL). JJY is a substantial Chinese business group involved in supermarkets and retailing in Shandong Province in China, as well as being a joint venture partner in the development of Esquires Coffee Houses in that province. CIHL is a company led by Keith Jackson that represents a number of strategic investors, Company senior managers and Esquires Franchisees.
- Shareholders also approved at the special meeting the sale of $9 million of new shares at an issue price of $0.128 cents each to JJY and CIHL split equally between them. Additionally shareholders authorised the Board to raise further new capital of up to $9 million of new shares at an issue price of $0.128 in the near future.
- The major share transaction was completed on 19th January 2016.
- The Company signed master franchise agreements with commitments to open new stores in Egypt and Jordan.
- The company signed a joint venture agreement with Shenzhen listed company Bubugao (BBG) for the province of Hunan in China. Cooks owns 51% of the Joint Venture entity.
- The establishment of a 50/50 Joint Venture trading company initially called Shandong Trading but renamed Crux Trading to develop two-way trade between New Zealand and China with special focus on sourcing consumer products from New Zealand for the Jiajiayue Group.

Going Concern

The auditors have noted the ongoing need for sufficient cash flows from the funding initiatives the Company is currently undertaking. Whilst they do not disagree with the going concern basis of the preparation of the financial statements, they have not been able to obtain sufficient appropriate audit evidence to determine the viability of the funding initiatives and related assumptions. In this regard, they have therefore been unable to express an opinion on the financial statements given that the use of the going concern assumption is both material and pervasive to the financial statements as a whole. The auditors have therefore issued a disclaimer of opinion.

The directors consider that using the going concern assumption is appropriate having reviewed the business plan, the directors intentions to deliver the plan and cash flow projections of the Group which are based on a number of key assumptions. Among these include the conditional agreement from two substantial shareholders to provide a convertible loan facility of $2 million in total to the Company. Funds have already been advanced to the Company in respect of this facility subsequent to the approval of the financial statements.

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 Financial Statements.

Donations & Audit Fees

The Group made no donations during the past year. Amounts paid to PwC for audit and other services are shown in note 22 of the Financial Statements.

Other Statutory Information

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

The directors present the financial statements set out in pages 20-60, of Cooks Global Foods Limited and subsidiaries for the period 1 April 2015 to 31 March 2016.

The Board of Directors of Cooks Global Foods Limited authorised these financial statements for issue on 18 July 2016.

G. K. Jackson

Keith Jackson

Executive Chairman

Andrew Kerslake

Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2016

	Notes	31-Mar 2016 $'000	31-Mar 2015 $'000
Revenue	7	**12,436**	8,931
Other income		**318**	271
Cost of inventories sold		**(4,443)**	(2,856)
Depreciation and amortisation	9,8.2	**(417)**	(427)
Impairment of intangible assets	8.1	**(501)**	(430)
Property related costs		**(543)**	(892)
Employee costs	16	**(5,747)**	(3,100)
Other expenses	17	**(8,506)**	(5,699)
Operating loss		**(7,403)**	(4,202)
Finance costs	20	**(510)**	(217)
Loss before income tax		**(7,913)**	(4,419)
Income tax expense	21	**(29)**	-
Loss for the year		**(7,942)**	(4,419)
Loss attributable to:			
- Shareholders of the parent		**(7,877)**	(4,419)
- non-controlling interests	6	**(65)**	-
		(7,942)	(4,419)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Change in foreign currency translation reserve		**(16)**	11
Other comprehensive income after tax		**(16)**	11
Total comprehensive loss for the year		**(7,958)**	(4,408)
Attributable to:			
- Shareholders of the parent		**(7,893)**	(4,408)
- non-controlling interests	6	**(65)**	-
		(7,958)	(4,408)
Loss per share:			
Basic loss per share (New Zealand Dollars):	15	**(2.25)**	(1.55)
Diluted loss per share (New Zealand Dollars):	15	**(2.25)**	(1.55)

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

Consolidated Statement of Changes in Equity
For the year ended 31 March 2016

		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
Restated balance at 1 April 2014		15,709	-	(14,733)	976	-	976
Comprehensive loss for the year							-
Loss for the year		-	-	(4,419)	(4,419)	-	(4,419)
Other comprehensive income							
Items that may be subsequently reclassified to profit or loss:							
Change in foreign currency translation reserve		-	11	-	11		11
Total comprehensive income/(loss) for the year		-	11	(4,419)	(4,408)	-	(4,408)
Transactions with owners of the Company							
Issue of ordinary shares		11,866	-	-	11,866	-	11,866
Share issue expenses		(39)	-	-	(39)	-	(39)
Total contributions by owners of the Company	15	11,827	-	-	11,827	-	11,827
Balance at 31 March 2015		27,536	11	(19,152)	8,395	-	8,395
Restated 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	15	**8,836**	**-**	**-**	**8,836**	**-**	**8,836**
Non-controlling interest arising on business formation		**-**	**-**	**-**	**-**	**374**	**374**
Balance at 31 March 2016		**36,372**	**(5)**	**(27,029)**	**9,338**	**309**	**9,647**

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

Consolidated Statement of Financial Position
As at 31 March 2016

	Notes	31-Mar 2016 $'000	Restated 31-Mar 2015 $'000
Assets			
Current Assets			
Cash and cash equivalents	14	**1,032**	4,710
Trade and other receivables	12	**4,635**	1,255
Inventories	11	**828**	1,013
Other current assets	12	**3,302**	1,865
Assets classified as held-for-sale	13	**-**	305
Current tax assets		**4**	26
Current Assets		**9,801**	9,174
Non-Current Assets			
Intangible assets	8	**9,575**	10,265
Property, plant and equipment	9	**1,476**	1,105
Deferred tax assets		**(29)**	-
Other non-current financial assets		**129**	29
Non-current assets		**11,151**	11,399
Total Assets		**20,952**	20,573
Liabilities			
Current Liabilities			
Trade and other payables	18	**6,042**	2,950
Bank overdraft	14	**1,807**	1,198
Current tax liabilities		**16**	18
Borrowings and other liabilities	19	**2,178**	7,202
Current liabilities		**10,043**	11,368
Non-Current Liabilities			
Borrowings and other liabilities	19	**1,262**	810
Non-current liabilities		**1,262**	810
Total Liabilities		**11,305**	12,178
Net Assets		**9,647**	8,395
Equity			
Share capital	15	**36,372**	27,536
Accumulated losses		**(27,029)**	(19,152)
Foreign currency translation reserve		**(5)**	11
Equity attributable to owners of the parent		**9,338**	8,395
Non-controlling interests	6	**309**	-
Total equity		**9,647**	8,395

G. K. Jackson

Director

Director

This statement should be read in conjunction with the notes to the financial statements
The financial statements were approved for issue for and on behalf of the Board as at 18 July 2016.

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	31-Mar 2016 $'000	31-Mar 2015 $'000
Operating activities			
Cash was provided from:			
Receipts from customers		**12,421**	8,771
Cash was applied to:			
Interest cost		**(237)**	(174)
Payments to suppliers & employees		**(18,315)**	(10,596)
Net cash applied to operating activities	23	**(6,131)**	(1,999)
Investing activities			
Cash was applied to:			
Sale of Assets classified as held-for-sale		**305**	-
Sale/(Purchase) of property, plant and equipment		**(291)**	(260)
Acquisition of intangible assets		**-**	(255)
Acquisition of subsidiaries or investment in joint ventures		**(605)**	(1,955)
Net cash from/(applied) to investing activities		**(591)**	(2,470)
Financing activities			
Cash was provided from:			
Proceeds from borrowings		**484**	(294)
Proceeds from share issue		**3,473**	7,971
Cash was applied to:			
Repayment of loans		**(1,522)**	-
Net cash provided from financing activities		**2,435**	7,677
Net increase in cash and cash equivalents held		**(4,287)**	3,208
Cash & cash equivalents at beginning of the year		**3,512**	293
Effect of exchange rate changes on foreign currency balances		**-**	11
Cash & cash equivalents at end of the year		**(775)**	3,512
Composition of cash and cash equivalents:			
Bank balances	14	**1,032**	4,710
Overdraft balances	14	**(1,807)**	(1,198)
		(775)	3,512

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

1. Nature of operations

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

2. General information and statement of compliance

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

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

The consolidated financial statements comprise the Company and its subsidiaries (together the "Group") and the comparative financial period is for the year ended 31 March 2016.

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

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

The consolidated financial statements for the year ended 31 March 2016 (including restated comparatives) were approved and authorised for issue by the board of directors on 18 July 2016.

3. Summary of accounting policies

3.1. *Going concern*

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

3.2. Overall considerations

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

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

3.3. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been approved but are not yet effective and have not been adopted by the Group for the year ended 31 March 2016. The adoption of these standards and interpretations is not expected to have a material recognition or measurement impact on the Group's financial statements. These will be applied when they become mandatory. The significant standards are:

NZ IFRS 9: Financial Instruments
NZ IFRS 9: 'Financial Instruments' was issued in September 2014 as a complete version of the standard. NZ IFRS 9 replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments, hedge accounting and impairment. NZ IFRS 9 requires financial assets to be classified into two measurement categories; those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating the impairment of financial assets. The 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 has not yet assessed NZ IFRS 9's full impact.

NZ IFRS 15: Revenue from Contracts with Customers
NZ IFRS 15 addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in NZ IAS 18: Revenue and NZ IAS 11: Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This standard is effective for periods beginning on or after 1 January 2018.The Group has no intention for an early adoption of the new standard. The Group has not yet assessed NZ IFRS 15's full impact.

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 and has yet to assess its full impact.

3.4. Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 March 2016. The Group controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 March with the exception of Beijing Esquires Management Co. Limited that has a reporting date of 31 December to align with Chinese regulatory and taxation requirements.

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

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

3.5. Business combination

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

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

Identification and valuation of intangible assets acquired

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

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

3.6. Investments in associates and joint ventures

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

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

Investments in associates and joint ventures are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.
Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

3.7. Foreign currency translation

Foreign currency transactions and balances

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

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

Foreign operations

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

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

3.8. Revenue

Goods sold

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

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

Royalty income

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

Other revenue

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

Interest and dividend income

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

3.9. Operating expenses

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

3.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs' (see Note 20).

3.11. Goodwill

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

3.12. Other intangible assets

Recognition of other intangible assets

Acquired intangible assets

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

Subsequent measurement

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

- Software: 3-5 years

- Trademarks: 15-20 years
- Reacquired rights: 10 - 40 years

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

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

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

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

3.13. Property, plant and equipment and computer software

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

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

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

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

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

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

Operating leases

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

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

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

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

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

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

3.15.Financial instruments

Classification

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

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

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

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (see Note 12 and 14).

Recognition and measurement

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

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

3.16.Inventories

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

3.17.Income taxes

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

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

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

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

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

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

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

3.18.Cash and cash equivalents

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

3.19.Equity, reserves and dividend payments

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

Other components of equity include the following:

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

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

3.20.Employment benefits

Defined contribution plans

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

Short-term employee benefits

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

3.21.Provisions, contingent liabilities and contingent assets

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

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

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

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

3.22. Goods and Services Tax (GST)

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

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

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

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

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions (see Note 21).

Impairment testing of intangible assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 8).

Business combinations

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

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 12 and 28.2).

4. Going Concern

The Group reported a loss of $7,942,000 (2015: $4,419,000) and operating cash outflows of $6,131,000 (2015: $1,999,000) for the year ended 31 March 2016. As at 31 March 2016 the Group has reported net assets of $9,647,000 and net current liabilities of $242,000.

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

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 financial statements for the year ended 31 March 2016 to be appropriate.

The Board of Directors has reached this conclusion having regard to circumstances which it considers likely to affect the Company and Group during the period of at least one year from July 2016, and to circumstances which it considers will occur after that date which will affect the validity of the going concern assumption. The key considerations are set out below:

- The financial strength gained from the new substantial security holders joining the register in January 2016 as a result of the major share transactions (refer Note 15).
- The development of key strategic business relationships in China and the opportunity of similar relationships being developed in other markets, most notably the Middle East and the United States of America.
- Funding opportunities arising from these new shareholders and strategic business relationships.
- Continued group sales growth and improvement in performance noting the business is in growth mode and moving steadily towards a breakeven position in an industry that is showing sales growth in all the markets we operate or are intending to operate or are intending to operate in.

The Board of Directors has reviewed the operating and cash flow forecasts prepared by management that covers a period of at least one year from July 2016. The directors have obtained sufficient satisfaction to believe that during this period there will be adequate cash flows generated from operating activities and/or sufficient cash from the injection of further funds or borrowing facilities available to meet the cash flow requirements of the Company and Group. The key assumptions made in preparing these forecasts are as follows:

- Growth in store numbers in existing markets in line with budgeted projections particularly in China and the United Kingdom.
- Market development and the establishment of coffee stores in the United States.
- Revenue growth across the existing store network.
- Injection of further funds, as noted below.

The directors are aware from their review of forecast operating and cash flow projections that over the coming months to 31 October 2016 the Group is in immediate need of the injection of further funds of between $2 million and $4 million. The Board believes the plans they have in place and intentions to execute these plans to meet this need are sufficient to prepare the financial statements using the going concern assumption. These plans include:

- The commitment of two shareholders to loan $2 million in total to the Company under a conditional convertible note agreement dated 1 July 2016. The loan bears interest at

11.25% and is repayable or convertible into ordinary shares by 31 March 2017, at the option of the lenders.
- Receipt of remaining amounts outstanding of $2.8 million by 30 September 2016 from related company Cooks Investment Holdings Limited from the share underwrite agreement.
- Renegotiation of the repayment of loan commitments falling due during the period July to October 2016 and as necessary for the remainder of the forecast period.
- Delaying capital projects until funds from equity raising are confirmed.

The outcome of these plans and impact on underlying operating and cash flow projections are materially uncertain. Management and the Board of Directors have identified further material uncertainties in relation to the events and conditions associated with the key assumptions underlying the operating and cash flow projections as follows:

- Achievement of budgeted growth in store numbers across the network. Uncertainties are driven by such factors as the availability of interested and quality store operators with the necessary start-up funds; the ability to source appropriate store sites with adequate covenants; delays which result in longer lead times to open new stores; counterparty default risk; and the strength of operational relationships with joint venture partners.
- The extent of store revenue growth in existing stores is dependent on the local market operating environment, general economic conditions as well as overall coffee café market growth.
- Forecasting sales and revenue growth, including master franchise sales into new regions and growth in the sale of products for the Group's supply companies, especially in a developing business is inherently uncertain.
- The plans for continued investment in new product development, in resources to enter new markets and to grow in existing markets are reliant on the Group successfully raising new capital.
- The impact of adverse and unanticipated environmental and economic conditions on sales performance especially in respect of the Group's supply companies.
- The retention of key employees of the Group.

Management and the Board of Directors have the following plans to deal with the events or conditions giving rise to the material uncertainties:

- The sale of non-core businesses;
- Continued implementation of cost saving measures;
- Alternative capital raising options which may be available to the Group, including initiatives with strategic business partners and/or substantial security holders;
- The sale of individual business units able to be readily separated out from the Group that are regarded as core assets but with lower growth opportunities;
- Securing new borrowing facilities potentially underwritten by strategic business partners or substantial security holders.

Management and the Board of Directors consider these plans to be feasible, however, some of these courses of action, if adopted, may adversely impact on revenue growth, profitability and the carrying value of certain assets and may be insufficient to sustain the Group in the medium term.

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

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

5. Acquisition of Beijing Esquires Management Co. Limited

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

As the acquisition occurred in close proximity to the 2015 year end, the fair value assessment of the assets and liabilities acquired, including intangible assets was not yet complete, resulting in all intangible assets acquired to have been recorded as Goodwill and the amounts below as provisional as at 31 March 2015. Management have reassessed the fair value estimations of the assets and liabilities acquired, including intangible assets for the year ended 31 March 2016 and the adjustment to Goodwill has been reflected in the amounts below.

The comparative Statement of Financial Position has been restated to reflect the final determination of the fair value of assets and liabilities acquired. The consideration for the purchase of 100% of the shares of Beijing Esquires Management Co. Limited comprised:

	Note	**Final Purchase Price Allocation 31-Mar 2015 $'000**	**Preliminary Purchase Price Allocation 31-Mar 2015 $'000**
Consideration paid			
- Cash		**2,030**	2,030
Total		**2,030**	2,030
Recognised amounts of identified net assets:			
Trade and other receivables		**941**	941
Inventories		**760**	760
Cash & cash equivalents		**582**	582
Prepayments		**1,267**	1,267
Fair value adjustment on interest free loan		**164**	-
Total current assets		**3,714**	3,550
Property, plant and equipment		**356**	356
Intangible assets		**362**	362
Reacquired rights		**1,465**	-
Total non-current assets		**2,183**	718
Trade payables		**858**	858
Accruals and other payables		**603**	603
Total current liabilities		**1,461**	1,461
Term liabilities		**7,122**	7,122
Total non-current liabilities		**7,122**	7,122
Net liabilities acquired		**(2,686)**	(4,315)
Goodwill on Acquisition	8	**4,716**	6,345
Cash Flow Effect:			
Consideration settled in cash		**2,030**	2,030
Cash and cash equivalents acquired		**(582)**	(582)
Net cash outflow on acquisition		**1,448**	1,448

The following line items have been restated:

	31-Mar 2015 $'000
Other current assets	164
Intangible assets	(164)

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

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

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

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

	2015 $'000
Revenue	3,259
Operating loss	(1,506)

6. Interests in subsidiaries
Composition of the Group

Principal subsidiaries	Country	% Holding 2016	2015	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**	-	Food and beverage
Shandong Esquires Management Co Limited	China	**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**	-	Name protection
Esquires Coffee Houses Ireland Limited	Ireland	**100**	100	Food and beverage
Esquires Property Limited	Ireland	**100**	-	Store Lease Holding
Cooks Supply Group Limited	NZ	**100**	100	Holding Company
Esquires Asia Limited	NZ	**100**	100	Name protection
Esquires Bahrain Limited	NZ	**100**	100	Master Licence Agreement
Esquires Canada IP Limited	NZ	**100**	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**	-	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 Port Denarau Marina Limited	NZ	**100**	100	Name protection
Esquires Qatar Limited	NZ	**100**	100	Master Licence Agreement
Esquires Saudi Arabia Limited	NZ	**100**	100	Master Licence Agreement
Esquires Turkey Limited	NZ	**100**	100	Master Licence Agreement
Esquires U.A.E. Limited	NZ	**100**	100	Master Licence Agreement
Esquires UK 1 Limited	NZ	**100**	100	Master Licence Agreement
Franchise Development Limited	NZ	**100**	100	Master Franchisor
Franchise Holdings NZ Limited	NZ	**100**	100	Holding Company
Franchise Management NZ Ltd	NZ	**100**	100	Name protection
LSD Global Limited	NZ	**100**	100	IP Holding Company
Progressive Processors Limited	NZ	**100**	100	Fresh Produce
Scarborough Fair Limited	NZ	**100**	100	Beverage Products

7. Revenue

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

	Note	31-Mar 2016 $'000	31-Mar 2015 $'000
Sale of Beverage product		**2,003**	1,431
Sale of Kiwifruit and Asparagus produce		**1,382**	2,267
Sale of goods		**3,385**	3,698
Royalties		**1,048**	1,944
Owned Coffee House revenue		**4,396**	1,816
Fees and other revenue		**3,607**	1,473
Rendering of services		**9,051**	5,233
Group revenue	25	**12,436**	8,931

8. Intangible Assets

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

8.1. Goodwill

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

	31-Mar 2016 $'000	Restated 31-Mar 2015 $'000
Gross carrying amount		
Balance 1 April - Restated (Note 5)	**5,217**	931
Arising from business acquisitions (Note 5)	**-**	4,716
Impairment charge for the year	**(501)**	(430)
Carrying amount at 31 March	**4,716**	5,217

An impairment charge of $478,000 recognised for the year 31 March 2016 (2015: $430,000) relates to impairment of Goodwill in the Supply segment. The impairment charge related to the Scarborough Fair and Progressive Processors CGU's 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 31 March 2016 (2015: nil) relating to impairment of Goodwill in the Global franchising and design segment.

The goodwill arising of $6,345,000 at 31 March 2015 related to the acquisition of Beijing Esquires Management Co. Limited and was provisional subject to the group assessment of the fair value of the assets and liabilities acquired. At 31 March 2016, the goodwill arising on the acquisition was determined to be $4,642,000 following the group assessment of the fair value of the assets and liabilities acquired. Refer Note 5.

Goodwill is allocated as follows:

	Note	31-Mar 2016 $'000	31-Mar 2015 $'000
Carrying amount			
Supply		-	478
Global franchising & design		-	23
Esquires China - Restated (Note 5)	5	**4,716**	4,716
		4,716	5,217

The recoverable amount of the China CGU has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rate does not exceed the long-term average growth rate for the coffee business in which the CGU operates.

The key assumptions for the China CGU are as follows:

- Long term Growth rate: 7.0%
- Pre-tax discount rate: 15.35%
- Revenue growth based on forecast growth in store numbers using average per store revenue from the existing network.
- Operational costs as a percentage of sales based on industry standards, with an expectation of rising net profit percentages over the five-year period.

The recoverable amount is materially dependent on certain of the key assumptions disclosed in Note 4, in particular sufficient capital and/or facilities being made available and growth in new stores and same store sales.

8.2. Other intangible assets

	31-Mar 2016 $'000	31-Mar 2015 $'000
Trademarks		
Gross carrying amount		
Balance 1 April	**1,923**	1,333
Arising from business combinations (Note 5)	**-**	362
Additions	**-**	228
Disposals	**(84)**	-
Carrying amount at 31 March	**1,839**	1,923
Re acquired Rights		
Gross carrying amount		
Balance 1 April - Restated (Note 5)	**3,125**	1,742
Arising from business combinations (Note 5)	**-**	1,465
Additions	**20**	-
Amortisation charge for the year	**(125)**	(82)
Carrying amount at 31 March	**3,020**	3,125
Total other intangibles	**4,859**	5,048
Total intangible assets	**9,575**	10,265

9. 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 2014	520	553	24	19	-	1,116
Additions	3	157	34	5	-	199
Acquisition through business combination	103	175	49	4	-	331
Disposals	-	(25)	-	-	-	(25)
Balance at 31 March 2015	626	860	107	28	-	1,621
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**
Accumulated depreciation						
Balance at 1 April 2014	(115)	(44)	(8)	(4)	-	(171)
Depreciation	(10)	(299)	(13)	(24)	-	(346)
Balance at 31 March 2015	(125)	(343)	(21)	(28)	-	(517)
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)**
Carrying amounts						
At 1 April 2014	405	509	16	15	-	945
At 31 March 2015	501	517	86	-	-	1,105
At 31 March 2016	**212**	**1,075**	**109**	**18**	**62**	**1,476**

10. Leases

10.1. Operating leases as Head Lessee

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

The future minimum lease payments are as follows:

	Minimum lease payments due			
	Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
31 March 2016	**3,871**	**9,447**	**4,374**	**17,692**
31 March 2015	3,857	10,337	4,884	19,078

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 $356,000 (2015: $491,000) representing the minimum lease payments.

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

10.2.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	**1 to 5 years**	**After 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31 March 2016	**2,623**	**6,116**	**4,028**	**12,767**
31 March 2015	2,710	6,473	4,061	13,244

	Minimum lease income due			
	Within 1 year	**1 to 5 years**	**After 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31 March 2016	**2,623**	**6,116**	**4,028**	**12,767**
31 March 2015	2,710	6,473	4,061	13,244

11. Inventories

	31-Mar 2016 $'000	**31-Mar 2015 $'000**
Raw materials and consumables	**552**	83
Finished goods	**276**	930
	828	1,013

12. Trade and other receivables

Trade and other receivables consist of the following:

	31-Mar 2016 $'000	**31-Mar 2015 $'000**
Trade and other receivables		
Trade receivables	**1,894**	1,460
Less: provision for impairment of trade receivables	**(393)**	(205)
	1,501	1,255
Cooks Investment Holdings Limited receivable (Note 24)	**3,134**	-
Net trade receivables	**4,635**	1,255
Other current assets (restated)		
Prepayments	**2,237**	1,265
Other short-term assets	**1,065**	600
Other current assets	**3,302**	1,865
Total trade and other receivables	**7,937**	3,120

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 $393,000 (2015: $205,000).

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

	31-Mar 2016 $'000	31-Mar 2015 $'000
Current	**785**	455
31 to 60 days	**183**	171
61 to 90 days	**168**	39
> 90 days	**758**	795
Total	**1,894**	1,460

13. Assets held for sale

The Company's 45% investment in Dairyland Products Limited was sold during the year on 1 August 2015 for the carrying value of $305,000. The Directors reclassified this investment as held-for-sale during the year ended 31 March 2015 as the Directors no longer saw this investment as core to the business operations.

14. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31-Mar 2016 $'000	31-Mar 2015 $'000
Cash at bank and in hand:		
NZD	**499**	152
AUD	**11**	2
EUR	**62**	126
YUAN	**329**	4,155
GBP	**131**	275
USD	**-**	-
Cash and cash equivalents	**1,032**	4,710
Bank Overdraft NZD (Current Liability)	**(1,807)**	(1,198)
Net Cash and cash equivalents	**(775)**	3,512

There are no restrictions on the cash and cash equivalents. At 31 March 2015 there was a restriction of ¥8,000,000 (NZD $1,727,489) to remain in China for the sole purpose of working capital in that business and could not be used to reduce Group debt or funding.

The company has an overdraft of $1,807,000 (2015: $1,198,000). This is unsecured. The overdraft facility limit is $2,000,000. Interest is payable at a variable rate based on the ANZ Business Bank Indicator Rate (BBIR).

15. Equity
15.1.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. All shares are equally eligible to receive dividends and the repayment of capital.

Composition of share capital	**2016**	**2015**
Number of Shares issued and fully paid:	**No. of Shares**	**No. of Shares**
Ordinary shares opening balance	338,353,651	244,916,009
Ordinary shares issued	74,312,500	93,437,642
Total ordinary shares authorised at 31 March	**412,666,151**	338,353,651

Composition of share capital	**2016**	**2015**
Value of Shares issued and fully paid:	**$'000**	**$'000**
Ordinary shares opening balance	27,536	15,709
Ordinary shares issued less share issue expenses	8,836	11,827
Total ordinary shares authorised at 31 March	**36,372**	27,536

At a special shareholder meeting of Cooks Global Foods Limited on 20 November 2015 it was agreed:

- That the largest shareholder of CGF would sell its shareholding in equal parts to Shandong Jiajiayue Investment Holding Co. Limited (JJY) and Cooks Investment Holdings Limited (CIHL) - a company led by Keith Jackson that represents a number of strategic investors, CGF senior managers and Esquires franchisees.
- JJY and CIHL would subscribe for $9 million of new shares in CGF at an issue price of $0.128 per share.
- the Board of CGF was further authorised to offer up to $9 million of new shares in CGF at an issue price of $0.128 per share.

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 2016 $3,133,700 was owing to CGF under the terms of this agreement.

15.2.Loss per share

The calculation of basic loss per share for the year ended 31 March 2016 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 2016 was based on the weighted average number of ordinary shares on issue adjusted to assume conversion of all dilutive potential ordinary shares. The difference between weighted average number of shares used to calculate basic and diluted earnings per share represents share options outstanding.

	Group 2016 $	Group 2015 $
Weighted average ordinary shares issued	**353,012,555**	285,084,176
Weighted average potentially dilutive options issued	**-**	10,000,000
Basic loss per share (cents)	**(2.25)**	(1.55)
Diluted loss per share (cents)	**(2.25)**	(1.55)

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

Under the terms of the acquisition of Scarborough Fair, an option to purchase 10,000,000 shares at 17.5 cents per share was granted to the vendor. The option was exercisable on or before 17 April 2015 and was not exercised and have accordingly lapsed. The value of this option at 31 March 2015 was determined to be nil.

16. Employee costs

Expenses recognised for employee costs are analysed below:

	31-Mar 2016 $'000	31-Mar 2015 $'000
Wages, salaries	**4,374**	2,867
Other staff costs	**1,373**	233
	5,747	3,100

17. Other costs

Expenses recognised as other costs are analysed below:

	31-Mar 2016 $'000	31-Mar 2015 $'000
Administration and other costs	**2,399**	2,567
Directors fees (Note 24)	**-**	160
Distribution costs	**3,772**	190
Management fees	**795**	540
Marketing costs	**469**	987
Professional and consulting services	**452**	582
Travel costs	**619**	673
	8,506	5,699

18. Trade and other payables

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

	31-Mar 2016 $'000	31-Mar 2015 $'000
Current		
- Trade payables	**3,740**	2,079
- Other payables	**2,302**	871
	6,042	2,950

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

19. Borrowings and other liabilities

	Current 2016 $'000	Non-Current 2016 $'000	Current 2015 $'000	Non-Current 2015 $'000
Short term finance loan	**500**	**-**	500	-
Related party loan (a)	**1,167**	**-**	5,464	-
Hire Purchase	**10**	**17**	8	17
Owing for business acqusitions	**234**	**-**	769	-
CVA Creditors (UK) (b)	**267**	**250**	461	277
Contingent earn-out for acquisition of net assets of Progressive Processors (c)	**-**	**-**	-	281
Contingent earn-out for acquisition of net assets of Esquires Coffee Houses Ireland (d)	**-**	**995**	-	235
	2,178	**1,262**	7,202	810

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

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

(c) The Contingent Earn Out for acquisition of net assets of Progressive Processors is based on the amount (whichever is the higher) equal to 3.5 times the audited net profit after tax (NPAT) of the Progressive business either for the year ended 31 March 2016; or the average over the years ended 31 March 2014, 2015 and 2016. Should the latter option be chosen, a share issue will occur in the first and second years based on 20% of the Earn Out amount for each year, with a full wash-up occurring in the final year. At 31 March 2016, there was no Contingent Earn Out for the acquisition payable.

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

	31-Mar 2016 $'000	31-Mar 2015 $'000
Currency borrowings and contingent consideration are demoninated in:		
NZD	**527**	806
GBP	**751**	1,507
YUAN	**1,167**	5,464
EUR	**995**	235
	3,440	8,012

	31-Mar 2016 $'000	31-Mar 2015 $'000
Interest rates payable		
Related party loan	0%	0%
Short term financing loan	12.5%	12.5%
Hire purchase	1% to 10%	1% to 10%

All borrowings are unsecured. The Group has no available undrawn facilities.
All facilities expiring within one year are subject to a review by the lenders. Refer Note 4.

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 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.

20. Finance costs and finance income

Finance costs for the reporting periods consist of the following:

	31-Mar 2016 $'000	31-Mar 2015 $'000
Finance charges	**232**	7
Interest on bank and other borrowings	**278**	210
	510	217

There were no fixed interest rate contracts outstanding at balance date (2015: nil).

21. 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 2016 $'000	31-Mar 2015 $'000
Loss before tax	**(7,913)**	(4,419)
Domestic tax rate for Cooks Global Foods Limited	**28%**	28%
Expected tax expense	**(2,216)**	(1,237)
Adjustment for tax-rate differences in foreign jurisdictions	**189**	106
Adjustment for non-deductible expenses:		
Relating to impairment of intangible assets		23
Other non-deductible expenses	**29**	590
Actual tax expense (income)	**(1,998)**	(518)
Tax expense comprises;		
Curent tax expense (income)	**(1,998)**	(518)
Deferred tax expense (income):		
- Origination and reversal of temporary differences	**29**	-
- Tax Losses not recognised	**1,998**	518
- Utilisation of unused Tax Losses	**-**	-
Tax expense	**29**	**-**

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

	31-Mar 2016 $'000	31-Mar 2015 $'000
New Zealand	**2,893**	2,464
United Kingdom	**1,473**	1,242
Ireland	**205**	198
China	**915**	146
	5,486	4,050

Available New Zealand imputation tax credits are nil (2015: nil).

At 31 March 2016 the Group has a deferred tax liability of $Nil. Deferred tax liabilities relating to reacquired rights in the UK, Ireland and China amounting to $919,000 (2015: $488,000) are offset by deferred tax losses in each of these countries. The majority of the above deferred tax assets and liabilities are not expected to crystallise within the next 12 months.

22. Auditor remuneration

The Auditor of the Group is PricewaterhouseCoopers (2015: PricewaterhouseCoopers).

	31-Mar 2016 $'000	31-Mar 2015 $'000
Audit of financial statements		
- Statutory Audit – PwC	**105**	135
- Overseas PwC network firms	**58**	50
- Other auditors	**27**	-
Remuneration from audit and review of financial statements	**190**	185

23. Reconciliation of cash flows from operating activities

	31-Mar 2016 $'000	31-Mar 2015 $'000
Loss after tax	**(7,942)**	(4,419)
Add non-cash items:		
Depreciation and amortisation	**417**	509
Share based payments	**748**	-
Provision for doubtful debt	**188**	205
Impairment of intangible assets	**501**	430
Warranty recoveries	**(222)**	-
Add/(Less) movements in working capital:		
Inventories	**185**	(715)
Trade and other receivables	**(58)**	(893)
Other short-term assets	**(1,110)**	(770)
Trade and other payables	**1,400**	1,981
Other liabilities	**(238)**	148
Net adjustment for opening balances of acquisitions during the year	**-**	1,525
Net cash flow applied to operating activities	**(6,131)**	(1,999)

24. 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.

Stuart Deeks and Lewis Deeks are directors of Franchise Management Services Limited.

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

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

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

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

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

	31-Mar 2016 $'000	31-Mar 2015 $'000
Cooks Investment Holdings Limited	**103,330,705**	-
Shandong Jiajiayue Investment Holding Co. Limited	**103,330,704**	-
Yunnan Metropolitan Construction Investment Group Co Ltd	**53,290,600**	-
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**	5,197,221
DSL Management Limited	**5,000,000**	137,348,909
Neil Butler	**2,500,000**	2,500,000
Tasman Capital Limited	**2,362,780**	2,362,780
Maretha McVerry	**1,240,093**	1,240,093
Lighthouse Ventures Holdings Limited	**455,533**	455,533
Norah Barlow	**-**	307,692
Mike Hutcheson	**-**	367,671

24.1.Transactions with related parties

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

	31-Mar 2016 $'000	31-Mar 2015 $'000	Nature of transactions
Image Centre Limited	**84**	35	Creative Service Provider
Light House Ideas Company	**57**	-	Creative Service Provider
Franchise Manager Services Limited	**-**	345	Management services
Jackson & Associates	**217**	180	Management services
Meyerside Limited	**-**	40	Directors fees
Zealpac Limited	**-**	57	Management services
Cooks Investment Holdings Limited	**3,133**	-	Shares Issued

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

24.2.Balances outstanding with related parties

	31-Mar 2016 $'000	31-Mar 2015 $'000
Image Centre Limited	**-**	1
Jackson & Associates	**4**	86
Cooks Investment Holdings Limited (1)	**3,133**	-
Beijing Yunnan Building Hotel Co Ltd.	**1,167**	5,464

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 2016 $3,133,700 was owing to CGF under the terms of this agreement.

24.3.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 2016 $'000	31-Mar 2015 $'000
Directors fees	**-**	160
Salaries,wages and contractor payments	**1,036**	676
	1,036	836

25. Segment reporting

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

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

Segment information for the reporting period is as follows:

31 March 2016 **Global operational splits**	**Global franchising & design $'000**	**UK franchising & retail $'000**	**Ireland franchising & retail $'000**	**China franchising & retail $'000**	**Supply $'000**	**Corporate $'000**	**Total $'000**
Revenue	**3,150**	**1,773**	**594**	**4,894**	**2,025**	**-**	**12,436**
Other income	**-**	**16**	**-**	**14**	**285**	**3**	**318**
Cost of inventories sold	**(408)**	**(285)**	**-**	**(2,332)**	**(1,418)**	**-**	**(4,443)**
Depreciation and amortisation	**(17)**	**(90)**	**(31)**	**(124)**	**(139)**	**(16)**	**(417)**
Impairment of intangible assets	**-**	**-**	**-**	**-**	**(478)**	**(23)**	**(501)**
Other expenses	**(2,815)**	**(2,630)**	**(1,135)**	**(5,269)**	**(714)**	**(2,233)**	**(14,796)**
Operating loss	**(90)**	**(1,216)**	**(572)**	**(2,817)**	**(439)**	**(2,269)**	**(7,403)**
Non-current assets							
Intangible assets	**107**	**1,043**	**530**	**5,935**	**478**	**1,482**	**9,575**
Property, plant and equipment	**37**	**86**	**9**	**726**	**520**	**98**	**1,476**

31 March 2015 **Global operational splits**	**Global franchising & design $'000**	**UK franchising & retail $'000**	**Ireland franchising & retail $'000**	**China franchising & retail $'000**	**Supply $'000**	**Corporate $'000**	**Total $'000**
Revenue	2,029	3,201	527	1,022	2,152	-	8,931
Other income	30	190	27	-	20	4	271
Cost of inventories sold	(396)	(584)	-	(446)	(1,430)	-	(2,856)
Depreciation and amortisation	(17)	(278)	(26)	-	(96)	(10)	(427)
Impairment of intangible assets	-	-	-	-	(430)	-	(430)
Other expenses	(1,742)	(3,220)	(712)	(1,161)	(720)	(2,136)	(9,691)
Operating loss	(96)	(691)	(184)	(585)	(504)	(2,142)	(4,202)
Non-current assets							
Intangible assets	107	1,099	561	6,538	478	1,482	10,265
Property, plant and equipment	54	171	-	331	522	27	1,105

26. Contingencies

Contingent Liabilities

From time to time the Group receives claims. The Directors do not believe that any of these claims will result in a successful claim against CGF (2015: $nil). Accordingly, no provision has been recognised (2015: $nil).

27. Capital commitments

There were no capital commitments as at 31 March 2016 (2015: $nil).

28. 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.

28.1. Market risk

Foreign Currency Risk

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

The below tables show the impact on pre-tax loss for the year, if the major currencies that the 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 2016	NZD +10% Profit/Equity	NZD -10% Profit/Equity	Carrying amount at 31 March 2015	NZD +10% Profit/Equity	NZD -10% Profit/Equity
GBP cash	**131**	**10**	**(12)**	275	28	(28)
GBP accounts reveivable	**592**	**54**	**(66)**	649	65	(65)
GBP accounts payable	**(2,300)**	**209**	**(256)**	(1,368)	(137)	137
Total GBP		**273**	**(334)**		(44)	44
EURO cash	**62**	**1**	**(1)**	126	13	(13)
EURO accounts reveivable	**129**	**12**	**(14)**	94	9	(9)
EURO accounts payable	**(539)**	**49**	**(60)**	(225)	(23)	23
Total EURO		**62**	**(75)**		(1)	1
AUD cash	**11**	**1**	**(1)**	2	-	-
AUD accounts reveivable	**51**	**5**	**(6)**	67	7	(7)
AUD accounts payable	**(5)**	**-**	**(1)**	(82)	(8)	8
Total AUD		**6**	**(8)**		(1)	1
YUAN cash	**329**	**12**	**(15)**	4,155	416	(416)
YUAN accounts reveivable	**373**	**34**	**(41)**	96	10	(10)
YUAN accounts payable	**(1,355)**	**123**	**(151)**	(971)	(97)	97
Total YUAN		**169**	**(207)**		329	(329)

Interest Rate Risk

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

	31-Mar 2016 Local currency $'000	31-Mar 2016 NZD Equivalent $'000	31-Mar 2015 Local currency $'000	31-Mar 2015 NZD Equivalent $'000
Cash bank and in hand:				
NZD	**499**	**499**	152	152
AUD	**10**	**11**	2	2
EUR	**37**	**62**	85	126
YUAN	**563**	**131**	19,243	4,155
GBP	**153**	**329**	139	275
Cash and cash equivalents		**1,032**		4,710
Bank overdraft EURO (Current liability)			-	-
Bank overdraft NZD (Current liability)	**(1,807)**	**(1,807)**	(1,198)	(1,198)
Short term financing	**(500)**	**(500)**	(500)	(500)
		(1,275)		3,012

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 $12,750 (2015: $30,000). 1% was chosen as a reasonable sensitivity given changeable interest rate markets.

28.2. 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 15 and 24. $3,133,700 is owing at 31 March 2016 (2015: Nil) under the terms of an underwrite agreement with CIHL for any unsubscribed shares in this investment vehicle. 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: $499,000 is deposited with a major NZ trading bank (2015: $152,000), $329,000 (2015: $275,000) with a major British trading bank, $62,000 (2015: $126,000) with a major Irish trading bank and $131,000 (2015: $4,155,000) with a major China trading bank.

28.3. 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 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**	**-**

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

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

28.4. Capital risk management

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

29. Financial instruments by category

2016

	Loans and receivables $'000	Total $'000
Assets as per balance sheet		
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 balance sheet			
Trade payables	-	3,740	3,740
Other payables	-	2,302	2,302
Bank overdraft	-	1,807	1,807
Contingent consideration	235	-	235
Borrowings and other liabilities	-	3,440	3,440
Total	235	11,289	11,524

2015

	Loans and receivables $'000	Total $'000
Assets as per balance sheet		
Trade and other receivables	1,255	1,255
Cash and cash equivalents	4,710	4,710
Total	5,965	5,965

	Liabilities at fair value through profit or loss $'000	Other financial liabilities at amortised cost $'000	Total $'000
Liabilities as per balance sheet			
Trade payables	-	2,079	2,079
Other payables	-	871	871
Bank overdraft	-	1,198	1,198
Contingent consideration	235	-	235
Contingent earn-out for acquisition of net assets of Progressive Processors	281	-	281
Borrowings and other liabilities	-	7,496	7,496
Total	516	11,644	12,160

30. 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 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

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

31. Post-reporting date events

Shandong Jiajiayue Investment Holding Co. Limited and Keith Jackson have both entered into conditional letters of support with CGF, by way of convertible loans. Each party has committed to $1m, being $2m in total of convertible loans. Interest is payable at 11.25%. The loans are repayable or convertible into ordinary shares at the lenders option between 31 October 2016 and 31 March 2017, subject to CGF having sufficient equity raised to allow CGF to repay the convertible loans.

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

Independent Auditors' Report
to the shareholders of Cooks Global Foods Limited

We were engaged to audit the consolidated financial statements of Cooks Global Foods Limited on pages 20 to 60 which comprise the consolidated Statement of Financial Position as at 31 March 2016, and the consolidated Statement of Profit and Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information. The Group comprises the Company and the entities it controlled at 31 March 2016 and from time to time during the financial year.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the company and any of its subsidiaries.

Basis for Disclaimer of Opinion
An audit would ordinarily involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected would ordinarily depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that fairly present the matters to which they relate 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 entity's internal control.

As disclosed in Note 4 to the financial statements, these financial statements have been prepared on a going concern basis, the validity of which depends on a number of assumptions as set out in Note 4 and includes the immediate and ongoing need for the Group to generate sufficient cash flows from various funding initiatives. We have been 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.

Independent Auditors' Report

Cooks Global Foods Limited

These financial statements do not include any adjustments that may need to be made to reflect the situation should the Company and Group be unable to continue as a going concern. Such adjustments may include assets being realised at other than the amounts currently recorded in the balance sheet. In addition, the Company and Group may have to provide for further liabilities that might arise and to reclassify certain non-current assets and liabilities as current.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements on pages 20 to 60.

Restriction on Distribution or Use

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

PricewaterhouseCoopers

PricewaterhouseCoopers Auckland
18 July 2016

Directors Relevant Interests in Company Securities as at 31 March 2016

Substantial Security Holder	**Shares Held**
ADG Investments Limited1[1]	42,199,758
Graeme Keith Jackson, Patricia Frances Jackson & Philip Mack Picot	37,173,719
Mike Hutcheson	367,671
Total Number of Shares on Issue:	**79,741,148**

1 Graeme Lee and Andrew Kerslake are directors and beneficial shareholders of ADG Investments Limited

Director Dealings in Company Securities
There have been the following transactions in respect of Cooks Global Foods Limited (**CGF** or **Company**) securities by directors of the Company (**Directors**) in the 12 months ending 31 March 2016:

Director	**Dealings**
Mr. Graeme Keith Jackson, Mrs Patricia Frances Jackson and Mr. Philip Mack Picot as trustees of the Nikau Trust	• Mr. Jackson is the director of Cooks Investment Holdings Limited that purchased 35,156,250 ordinary shares in the Company.
Mr. Piehuan Wang	• Mr. Wang is the Chairman of Shandong Jiajiayue Investment Holding Co. Limited that purchased 35,156,250 ordinary shares in the Company.

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 2016 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

- Cooks Global Foods Limited

Peihuan Wang

- Cooks Global Foods Limited
- Crux Products Limited
- Weihai Station Limited

Spread of Quoted Security Holders as at 20 June 2016

RANGE	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBER	%
1-1,000	287	51.43	287,000	0.07
1,001-5,000	66	11.83	172,176	0.04
5,001-10,000	30	5.38	243,171	0.06
10,001-50,000	75	13.44	1,965,650	0.48
50,001-100,000	23	4.12	1,739,333	0.42
100,001 and over	77	13.80	408,258,821	98.93
TOTAL	**558**	**100.00**	**412,666,151**	**100.00**

20 Largest Holdings of Equity Securities
As at 20 June 2016:

Rank	Investor Name	Total Units	% Issued Capital
1	Cooks Investment Holdings Limited	103,330,705	25.04
2	Shandong Jiajiayue Investment Holding Co. Limited	103,330,704	25.04
3	Yunnan Metropolitan Construction Investment Group Co Ltd	53,290,600	12.91
4	Adg Investments Limited	42,199,758	10.23
5	Graeme Keith Jackson & Patricia Frances Jackson & Phillip Mack Picot	37,173,719	9.01
6	Yu Lei	12,582,300	3.05
7	Shu Xin Zhang & Jian Ming Zhou	7,027,100	1.7
8	Peter James Kirton	5,005,723	1.21
9	Dsl Management Limited	5,000,000	1.21
10	Emma Jane Waite	3,275,333	0.79
11	Real Action Group Limited	3,251,334	0.79
12	Just Cabins Limited	2,538,462	0.62
13	Neil Robert Butler & Kim Maree Green & Oac Trustees Limited	2,500,000	0.61
14	Tasman Capital Limited	2,362,780	0.57
15	Diana Elizabeth Christian & Sonya Marie Vujnovich	1,999,990	0.48
16	Michael Bruce Guthrie	1,897,152	0.46
17	Gerard Hall	1,600,000	0.39
18	Nadeel Limited	1,222,222	0.3
19	General Contracting & Franchising Company Llc	1,000,000	0.24
20	Trinity Portfolio Limited	908,500	0.22
		391,496,382	**94.87**

SUBSTANTIAL PRODUCT HOLDERS
The following information is provided in compliance with section 293 of the Financial Markets Conduct Act 2013 and is stated as at 31 March 2016. The total number of voting financial products of Cooks Global Foods Limited at that date was 412,666,151 and ordinary shares are the only such product on issue.

Holder Name	Number Ordinary Shares held	% Issued Capital
Yunnan Metropolitan Construction Investment Group Ltd	77,577,227	18.79

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 2016**	**Number of employees 2015**
130,000 – 139,999	**-**	1
140,000 – 149,999	**2**	2
160,000 – 169,999	**-**	1

DIRECTOR REMUNERATION AND OTHER BENEFITS

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

Name	**Directors' Fees**	**Executive Salary**
Andrew Malcolm Kerslake	-	-
Mike Hutcheson	-	-
Graeme Keith Jackson	-	180,000

Donations

No donations were made in the 12 month financial period ended 31 March 2016.

CORPORATE GOVERNANCE STATEMENT

ETHICAL STANDARDS

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

ROLE OF THE BOARD

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

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

BOARD COMPOSITION AND PERFORMANCE

The Board currently comprises of six Directors including the Chairman & Chief Executive Officer, Keith Jackson. Norah Barlow resigned as a Director in July 2015; Stuart Deeks and Lewis Deeks resigned as Directors in January 2016.

The Board met 6 times during the year on a formal basis. Two subcommittees, being the Audit and Remuneration Committees, were held outside these meetings on a regular basis as required.

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

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

REPORTING AND DISCLOSURE

The Board monitors:

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

Directors

Name	Status	Current/Resigned	Sub- committee membership	Attendance
Keith Jackson	*Chairman & CEO Executive*	Appointed 18/8/08	-	6
Andrew Kerslake	*Non-Executive*	Appointed 3/10/13	Audit & Risk	6
Mike Hutchenson	*Non-Executive Independent*	Appointed 3/10/13	Remuneration	5
Peihuan Wang	*Non-Executive Independent*	Appointed 29/4/16	-	-
Zhe Hui	*Non-Executive Independent*	Appointed 29/4/16	-	-

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

SECTION 10

Company number:	2089337
Year of incorporation:	2008
Registered office:	Level 5, 3 City Road Auckland 1010
Postal address:	P.O. Box 6570 Wellesley Street Auckland
Telephone:	+64 9 304 0567
Investors:	+64 21 702 509
Email	info@cooksglobalfoods.com
Directors:	Graeme (Keith) Jackson Peihuan Wang Hui Zhe Michael Hutcheson Andrew Kerslake
Solicitors:	Duncan Cotterill Wellington
Auditors:	PricewaterhouseCoopers Auckland
Bankers:	ANZ Bank, Auckland
Share registry:	Link Market Services Limited Level 11, Deloitte Centre 80 Queen Street Auckland 1010 Tel: +64 9 375 5998 Email: enquiries@linkmarketservices.co.nz Fax: +64 9 375 5990 Postal Address: P.O. Box 91976 Auckland 1142

Cooks Global Foods

Annual Report

YEAR ENDED 31 MARCH 2016

www.cooksglobalfoods.com