BURGERFUEL WORLDWIDE LIMITED ANNUAL REPORT 2014

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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ANNUAL REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2014

The directors of Burger Fuel Worldwide Limited (the Company) and its subsidiaries (the Group) are pleased to report an audited net profit after tax of $400,656 for the year ended 31 March 2014.

Group Operating Revenue is up 20.0% to $14.4M with BurgerFuel Total (unaudited) System Sales up 34.3% to a record $66.2M for the 12 month period.

It's been an intensely busy and very exciting year at the BurgerFuel Headquarters in NZ and also within each of the 5 countries where BurgerFuel restaurants are operating. The Group's organic growth continued throughout the period with the opening of a further 12 restaurants, representing a new restaurant every 4 weeks. Whilst this result was a solid improvement on the prior year, BurgerFuel management recognised the need for faster growth and accordingly a significant portion of 2013/14 was dedicated to achieving a major step change for the business. In January we announced the signing of an agreement with Franchise Brands LLC (the owners of SUBWAY®) as a major investor in Burger Fuel Worldwide Limited (BFW). The deal includes a collaboration agreement whereby BurgerFuel will access, under certain terms, the SUBWAY® system for franchise guidance and development opportunities. Since that deal was ratified in late February, BurgerFuel has been preparing the Company for rapid global growth, which is likely to commence in 2015, whilst in the meantime, continuing to steadily grow the markets in which we already operate.

RESULTS

Group Operating Revenue is up 20.0% to $14.4M with BurgerFuel Total (unaudited) System Sales up 34.3% to a record $66.2M for the 12 month period.

In line with our stated objectives and previous market guidance, net profit after tax in the period was $400,656 and whilst this was a reduction on the $1,098,294 net profit for the same period last year, it is in line with our earlier advice that FY14 would be a year of investment in people and projects, necessary to prepare the Company for future growth.

The results met the Directors' expectations for the period, given the investment that has occurred and also the senior management focus required to achieve the Franchise Brands LLC deal during the year. It is important for shareholders to note that there were no "one-off" new country master licence fees taken in this period (as opposed to the year before). Whilst this has affected short term profit, this was a strategic decision made by the Group for longer term interests, associated with the potential of the Franchise Brands LLC deal.

The 20.0% increase in Group Operating Revenue over the same period last year largely comprised long term, recurring royalties from existing and newly opened BurgerFuel restaurants. The 34.3% increase in BurgerFuel (unaudited) System Sales for the 12 month period represented a solid performance and again demonstrates BurgerFuel's growing popularity at a consumer level.

With the additional 12 new restaurants added between 1 April 2013 and 31 March 2014, against 8 in the same period last year, the total number of BurgerFuel restaurants operating as at 31 March 2014 was 56.

BFW RESULTS FOR THE PERIOD 1 APRIL 2013 TO 31 MARCH 2014

	31 March 2014	31 March 2013
	$000	$000
Revenue*	14,416	12,032
Expenses**	(13,908)	(10,718)
Net Profit Before Tax	508	1,314
Net Profit After Tax	401	1,098

* Revenue includes; Operating revenue & interest income.

** Expenses include; Operating expenses, depreciation, amortisation & interest expense.

Total (unaudited) System Sales Up 34.3% to $66.2M.

AUSTRALASIAN REGION

Sales (unaudited) across New Zealand & Australia (where only one BurgerFuel restaurant is currently operated in Sydney) have increased by 24.8%.

As well as opening new restaurants in the period, the Australasian business has also refurbished the interiors of 20 of its older restaurants adding more seating and new livery. BurgerFuel continues to prove its resilience in the face of changes in the wider burger category with increased competition from Carl's Jr. and aggressive pricing tactics between McDonald's and Burger King. Our constant sales increases confirm that BurgerFuel customers have overwhelmingly endorsed our higher brand tier and high quality position in the marketplace. More recently BurgerFuel has enhanced this position further by adopting 100% free range chicken and free range eggs across all its New Zealand restaurants.

We also received further consumer endorsement when we won our category's Customer Satisfaction Award at the recent Roy Morgan Customer Satisfaction Awards in March 2014. This is the top award for service among the major NZ restaurant chains.

The opening of our Christchurch store was hugely successful and from this South Island beachhead we will bring our "Mainlanders" more BurgerFuel locations in the near future.

ANNUAL REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2014

MIDDLE EAST REGION

Sales (unaudited) across the Middle East have increased 52.8%. There are now 19 BurgerFuel restaurants operating in the region.

Dubai opened 2 stores and the remaining 3 were in cities new to BurgerFuel; Al Hassa in the Kingdom of Saudi Arabia and 2 in Abu Dhabi, the capital city of the UAE. Store Sales have been extremely strong, despite an influx of American Fast-Casual concepts. Compared to other branded concepts, BurgerFuel enjoys a high degree of patronage in the region and is well placed to continue growth. We now have a collection of prime sites in Dubai and are becoming a readily recognised and well-loved brand in the Middle East, like in New Zealand.

In May 2014 we opened our first store in Egypt and we expect to open in Kuwait in July. We expect growth to continue in the Middle East where our brand is popular and well supported.

GROUP OUTLOOK

After a very big year topped off by the groundbreaking deal with Franchise Brands LLC and access to the SUBWAY® system, BurgerFuel is again well set up for continued growth both in our existing and new markets. Project investment and process improvement have again been significant in FY14. The work in these areas is vital for building scale in the future, to support increased growth and efficiency.

As previously announced BurgerFuel is actively preparing for entry into the USA. There are considerable regulatory requirements to overcome to enable us to offer a franchise concept in the US and we are actively working on these processes to ensure entry can occur as soon as possible. Franchise Brands LLC is assisting us in this area with invaluable guidance to enable an informed and educated US entry. We expect at least a further 6 months of regulatory and other forms of preparation will need to occur, prior to us being able to offer any franchises in the US.

SUMMARY

BurgerFuel continues to grow and the brand is becoming stronger both locally and internationally. The last financial year has seen considerable investment in the Company's ability to increase its pace of growth. We intend to keep that investment up during this financial year and we are confident that our current sacrifice of short term profits will pay off in the coming years.

The Directors are very positive about BurgerFuel's future and we will continue to open new restaurants in new locations around the globe and in our home country, New Zealand.

We have remained in profit whilst investing for future growth and more revenue. As at 31 March 2014 the Group has cash reserves of $8.6M and has no debt.

Despite our strong cash reserves, it's important to reiterate our policy of maintaining adequate cash levels for future investment and in this regard there will be no dividends paid. Shareholders have however, once again enjoyed a significant rise in the BFW share price. The share price as at 31 March 2014 was $2.30, an increase of 52.3% on the 31 March 2013 share price.

The Franchise Brands LLC deal is a significant and strategic accomplishment for BurgerFuel and it positions the Company well for accelerated growth in the coming years.

We would like to thank all our shareholders for their continued support and look forward to keeping you informed of our progress. We also wish to thank all our staff and franchisees and of course our valued customers

Peter Brook
Chairman

Josef Roberts
Group CEO

For further information please contact:

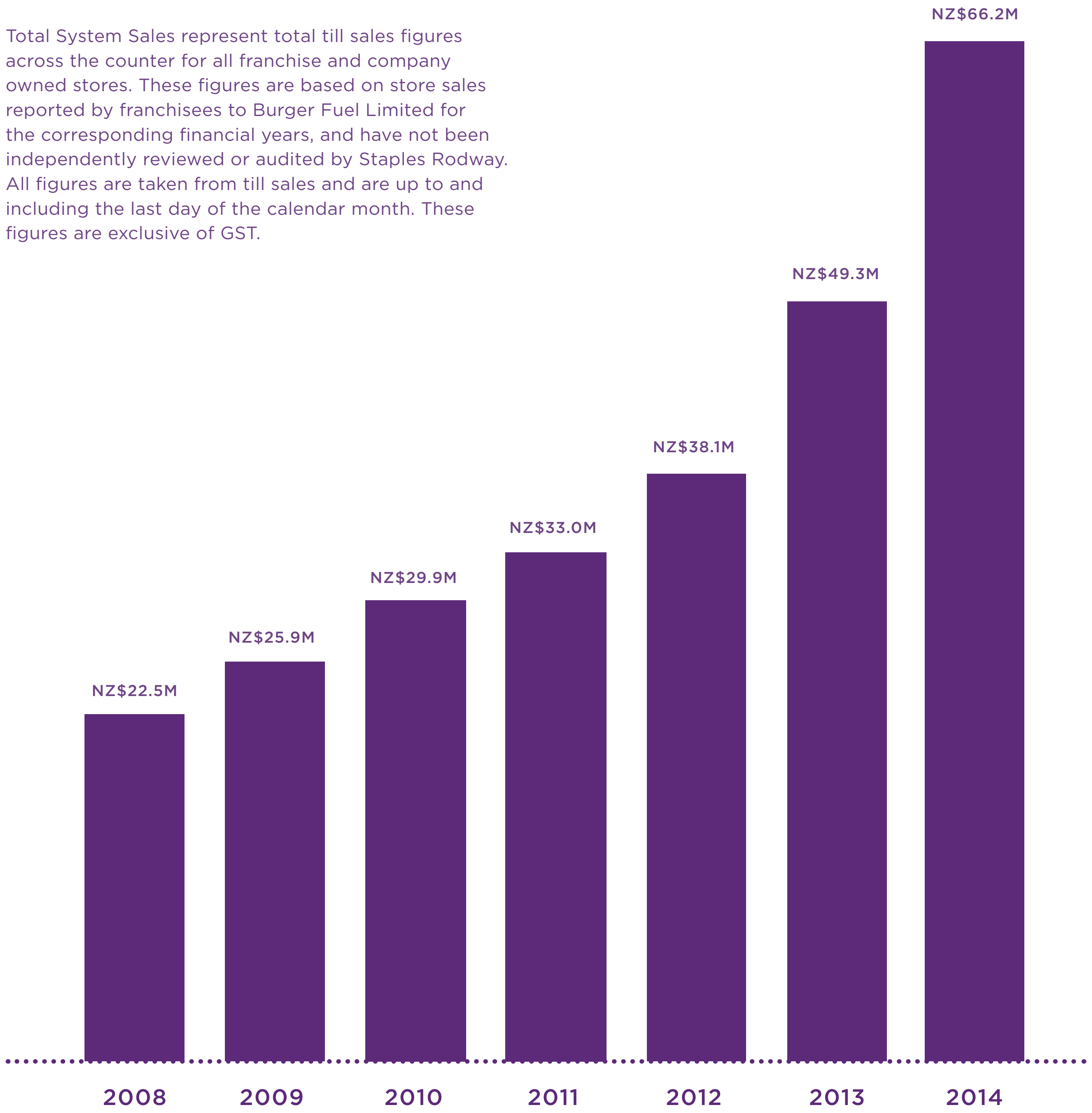
Josef Roberts

Phone: 021 444 786

TOTAL SYSTEM SALES SALES TREND

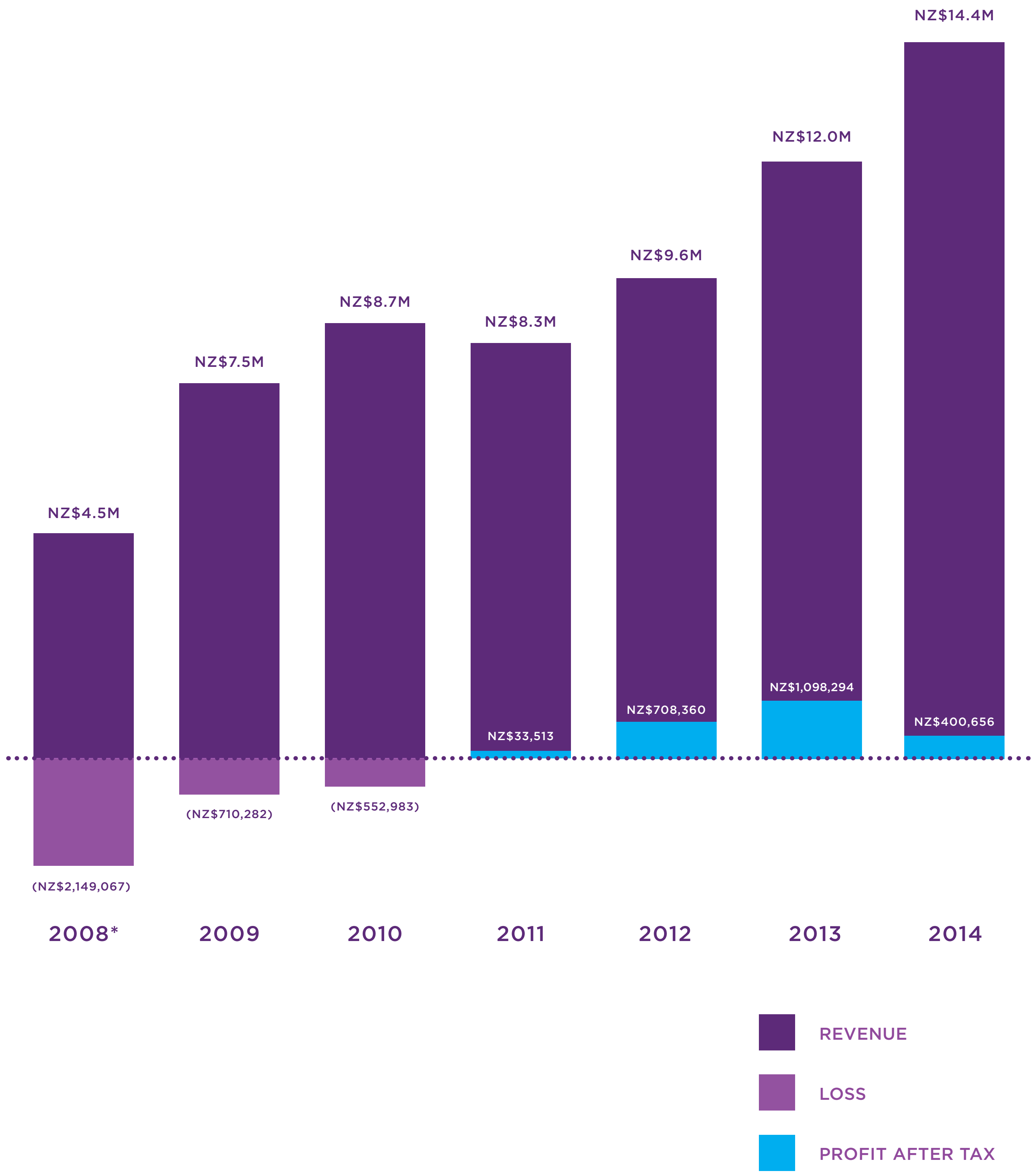
TOTAL (UNAUDITED) SYSTEM SALES UP 34.3% TO $66,159,000

Total System Sales represent total till sales figures across the counter for all franchise and company owned stores. These figures are based on store sales reported by franchisees to Burger Fuel Limited for the corresponding financial years, and have not been independently reviewed or audited by Staples Rodway. All figures are taken from till sales and are up to and including the last day of the calendar month. These figures are exclusive of GST.



Financial years are from 1st April to 31st March. Total system sales represent total till sales figures across the counter for all franchise and company owned stores.

BURGER FUEL WORLDWIDE LIMITED REVENUE AND TRADING HISTORY



NOTE: BFW listed as a company on the NZAX on 27 July 2007
* 2008 reporting period is 9½ months

AUSTRALASIA

BURGERFUEL CHRISTCHURCH OPENS AND BREAKS SALES RECORDS

Christchurch based fans actively campaigned for years to bring BurgerFuel to their city through social media and other channels. The long awaited day for these burger addicts arrived in January with BurgerFuel's first Christchurch store opening in the Bush Inn Centre, Riccarton.

The store set an opening day sales record for the brand in New Zealand and has continued to report impressive results, month on month.

Additionally, new stores were opened in Rotorua (Fairy Springs), Wellington (Newtown and Haitaitai), Hastings and Auckland (Customs Street, Mt Roskill). BurgerFuel also commenced a major refit program with 20 stores in the system being refreshed to date.

Current stores in Australasia: 40

MIDDLE EAST NORTH AFRICA (MENA)

BURGERFUEL OPENS FIRST EGYPT STORE IN CAIRO

BurgerFuel Worldwide has opened their first outlet in Egypt in May 2014. The restaurant is located in one of Cairo's most affluent suburbs, Maadi. Cairo is the largest metropolitan area in the MENA region, and the 10th largest urban area in the world. It is BurgerFuel's first store in North Africa, and joins 20 other BurgerFuel outlets in the MENA region, located in Saudi Arabia, UAE (Dubai and Abu Dhabi) and Iraq.

The restaurant was opened with key local partner Wadi Degla, a large and well known Egyptian company with interests across telecommunications, property development, and food and beverage operations. The company also operates Egypt's largest private health, sports and leisure compounds, with each of the clubs hosting eight to nine separate food outlets to service the 30,000 strong members only community.

Current stores in MENA: 21

BURGERFUEL INKS BIG AMERICAN DEAL

BURGERFUEL SIGNS WITH FRANCHISE BRANDS

BurgerFuel Worldwide (BFW) shareholders voted with a resounding yes to the ratification of the agreement between BurgerFuel Worldwide (BFW) and American company Franchise Brands, LLC (FB). Voting occurred at the BFW Extraordinary General Meeting in February 2014 attended by a strong representation of its shareholders. The initial announcement of the deal in January 2014 saw BFW shares more than double in the days following.

FB will join BFW as shareholder and franchise advisor. FB was created in 2005 with the support and guidance of the founders of SUBWAY® restaurants, Fred DeLuca and Dr. Peter Buck, in order to invest in and offer guidance to small and mid-market companies with experienced management that are seeking to expand their businesses. SUBWAY® restaurants is the largest single brand restaurant chain in the world with over 40,000 franchised stores in more than 100 countries.

THE BOARD

PETER BROOK

BCOM, ACA, CFIP

CHAIRMAN

MEMBER - BFW AUDIT COMMITTEE

Peter has 20 years experience in the investment banking industry, retiring in 2000 to pursue his own business and consultancy activities.

Peter is presently Chairman of Trust Investment Management Ltd and Generate Investment Management Ltd.

Other Directorships: Argosy Property Ltd, a Trustee of the Melanesian Mission Trust Board, and a number of directorships of private companies.

CHRIS MASON

CEO INTERNATIONAL MARKETS

Chris is the founder of BurgerFuel and is the CEO of International Markets.

Chris is based in Dubai and is actively involved in the operational roll out of our overseas markets.

JOSEF ROBERTS

GROUP CEO

Josef is the Group CEO and is responsible for the overall direction and management of the business.

Former CEO and founder of Red Bull Australasia

ALAN DUNN

INDEPENDENT DIRECTOR

CHAIRMAN - BFW AUDIT COMMITTEE

Former CEO and Chairman of McDonald's NZ from 1993 to 2003. In 2004 became Chicago based VP Operations, then Regional VP Nordics and Managing Director Sweden until retirement in 2007.

Other Directorships: Z Energy, NZ Post and a number of directorships of private companies.

TYRONE FOLEY

MBA

CHIEF OPERATING OFFICER

Tyrone is the group COO and is responsible for the management of all departments at Head Office and daily operations in all markets around the world.

Tyrone's previous management roles have been with McDonald's and BP.

MARK PIET

CHIEF FINANCIAL OFFICER/ COMPANY SECRETARY

Mark is the CFO & Company Secretary of BurgerFuel and has been with the company for 6 years.

Mark is a chartered accountant & a member of the New Zealand Institute of Chartered Accountants.

Prior to joining BurgerFuel, Mark worked for Deutsche Bank & The Economist in London.

staplesrodway
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BURGER FUEL WORLDWIDE LIMITED

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Burger Fuel Worldwide Limited ('the Company') and its Subsidiaries (together 'the Group') on pages 18 to 57, which comprise the Statements of Financial Position of the Company and Group as at 31 March 2014, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Company and Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of consolidated financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal controls as the directors determine is necessary to enable the preparation of 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). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected 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 the internal controls relevant to the entity's preparation of consolidated financial statements that give a true and fair view of 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or Group.

staplesrodway
CHARTERED ACCOUNTANTS

Opinion

In our opinion, the consolidated financial statements on pages 18 to 57:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the Company and Group as at 31 March 2014 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993 require us to comment on whether we have obtained all the information and explanations that we have required from the Company and Group and whether we consider that proper accounting records have been kept by the Company and Group.

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by the Company and Group as far as appears from our examination of those records.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Burger Fuel Worldwide Limited for the year ended 31 March 2014 included on Burger Fuel Worldwide Limited's website. Burger Fuel Worldwide Limited's Board of Directors is responsible for the maintenance and integrity of Burger Fuel Worldwide Limited's website. We have not been engaged to report on the integrity of Burger Fuel Worldwide Limited's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

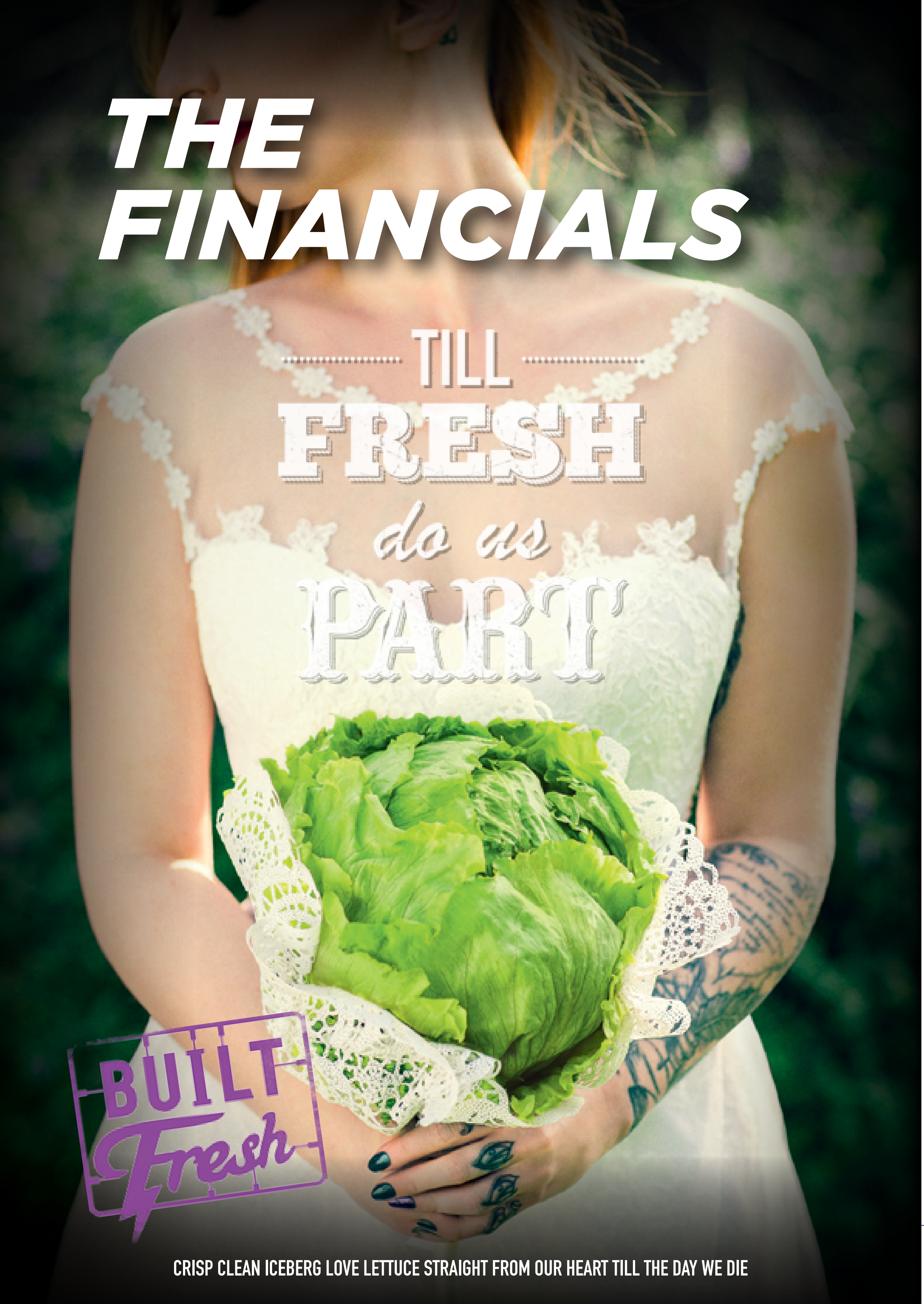
The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to / from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 4 July 2014 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Staples Rodway

STAPLES RODWAY AUCKLAND
AUCKLAND

4 July 2014



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

		Group		Parent	
		2014	2013	2014	2013
	Note	$	$	$	$
Revenue	5	14,331,868	11,951,670	-	-
Operating Expenses	6	(13,556,136)	(10,432,602)	(1,365)	(1,207)
Surplus/(Loss) before interest, taxation, depreciation and amortisation		**775,732**	**1,519,068**	**(1,365)**	**(1,207)**
Depreciation	11	308,878	246,761	-	-
Amortisation	14	37,678	37,615	-	-
		346,556	284,376	-	-
Surplus/(Loss) before interest and taxation		**429,176**	**1,234,692**	**(1,365)**	**(1,207)**
Interest Income		83,713	80,444	73,371	67,996
Interest Expense		(4,507)	(1,161)	-	-
		79,206	79,283	73,371	67,996
Surplus before taxation		**508,382**	**1,313,975**	**72,006**	**66,789**
Income Tax Expense	7	107,726	215,681	20,162	18,701
Net Surplus attributable to shareholders		**400,656**	**1,098,294**	**51,844**	**48,088**
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Movement in Foreign Currency Translation Reserve	20	(56,000)	(6,139)	-	-
Total comprehensive income		**344,656**	**1,092,155**	**51,844**	**48,088**
Basic Earnings per Share (cents)	25	**0.72**	**2.05**		
Diluted Earnings per Share (cents)	25	**0.72**	**2.05**		

The attached notes form part of these financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014

		Group		Parent	
		2014	2013	2014	2013
	Note	$	$	$	$
Shareholders' equity					
Contributed equity	18	16,034,443	10,285,669	16,034,443	10,285,669
Retained earnings	19	(2,156,321)	(2,556,977)	(4,806,194)	(4,858,038)
IPO capital costs	18	(223,432)	(223,432)	-	-
Other reserves	20	(381,946)	(325,946)	5,269	5,269
		13,272,744	**7,179,314**	**11,233,518**	**5,432,900**
Current assets					
Cash and cash equivalents	17	8,566,058	4,197,986	7,212,577	3,094,245
Trade and other receivables	9	3,453,198	2,836,618	-	-
Income tax receivable		97,912	-	1,272	887
Inventories	10	648,876	512,452	-	-
Loans	13	46,000	46,000	-	-
		12,812,044	7,593,056	7,213,849	3,095,132
Non-current assets					
Property, plant and equipment	11	1,510,761	974,151	-	-
Investment in subsidiaries	12	-	-	2	2
Deferred tax asset	7	50,954	48,688	-	-
Loans	13	92,000	138,000	4,019,667	2,337,766
Intangible assets	14	163,163	135,096	-	-
		1,816,878	1,295,935	4,019,669	2,337,768
Total assets		**14,628,922**	**8,888,991**	**11,233,518**	**5,432,900**
Current liabilities					
Trade and other payables	15	1,113,661	1,428,225	-	-
Income tax payable		-	83,641	-	-
Provisions	16	210,467	161,961	-	-
		1,324,128	1,673,827	-	-
Non-current liabilities					
Provisions	16	32,050	35,850	-	-
		32,050	35,850	-	-
Total liabilities		**1,356,178**	**1,709,677**	**-**	**-**
Net assets		**13,272,744**	**7,179,314**	**11,233,518**	**5,432,900**

For and on behalf of the board who approved these financial statements for issue on 4th July 2014.

Director   Director

The attached notes form part of these financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

GROUP

2014	Note	Contributed Equity $	Foreign Currency Translation Reserve $	IPO Capital Costs $	Share Option Reserve $	Retained Earnings $	**Total Equity $**
Balance as at 1 April 2013		10,285,669	(331,215)	(223,432)	5,269	(2,556,977)	**7,179,314**
Issue of ordinary shares	18	5,882,352	-	-	-	-	**5,882,352**
Share issue costs		(133,578)	-	-	-	-	**(133,578)**
Total transactions with owners		5,748,774	-	-	-	-	**5,748,774**
Movement in foreign currency translation reserve recognised in other comprehensive income		-	(56,000)	-	-	-	**(56,000)**
Net Surplus for the year ended 31 March 2014		-	-	-	-	400,656	**400,656**
Total comprehensive income		-	(56,000)	-	-	400,656	**344,656**
Balance as at 31 March 2014		**16,034,443**	**(387,215)**	**(223,432)**	**5,269**	**(2,156,321)**	**13,272,744**

2013	Note	Contributed equity $	Foreign currency translation reserve $	IPO capital costs $	Share option reserve $	Retained earnings $	**Total equity $**
Balance as at 1 April 2012		8,221,002	(325,076)	(223,432)	5,269	(3,655,271)	**4,022,492**
Issue of ordinary shares	18	2,064,667	-	-	-	-	**2,064,667**
Total transactions with owners		2,064,667	-	-	-	-	**2,064,667**
Movement in Foreign currency translation reserve recognised in other comprehensive income		-	(6,139)	-	-	-	**(6,139)**
Net Surplus for the year ended 31 March 2013		-	-	-	-	1,098,294	**1,098,294**
Total comprehensive income		-	(6,139)	-	-	1,098,294	**1,092,155**
Balance as at 31 March 2013		**10,285,669**	**(331,215)**	**(223,432)**	**5,269**	**(2,556,977)**	**7,179,314**

The attached notes form part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

PARENT

2014	Note	Contributed equity $	Share option reserve $	Retained earnings $	**Total equity $**
Balance as at 1 April 2013		10,285,669	5,269	(4,858,038)	**5,432,900**
Issue of ordinary shares	18	5,882,352	-	-	**5,882,352**
Share issue costs		(133,578)	-	-	**(133,578)**
Total transactions with owners		5,748,774	-	-	**5,748,774**
Net Surplus for the year ended 31 March 2014		-	-	51,844	**51,844**
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	51,844	**51,844**
Balance as at 31 March 2014		**16,034,443**	**5,269**	**(4,806,194)**	**11,233,518**

2013	Note	Contributed equity $	Share option reserve $	Retained earnings $	**Total equity $**
Balance as at 1 April 2012		8,221,002	5,269	(4,906,126)	**3,320,145**
Issue of ordinary shares	18	2,064,667	-	-	**2,064,667**
Net Surplus for the year ended 31 March 2013		-	-	48,088	**48,088**
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	48,088	**48,088**
Balance as at 31 March 2013		**10,285,669**	**5,269**	**(4,858,038)**	**5,432,900**

The attached notes form part of these financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

		Group		**Parent**	
		2014	2013	2014	2013
	Note	$	$	$	$
Cash flows from operating activities					
Cash was provided from:					
Receipts from customers		13,809,079	10,479,063	-	64,667
Interest received		83,713	80,444	73,371	67,996
Goods and services tax received		-	13,487	-	-
		13,892,792	10,572,994	73,371	132,663
Cash was applied to:					
Payments to suppliers & employees		(13,895,014)	(10,047,253)	(1,365)	(1,207)
Interest paid		(4,507)	(1,161)	-	-
Goods and services tax paid		(27,743)	-	-	-
Taxes paid		(292,046)	(188,009)	(20,547)	(14,036)
		(14,219,310)	(10,236,423)	(21,912)	(15,243)
Net cash flows provided from/(applied to) operating activities	26	**(326,518)**	**336,571**	**51,459**	**117,420**
Cash flows from investing activities					
Cash was provided from:					
Repayments from franchisees		46,000	46,000	-	-
Sale of property, plant and equipment		4,717	20,094	-	-
		50,717	66,094	-	-
Cash was applied to:					
Acquisition of intangible assets	14	(65,745)	(25,767)	-	-
Acquisition of property, plant & equipment	11	(872,262)	(502,541)	-	-
		(938,007)	(528,308)	-	-
Net cash flows applied to investing activities		**(887,290)**	**(462,214)**	**-**	**-**
Cash flows from financing activities					
Cash was provided from:					
Issue of shares	18	5,882,352	2,000,000	5,882,352	2,000,000
		5,882,352	2,000,000	5,882,352	2,000,000
Cash was applied to:					
Loans to related parties		-	-	(1,681,901)	(350,767)
Share issue costs		(133,578)	-	(133,578)	-
		(133,578)	-	(1,815,479)	(350,767)
Net cash flows provided from financing activities		**5,748,774**	**2,000,000**	**4,066,873**	**1,649,233**

The attached notes form part of these financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

		Group		Parent	
		2014	2013	2014	2013
	Note	$	$	$	$
Net movement in cash and cash equivalents		**4,534,966**	**1,874,357**	**4,118,332**	**1,766,653**
Exchange losses on cash and cash equivalents		**(166,894)**	**(15,960)**	-	-
Opening cash and cash equivalents		4,197,986	2,339,589	3,094,245	1,327,592
Closing cash and cash equivalents	17	**8,566,058**	**4,197,986**	**7,212,577**	**3,094,245**

The attached notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1) REPORTING ENTITIES AND STATUTORY BASE

Burger Fuel Worldwide Limited is a company registered under the Companies Act 1993 and is listed with the New Zealand Alternative Stock Exchange (NZAX). The company is an issuer in terms of the Financial Reporting Act 1993.

The financial statements presented are those of Burger Fuel Worldwide Limited (the 'Company' or the 'Parent Company') and its wholly owned subsidiaries which are listed in note 12 of the financial statements.

BurgerFuel operates as a franchisor of gourmet burger restaurants and is a for-profit oriented entity, incorporated and domiciled in New Zealand.

2) BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards as appropriate for, for-profit oriented entities. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with this Act. These financial statements also comply with International Financial Reporting Standards ("IFRS").

These financial statements are presented in New Zealand dollars ($), which is the Company's functional currency and they have been rounded to the nearest dollar.

The financial statements were approved by the Board of Directors on the date set out on page 19 of the Annual Report.

Basis of Measurement

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities in specific accounting policies below.

Use of Estimates and Judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The principal areas of judgments in preparing these financial statements are set out below:

Impairment of Receivables

The Group maintains an allowance for estimated losses expected to arise from customers being unable to make required payments. This allowance takes into account known commercial factors impacting specific customer accounts, as well as the overall profile of the Company and Group's debtors' portfolio. In assessing the allowance, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general, macro-economic trends, are taken into account. The impairment of receivables is detailed in note 9 of the financial statements.

Accounting for Income Tax

Preparation of the annual financial statements requires management to make estimates as to, amongst other things, the amount of tax that will ultimately be payable, the availability of losses to be carried forward and the amount of foreign tax credits it will receive.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses (where applicable) only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Actual results may differ from these estimates as a result of reassessment by management or taxation authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3) SPECIFIC ACCOUNTING POLICIES

The following is a summary of specific accounting policies adopted by the Group in the preparation of the financial statements that materially affect the measurement of financial performance, cash flows and the financial position.

a) Basis of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If there is a deficit (i.e. a bargain purchase), the deficit is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

b) Revenue Recognition

Revenue shown in the Statement of Comprehensive Income comprises those amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Franchise Fees

Franchise fees (incorporating master franchise fees) for the provision of continuing services, whether part of the initial fee or a separate fee, are recognised as revenue as the services are rendered. Fees charged for the use of continuing rights granted by the agreement, or for other services provided during the period of the agreement, are recognised as revenue as the services are provided or the rights used.

Royalties

Royalty income is recorded when it is probable that economic benefits will flow to the entity and amounts can be reliably measured. It is calculated on an accruals basis in accordance with the substance of the Franchise or Master Licence Agreement.

Training Fees

Training fee income is recognised when the twelve week training commences for the new operator and the outcome of the transaction involving the rendering of services can be reliably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

Advertising Income

Advertising income is recognised when it is probable that economic benefits will flow to the entity and amounts can be reliably measured. It is calculated on an accruals basis in accordance with the substance of the Franchise or Master Licence Agreement.

Construction Management Fees

Construction management fees are recognised on commencement of the store build and the outcome of the transaction involving the rendering of services can be reliably estimated

Dividends

Dividend income is recorded in the Statement of Comprehensive Income when the right to receive the dividend is established.

Other Income

All other income is recognised when significant risks and rewards have been transferred to the buyer, there is loss of effective control by the seller and the amount and costs can be reliably measured.

c) Accounts Receivable

Accounts receivable are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. An allowance for impairment is established where there is objective evidence the parent and group will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, or financial reorganisation and default or delinquency in payment (more than 30 days overdue) are considered objective evidence of impairment. Bad debts are written off during the period in which they are identified. If these debts are subsequently collected then a gain is recognised in profit or loss.

d) Inventories

Inventories are stated at the lower of cost and net realisable value after due consideration for excess and obsolete items. Cost is based on the first in, first out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

e) Financial Instruments

The Group has the option to classify its financial instruments in the following categories: financial assets/liabilities at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets and other financial liabilities. Management determines the classification on initial recognition and re-evaluates this designation at every reporting date. At balance date all of the Group's financial assets were classified as loans and receivables.

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 arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current assets.

Purchases and sales of loans and receivables are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Loans and receivables are initially recognised at fair value plus transaction costs and are thereafter carried at amortised cost using the effective interest method.

Loans and receivables are derecognised when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Other Financial Liabilities

These amounts represent unsecured liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The Group's other financial liabilities are trade and other payables, and these are usually paid within 30 days. They are carried at face value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

f) Investments

Investments in Subsidiaries

Investments in subsidiaries are held in the Company's financial statements at cost less impairment if any. The carrying amount of the investment is reviewed at each balance date to determine if there is any evidence of impairment.

g) Share Capital

Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

h) Finance Income and Expense

For all financial instruments measured at amortised cost, interest income and expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. The calculation takes in to account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense. Once the recorded value of a financial asset has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

i) Property, Plant and Equipment

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Property, plant and equipment are stated at cost less accumulated depreciation. The following depreciation rates have been used:

Motor Vehicles	16% - 36% diminishing value
Leasehold Improvements	9% - 26.4% diminishing value
Information Technology	33% - 67% diminishing value
Furniture & Fittings	10% - 80.4% diminishing value
Kitchen Equipment	13% - 39.6% diminishing value
Office Equipment	10% - 60% diminishing value

Where an asset is disposed of, the gain or loss recognised in the Statement of Comprehensive Income is calculated as the difference between the sale price and the carrying amount of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

j) Leased Assets

Operating and Financing Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the future minimum lease payments, and are depreciated as described above. Leases that are not finance leases are classified as operating leases. Operating lease payments are recognised as an expense in the periods the amounts are payable in the Statement of Comprehensive Income on a straight line basis.

k) Intangible Assets

The Group's intangible assets have finite useful lives and are stated at cost less accumulated amortisation. The intangible assets are amortised in the Statement of Comprehensive Income on a straight line basis over the period during which benefits are expected to be derived, which is up to 10 years. Where there has been a permanent diminution in the value the balance has been written off in the Statement of Comprehensive Income.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the intangible asset to which it relates. All other expenditure is recognised in the Statement of Comprehensive Income when incurred.

l) Employee Benefits

Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group pays contributions to superannuation plans, such as KiwiSaver. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share Based Payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

Fair Value

The fair value of employee share options is measured by using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

m) Taxation

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the balance date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

n) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

o) Goods and Services Tax (GST)

The Statement of Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced. The operations of the Company and Group comprise both exempt and non-exempt supplies for GST purposes.

p) Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currencies of the entities within the Group at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the profit or loss.

Foreign Operations

The assets and liabilities of foreign operations are translated to New Zealand dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated to New Zealand dollars at average exchange rates.

Foreign currency differences are recognised in the Foreign Currency Translation Reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Statement of Comprehensive Income.

q) Statement of Cash Flows

Cash and cash equivalents comprise cash at bank and call deposits net of bank overdrafts. Investing activities comprise the purchase and sale of fixed assets and intangible assets along with any funding made available or repaid from franchisees. Financing activities comprise any changes in equity and debt and the payment of dividends (if any). Operating activities include all transactions and other events that are not investing or financing activities.

r) Earnings Per Share

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes share options granted to employees.

s) Segment Reporting

Operating segments have been identified based on the information provided to the chief operating decision maker; being the Board of Directors.

The Group operates in three operating segments – these consist of the following geographical locations, New Zealand, Australia and the Middle East.

There have been no changes from prior years in the measurement methods used to determine reported segment profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

4) NEW STANDARDS ADOPTED AND INTERPRETATIONS NOT YET ADOPTED

Standards and Interpretations Effective in the Current Period.

The following new standards and amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2013. These changes are relevant and have been adopted.

Amendments to NZ IFRS 10 'Consolidated Financial Statements' and revised NZ IAS 27 'Separate Financial Statements'

The amendment to the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. There is also new guidance on participating and protective rights and on agent/principal relationships. These changes do not result in recognition of new subsidiaries or any previously recognised subsidiaries no longer being classified as subsidiaries.

NZ IAS 27 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. It outlines when an entity must consolidate another entity, how to account for a change in ownership interest, how to prepare separate financial statements, and related disclosures. As with NZ IFRS 10, this did not result in any material accounting or disclosure changes to the Group's financial statements.

NZ IFRS 12 'Disclosures of interests in other entities'

NZ IFRS 12 sets out the required disclosures for entities reporting under the two new standards, NZ IFRS 10 and NZ IFRS 11, and replaces the disclosure requirements currently found in NZ IAS 28. Application of this standard by the Group has not affected any of the amounts recognised in the financial statements.

NZ IFRS 13 'Fair Value Measurement'

The amendment clarifies the definition of fair value and provides further guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements. The Group has determined that this new standard does not result in any material accounting or disclosure changes as it does not use fair value measurements extensively.

NZ IAS 1 'Presentation of Financial Statements' (amendment)

This requires to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Group has determined that this new standard does not result in any material disclosure changes.

Amendments to NZ IFRS 7 'Financial Instruments: Disclosure '

Disclosure requirements about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. Disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The Group has offset some financial assets with financial liabilities

NZ IFRS 11 'Joint Arrangements'

This standard outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control are classified as either a joint venture or a joint operation. This replaces the disclosure requirements currently found in NZ IAS 28. Application of this standard by the Group has not affected any of the amounts recognised in the financial statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

Amendments to Standards

NZ IFRS 2 'Share-based Payments'

Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition') It is applicable for annual periods beginning on or after 1 July 2014. The Group has assessed that the adoption of this standard will not have any impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

4) NEW STANDARDS ADOPTED AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

NZ IFRS 8 'Operating Segments'

This requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliation of the total the reportable segment asses to the entity's assets if the segment assets are reported regularly. It is applicable for annual periods beginning on or after 1 July 2014. The Group has assessed that the adoption of this standard will not have any impact on the Group.

NZ IAS 24 'Related Party Disclosures'

This clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. It is applicable for annual periods beginning on or after 1 July 2014. The Group has assessed that the adoption of this standard will not have any impact on the Group.

NZ IAS 38 'Intangible Assets'

This amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. It is applicable for annual periods beginning on or after 1 July 2014. The Group has assessed that the adoption of this standard will not have any impact on the Group.

NZ IAS 16 'Property, Plant and Equipment'

When an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. It is applicable for annual periods beginning on or after 1 July 2014. The Group has assessed that the adoption of this standard will not have any impact on the Group.

NZ IFRS 9 'Financial Instruments'

This includes the new general hedge accounting model, and requirement to present fair value changes due to own credit on liabilities designated as at fair value through profit or loss to be presented in other comprehensive income. It is applicable for annual periods beginning on or after 1 January 2017. The Group has assessed that the adoption of this standard will not have any impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

5) REVENUE

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Sale of Goods	8,032,505	6,137,054	-	-
Franchising Fees	308,061	1,142,372	-	-
Training Fees	105,000	80,000	-	-
Royalties	3,537,365	2,613,123	-	-
Advertising Fees	1,726,863	1,323,596	-	-
Construction Management Fees	90,000	90,000	-	-
Sale of Fixed Assets (refer note 11)	-	7,160	-	-
Foreign Exchange Gains/(Losses)	(110,893)	(16,129)	-	-
Other Income	642,967	574,494	-	-
	14,331,868	**11,951,670**	**-**	**-**

6) EXPENSES

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Operating expenses include:				
Cost of Sales	5,409,602	4,202,719	-	-
Rental and Operating Lease Costs	459,935	410,928	-	-
Loss on Disposal of Property, Plant and Equipment	22,057	14,736	-	-
Directors' Fees	110,000	103,333	-	-
Wages and Salaries	2,775,840	2,301,330	-	-
Contributions to a defined contribution plan	73,259	28,804	-	-
Key management personnel costs: (refer note 24)				
- Salary and other short-term benefits	1,479,812	885,385	-	-
Auditors' remuneration – Audit Services – Staples Rodway:				
- Audit of Financial Statements	46,452	51,988	-	-
- Advisory services – Audit procedures regarding Share Register	2,500	-	-	-
Other Operating Expenses	3,176,679	2,433,379	1,365	1,207
	13,556,136	**10,432,602**	**1,365**	**1,207**

The above key management personnel costs include remuneration of the Group Chief Executive, CEO International Markets, Directors and the members of the executive team.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

7) INCOME TAX

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Taxation expense is represented by:				
Current Tax	109,992	229,600	20,162	18,701
Deferred Tax	(2,266)	(13,919)	-	-
	107,726	**215,681**	**20,162**	**18,701**
Surplus before income tax expense	508,382	1,313,975	72,006	66,789
Tax effect of amounts which are not deductible in calculating taxable income:				
Amortisation of intangible assets	6,394	(36,307)	-	-
50% entertainment	40,070	38,098	-	-
Accruals	(5,209)	(6,041)	-	-
Make good provision	(3,800)	(3,636)	-	-
Holiday pay not paid out within 63 days	3,026	7,963	-	-
Capital gain on sale of assets	-	(7,160)	-	-
Other	55,923	(14,331)	-	-
	96,404	**(21,414)**	**-**	**-**
Taxable profit	604,786	1,292,561	72,006	66,789
Tax losses utilised	(211,960)	(496,977)	-	-
Prima Facie Taxation	109,992	222,764	20,162	18,701
Prior year tax adjustment	-	6,836	-	-
Deferred tax movement	(2,266)	(13,919)	-	-
Total income tax expense per statement of comprehensive income	**107,726**	**215,681**	**20,162**	**18,701**
Reconciliation of deferred tax asset:				
Deferred tax on temporary differences				
Opening balance	48,688	34,769	-	-
Provision for employee benefits	846	2,230	-	-
Provisions for make good	(1,064)	9,028	-	-
Accruals	(1,458)	(1,692)	-	-
Prepayments	3,942	4,353	-	-
	50,954	**48,688**	**-**	**-**
Opening Balance	**48,688**	**34,769**	-	-
Charged to profit or loss	2,266	13,919	-	-
Closing Balance	**50,954**	**48,688**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

7) INCOME TAX (CONTINUED)

The Group has $1,609,189 of unrecognised losses to be carried forward (2013: $1,443,471). The potential benefit of these losses is $450,573 (2013: $404,172). The losses carried forward relate to the Australian operations.

The Group has recognised a deferred tax asset of $50,954 (2013: $48,688) with respect to other timing differences. This has been recognised as it is probable that future taxable profit will be available to allow the asset to be utilised.

The weighted average tax rate of the Company and Group is effectively 21.1% (2013: 16.4%) based on operating in New Zealand and Australia. There are no other tax jurisdictions, other than New Zealand and Australia, in which the Group earns taxable income.

8) IMPUTATION CREDITS

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Opening balance	205,180	20,271	19,589	415
Add				
Provisional tax paid	61,650	17,600	-	-
Terminal tax paid	118,698	25,144	-	-
Resident withholding tax	111,698	147,840	20,546	19,589
	292,046	190,584	20,546	19,589
Deduct				
Income tax refund received	(97,912)	(5,675)	(1,272)	(415)
	(97,912)	(5,675)	(1,272)	(415)
Closing balance	**399,314**	**205,180**	**38,863**	**19,589**

9) TRADE AND OTHER RECEIVABLES

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Trade receivables	3,314,701	2,685,195	-	-
Prepayments	42,039	37,864	-	-
GST receivable	69	51,058	-	-
Sundry receivables	96,389	62,501	-	-
	3,453,198	**2,836,618**	**-**	**-**

Receivables denominated in currencies other than the presentation currency are Australian Dollars and they comprise 20.6% of the trade receivables (2013: 26.7%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

10) INVENTORIES

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Finished Goods	648,876	512,452	-	-

11) PROPERTY, PLANT & EQUIPMENT

2014

Group	Motor vehicles	Office equipment	Furniture and fittings	IT
	$	$	$	$
Cost				
Balance 1 April 2013	508,003	69,985	681,426	443,117
Additions	102,303	2,834	201,464	94,445
Fully depreciated asset write off	(172,228)	(1,732)	(116,220)	(29,336)
Disposals	-	(102)	(20,353)	(1,029)
Cost at 31 March 2014	438,078	70,985	746,317	507,197
Depreciation and impairment losses				
Balance 1 April 2013	313,096	39,315	369,417	318,664
Depreciation for the year	75,262	5,016	96,173	85,710
Fully depreciated asset write off	(172,228)	(1,732)	(116,220)	(29,336)
Balance 31 March 2014	216,130	42,599	349,370	375,038
Net Book Value				
Balance 1 April 2013	194,907	30,670	312,009	124,453
Depreciation charge	(75,262)	(5,016)	(96,173)	(85,710)
Additions	102,303	2,834	201,464	94,445
Disposals	-	(102)	(20,353)	(1,029)
Net Book Value at 31 March 2014	221,948	28,386	396,947	132,159

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

11) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

2014

Group	Kitchen equipment	Leasehold improvements	Work in Progress	Total
	$	$	$	$
Cost				
Balance 1 April 2013	307,589	502,585	-	**2,512,705**
Additions	59,015	121,620	290,581	**872,262**
Fully depreciated asset write off	(129,888)	(62,139)	-	**(511,543)**
Disposals	(2,731)	(2,559)	-	**(26,774)**
Cost at 31 March 2014	233,985	559,507	290,581	2,846,650
Depreciation and impairment losses				
Balance 1 April 2013	213,279	284,783	-	**1,538,554**
Depreciation for the year	18,469	28,248	-	**308,878**
Fully depreciated asset write off	(129,888)	(62,139)	-	**(511,543)**
Balance 31 March 2014	101,860	250,892	-	1,335,889
Net Book Value				
Balance 1 April 2013	94,310	217,802	-	**974,151**
Depreciation charge	(18,469)	(28,248)	-	**(308,878)**
Additions	59,015	121,620	290,581	**872,262**
Disposals	(2,731)	(2,559)	-	**(26,774)**
Net Book Value at 31 March 2014	132,125	308,615	290,581	1,510,761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

11) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

2013

Group	Motor vehicles	Office equipment	Furniture and fittings	IT
	$	$	$	$
Cost				
Balance 1 April 2012	358,408	69,290	520,049	347,020
Acquisitions	156,690	695	172,183	96,266
Disposals	(7,008)	-	(10,801)	(167)
Foreign exchange movement	(87)	-	(5)	(2)
Cost at 31 March 2013	**508,003**	**69,985**	**681,426**	**443,117**
Depreciation and impairment losses				
Balance 1 April 2012	258,558	33,324	291,327	251,091
Depreciation for the year	54,538	5,991	78,090	67,572
Foreign exchange movement	-	-	-	1
Balance 31 March 2013	**313,096**	**39,315**	**369,417**	**318,664**
Net Book Value				
Balance 1 April 2012	99,850	35,966	228,722	95,929
Depreciation charge	(54,538)	(5,991)	(78,090)	(67,572)
Additions	156,690	695	172,183	96,266
Disposals	(7,008)	-	(10,801)	(167)
Foreign exchange movement	(87)	-	(5)	(3)
Net Book Value at 31 March 2013	**194,907**	**30,670**	**312,009**	**124,453**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

11) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

2013

Group	Kitchen equipment	Leasehold improvements	Work in Progress	Total
	$	$	$	**$**
Cost				
Balance 1 April 2012	269,898	473,342	-	**2,038,007**
Acquisitions	47,464	29,243	-	**502,541**
Disposals	(9,694)	-	-	**(27,670)**
Foreign exchange movement	(79)	-	-	**(173)**
Cost at 31 March 2013	**307,589**	**502,585**	**-**	**2,512,705**
Depreciation and impairment losses				
Balance 1 April 2012	199,478	258,014	-	**1,291,792**
Depreciation for the year	13,801	26,769	-	**246,761**
Foreign exchange movement	-	-	-	**1**
Balance 31 March 2013	**213,279**	**284,783**	**-**	**1,538,554**
Net Book Value				
Balance 1 April 2012	70,420	215,328	-	**746,215**
Depreciation charge	(13,801)	(26,769)	-	**(246,761)**
Additions	47,464	29,243	-	**502,541**
Disposals	(9,694)	-	-	**(27,670)**
Foreign exchange movement	(79)	-	-	**(174)**
Net Book Value at 31 March 2013	**94,310**	**217,802**	**-**	**974,151**

The capital gain on sale recorded in the Statement of Comprehensive Income is $Nil for the year ended 31 March 2014 (2013: $7,160 was due to the sale of Kitchen Equipment and a Motor Vehicle).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

12) INVESTMENT IN SUBSIDIARIES

The Parent company's investment in the subsidiaries comprises shares at cost. All subsidiaries have a 31 March balance date.

Subsidiary Companies	Country of Incorporation	Interest Held	Interest Held
		2014	**2013**
BF Lease Company Limited	New Zealand	100%	100%
BF Lease Company No 1 Limited	New Zealand	100%	100%
BF Lease Company No 2 Limited	New Zealand	100%	100%
BF Lease Company No 3 Limited	New Zealand	100%	100%
BF Lease Company No 4 Limited	New Zealand	100%	100%
BF Lease Company No 5 Limited	New Zealand	100%	100%
BF Lease Company No 6 Limited	New Zealand	100%	100%
BF Lease Company No 7 Limited	New Zealand	100%	100%
BF Lease Company No 8 Limited	New Zealand	100%	100%
BF Lease Company No 9 Limited	New Zealand	100%	100%
BF Lease Company No 10 Limited	New Zealand	100%	100%
BF Lease Company No 11 Limited	New Zealand	100%	100%
BF Lease Company No 12 Limited	New Zealand	100%	100%
BF Lease Company No 13 Limited	New Zealand	100%	100%
BF Lease Company No 14 Limited	New Zealand	100%	100%
BF Lease Company No 15 Limited	New Zealand	100%	100%
BF Lease Company No 16 Limited	New Zealand	100%	100%
BF Lease Company No 17 Limited	New Zealand	100%	100%
BF Lease Company No 18 Limited	New Zealand	100%	100%
BF Lease Company No 19 Limited	New Zealand	100%	100%
BF Lease Company No 20 Limited	New Zealand	100%	100%
BF Lease Company No 21 Limited	New Zealand	100%	100%
BF Lease Company No 22 Limited	New Zealand	100%	100%
BF Lease Company No 23 Limited	New Zealand	100%	100%
BF Lease Company No 24 Limited	New Zealand	100%	100%
BF Lease Company No 25 Limited	New Zealand	100%	100%
BF Lease Company No 26 Limited	New Zealand	100%	100%
BF Lease Company No 27 Limited	New Zealand	100%	100%
BF Lease Company No 28 Limited	New Zealand	100%	100%
BF Lease Company No 29 Limited	New Zealand	100%	100%
BF Lease Company No 30 Limited	New Zealand	100%	100%
BF Lease Company No 31 Limited	New Zealand	100%	100%
Burger Fuel (Dubai) NZ Limited	New Zealand	100%	100%
Burger Fuel (ME) JLT	Dubai	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

12) INVESTMENT IN SUBSIDIARIES (CONTINUED)

Subsidiary Companies	Country of Incorporation	Interest Held	Interest Held
		2014	**2013**
Burger Fuel International Limited	New Zealand	100%	100%
Burger Fuel (Australia) Pty Limited	New Zealand	100%	100%
Burger Fuel (Australia) No2 Pty Limited	New Zealand	100%	100%
Burger Fuel International Management Limited	New Zealand	100%	100%
Burger Fuel Limited	New Zealand	100%	100%
Burger Fuel Pty Limited (formerly Kincro Holdings Pty Limited)	Australia	100%	100%
Burger Fuel Australia Pty Limited	Australia	100%	100%

The principal activities of the subsidiaries are:

- Burger Fuel Limited – Franchise systems – gourmet burger restaurants.
- Burger Fuel International Limited – Holds patents, trademarks and licences and holds the international Master Franchise Agreements.
- Burger Fuel International Management Limited – Owns the BurgerFuel Australia operation and holds the international Master Franchise Agreements.
- Burger Fuel (Australia) Pty Limited – Non Trading.
- Burger Fuel (Australia) No2 Pty Limited – Non Trading.
- Burger Fuel Australia Pty Limited – Non Trading.
- Burger Fuel Pty Limited – Lease holder for the store premises in Australia (Newtown), and trading entity.
- Burger Fuel (ME) JLT – Dubai based trading company.
- Burger Fuel (Dubai) NZ Limited – Holding company of the subsidiary in Dubai.
- All other companies are head lease holders for store premises in New Zealand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

13) LOANS

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Loans to Franchisees				
Loan to Retrop Limited	138,000	184,000	-	-
Loans to Related Parties				
Loan to Burger Fuel Limited (refer note 24)	-	-	4,019,667	1,824,667
Loan to Burger Fuel International Management Limited (refer note 24)	-	-	-	240,000
Loan to Burger Fuel International Limited (refer note 24)	-	-	-	273,099
	138,000	184,000	4,019,667	2,337,766
Total Loans	**138,000**	**184,000**	**4,019,667**	**2,337,766**
Current	46,000	46,000	-	-
Non-current	92,000	138,000	4,019,667	2,337,766
	138,000	**184,000**	**4,019,667**	**2,337,766**

Loan to Retrop Limited

This is an advance to assist the operation of the BurgerFuel franchise in Rotorua. The loan is non-interest bearing, secured by way of a guarantee by Frances Porter and has a term of 60 months.

Loan to Burger Fuel Limited

Burger Fuel Limited is a subsidiary company. The loan is unsecured, non-interest bearing and repayable on demand.

Loan to Burger Fuel International Limited

Burger Fuel International Limited is a subsidiary company. The loan is unsecured, non-interest bearing and repayable on demand.

Loan to Burger Fuel International Management Limited

Burger Fuel International Management Limited is a subsidiary company. The loan is unsecured, non-interest bearing and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

14) INTANGIBLE ASSETS

2014

Group	Key money	Domain name	Patent	Trademarks	Total
	$	$	$	$	**$**
Cost					
Balance 1 April 2013	67,500	16,831	20,776	303,496	**408,603**
Acquisitions	22,500	8,196	-	35,049	**65,745**
Balance at 31 March 2014	90,000	25,027	20,776	338,545	**474,348**
Amortisation					
Balance 1 April 2013	56,605	15,138	20,225	181,539	**273,507**
Current year amortisation	6,394	2,996	147	28,141	**37,678**
Balance 31 March 2014	62,999	18,134	20,372	209,680	**311,185**
Net Book Value					
Balance 1 April 2013	10,895	1,693	551	121,957	**135,096**
Additions	22,500	8,196	-	35,049	**65,745**
Amortisation	(6,394)	(2,996)	(147)	(28,141)	**(37,678)**
Net Book Value at 31 March 2014	**27,001**	**6,893**	**404**	**128,865**	**163,163**

2013

Group	Key money	Domain name	Patent	Trademarks	Total
	$	$	$	$	**$**
Cost					
Balance 1 April 2012	67,500	14,478	20,776	280,082	**382,836**
Acquisitions	-	2,353	-	23,414	**25,767**
Balance at 31 March 2013	67,500	16,831	20,776	303,496	**408,603**
Amortisation					
Balance 1 April 2012	51,841	12,999	18,308	152,744	**235,892**
Current year amortisation	4,764	2,139	1,917	28,795	**37,615**
Balance 31 March 2013	56,605	15,138	20,225	181,539	**273,507**
Net Book Value					
Balance 1 April 2012	15,659	1,479	2,468	127,338	**146,944**
Additions	-	2,353	-	23,414	**25,767**
Amortisation	(4,764)	(2,139)	(1,917)	(28,795)	**(37,615)**
Net Book Value at 31 March 2013	**10,895**	**1,693**	**551**	**121,957**	**135,096**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

15) TRADE AND OTHER PAYABLES

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Trade payables	1,035,908	1,285,808	-	-
GST payable	41,440	120,172	-	-
Accrued expenses	36,313	22,245	-	-
	1,113,661	**1,428,225**	**-**	**-**

Payables denominated in currencies other than the presentation currency comprise 13.0% of the trade payables (2013: 0.22%).

16) PROVISIONS

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Store Closure Provision				
Opening balance	35,850	39,487	-	-
Provisions made during the year	3,700	4,169	-	-
Provisions used during the year	(7,500)	(7,806)	-	-
	32,050	**35,850**	**-**	**-**
Holiday Pay Provision				
Opening balance	161,961	154,589	-	-
Provisions made during the year	68,597	27,504	-	-
Provisions used during the year	(20,091)	(20,132)	-	-
	210,467	**161,961**	**-**	**-**
Total Provisions	**242,517**	**197,811**	**-**	**-**
Current	210,467	161,961	-	-
Non-current	32,050	35,850	-	-
Total Provisions	**242,517**	**197,811**	**-**	**-**

Store Closure Provision

This is the make good provision that is set aside to cover the costs of returning premises that are occupied by BurgerFuel back to their original condition, after taking into account the natural wear and tear of these premises.

Holiday Pay Provision

This is the allocation of the 8% annual leave entitlement that each full-time and part-time employee is entitled to as part of their employment, which is accrued throughout the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

17) CASH AND CASH EQUIVALENTS

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Cash at bank	3,502,672	4,138,639	2,183,255	3,073,177
Cash on deposit	5,063,386	59,347	5,029,322	21,068
	8,566,058	**4,197,986**	**7,212,577**	**3,094,245**

18) CONTRIBUTED EQUITY

	Number of Shares		Share Capital	
	2014	2013	2014	2013
			$	$
Opening ordinary shares on issue	55,276,252	53,597,391	10,285,669	8,221,002
Shares issued	4,357,298	1,678,861	5,748,774	2,064,667
Authorised & issued ordinary shares on issue at 31 March	**59,633,550**	**55,276,252**	**16,034,443**	**10,285,669**
Less: IPO Capital Costs			(223,432)	(223,432)
Contributed Equity			**15,811,011**	**10,062,237**

Burger Fuel Worldwide Limited was listed on the New Zealand Alternative Stock Exchange on the 27 July 2007. The Company has 59,633,550 authorised and fully paid ordinary shares on issue. All shares have equal voting rights and share equally in dividends and any surplus on winding up. The shares have no par value.

No Dividends were paid in the 2013 or 2014 financial years.

The shares were issued during the year at $1.35 per share. The capital raising costs of $133,578 were offset against the share capital. (2013: 1,600,000 shares at $1.25 each and 78,861 shares at $0.82)

19) RETAINED EARNINGS

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Retained Earnings/(Accumulated Losses)				
Opening balance	(2,556,977)	(3,655,271)	(4,858,038)	(4,906,126)
Net surplus for the year	400,656	1,098,294	51,844	48,088
Closing Balance	**(2,156,321)**	**(2,556,977)**	**(4,806,194)**	**(4,858,038)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

20) OTHER RESERVES

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Foreign Currency Translation Reserve				
Opening Balance	(331,215)	(325,076)	-	-
Movements	(56,000)	(6,139)	-	-
Closing Balance	**(387,215)**	**(331,215)**	**-**	**-**

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Share Option Reserve				
Opening Balance	5,269	5,269	5,269	5,269
Closing Balance	**5,269**	**5,269**	**5,269**	**5,269**
Total Other Reserves	**(381,946)**	**(325,946)**	**5,269**	**5,269**

Nature and Purpose of Reserves:

Foreign Currency Translation Reserve

Translation differences arising on the translation of the results of subsidiaries with functional currencies other than New Zealand dollars are recognised directly in the Foreign Currency Translation Reserve. The cumulative amounts are released to profit or loss upon disposal of these subsidiaries.

Share Option Reserve

This reserve takes into account the fair value of share options that have been issued to staff of the Group, but have since lapsed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Categories of Financial Instruments

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Financial Assets (Loans & Receivables)				
Cash	8,566,058	4,197,986	7,212,577	3,094,245
Related Party Receivables	-	-	4,019,667	2,337,766
Loans (Current)	46,000	46,000	-	-
Loans (Term)	92,000	138,000	-	-
Trade Receivables	3,314,701	2,685,195	-	-
Sundry Receivables	96,389	62,501	-	-
	12,115,148	**7,129,682**	**11,232,244**	**5,432,011**
Other Financial Liabilities				
Trade Payables	1,035,908	1,285,808	-	-

Financial Risk Management Objectives

Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company and Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Management reports quarterly to the Group's audit committee, an independent body that monitors risk and policies implemented to mitigate risk exposures.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures are analysed by sensitivity analysis. There has not been significant change to BurgerFuel's exposure to market risks or the manner in which it manages and measures the risk.

Foreign Currency Risk Management

The Group's foreign exchange risk is limited to its US dollar bank account and the trading of its Australian subsidiary. It maintains amounts in the US bank account and transfers funds when foreign exchange rates are favourable

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to Australian dollars and Arab Emirates Dirhams. It also has nominal exposure to United States Dollars. The following table details the Group's sensitivity to a 10% increase and decrease in the NZ$ against the Australian currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 10% change in foreign currency rates.

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group. A positive number below indicates an increase in profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

GROUP & PARENT	10 % strengthening		10 % weakening	
	2014	2013	2014	2013
	$000	$000	$000	$000
Profit / (Loss)	51	64	(56)	(70)
Equity	37	64	(56)	(70)

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Group was not exposed to floating interest rates on borrowings. The group has no borrowings and as such its interest rate risk is limited to the movements in the Official Cash Rate (OCR) and its effect on the interest earned on the Company and Group's cash and cash equivalent accounts. If the interest rates had been 100 basis points higher and all other variables were held constant, the Group's operating result for the year ended 31 March 2014 would have been $85,660 higher.

Interest Rate Risk

The Group has no fair value interest rate risk because it does not have any financial instruments carried at fair value. The Group has cash flow interest rate risk from financial instruments that attract interest. Interest rate risk is the risk that the value of the Company and Group's assets and liabilities will fluctuate due to changes in market interest rates. Both the Company and the Group are exposed to interest rate risk primarily through its cash balances and advances. There are no contractual rights in respect of interest rate re-pricing on its assets and liabilities that expose either the Company or the Group to any material risk.

The Group manages its interest rate risk by maintaining minimal variable rate cash balances. Excess cash resources are placed into fixed rate term deposits where appropriate.

Interest Rate Risk Profile

GROUP 2014	Weighted Average effective interest rate %	Less than 1 year	Non-interest bearing	Total
		$	$	$
Financial Assets				
Cash and cash equivalent	2.42%	8,566,058	-	**8,566,058**
Loans to franchisees	-	-	138,000	**138,000**
Trade and other receivables	-	-	3,411,090	**3,411,090**
		8,566,058	**3,549,090**	**12,115,148**
Financial Liabilities				
Trade payables	-	-	1,019,124	**1,019,124**
		-	**1,019,124**	**1,019,124**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest Rate Risk Profile (continued)

2013	Weighted Average effective interest rate %	Less than 1 year	Non-interest bearing	Total
		$	$	$
Financial Assets				
Cash and cash equivalent	0.07%	4,197,986	-	**4,197,986**
Loans to franchisees	-	-	184,000	**184,000**
Trade and other receivables	-	-	2,747,696	**2,747,696**
		4,197,986	**2,747,696**	**7,129,682**
Financial Liabilities				
Trade payables	-	-	1,285,808	**1,285,808**
		-	**1,285,808**	**1,285,808**

PARENT 2014	Weighted Average effective interest rate %	Less than 1 year	Non-interest bearing	Total
		$	$	$
Financial Assets				
Cash and cash equivalent	5.12%	7,212,577	-	**7,212,577**
Related party receivables	-	-	4,019,667	**4,019,667**
		7,212,577	**4,019,667**	**11,232,244**

2013	Weighted Average effective interest rate %	Less than 1 year	Non-interest bearing	Total
		$	$	$
Financial Assets				
Cash and cash equivalent	4.00%	3,094,245	-	**3,094,245**
Related party receivables	-	-	2,337,766	**2,337,766**
		3,094,245	**2,337,766**	**5,432,011**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit Risk

Credit risk is the risk that the counter party to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. The Company and Group have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The credit ratings of its counterparties are continuously monitored by management and the aggregate value of transactions concluded is spread amongst approved counterparties.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash, trade debtors, loans and advances.

Except for cash and bank balances, concentration of credit risk did not exceed 15% of gross monetary assets at any time during the year ended 31 March 2014 or 31 March 2013. The credit risk on bank and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. The maximum credit risk exposures are:

	Group		Parent	
	2014	2013	2014	2013
	$	$	$	$
Cash and bank balances	8,566,058	4,197,986	7,212,577	3,094,245
Loans, advances and receivables	3,549,090	2,931,696	4,019,667	2,337,766

Maximum exposures are net of any recognised provisions, and at balance date no loans or advances are past due or considered to be impaired (2013: $Nil). Receivables of $517,370 are past due but not impaired (2013: $Nil).

Cash

The Company and Group's major concentration of credit risk relates to cash deposits with ASB Limited in New Zealand, and CBA Bank Limited in Australia.

Receivables

The Company and Group have a credit policy, which is used to manage its exposure to credit risk. As part of this policy, limits on exposures have been set, lending is subject to defined criteria and loans are monitored on a regular basis. The trade receivable are payable on the 10th of the following month and loans are subject a loan agreement which stipulates monthly repayments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Capital Management

The Group's capital includes share capital, reserves and retained earnings as shown in the Statements of Financial Position. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the required capital structure the Company and Group may issue new shares, sell assets to reduce debt and/or adjust amounts paid to investors.

The Group is not subject to any externally imposed capital requirements.

Fair Values

The carrying amount of cash and advances reflect their fair values. There are no off Statement of Financial Position financial instruments, to which the Company or Group is a party, in place at balance date (2013: Nil).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

(a) Cash, Bank Balances and Trade Creditors

The carrying amounts of these balances approximate fair value.

(b) Receivables

The fair value of receivables is estimated using a discounted cash flow approach.

Liquidity Risk

Liquidity risk is the risk that the Company and Group will encounter difficulty in raising funds at short notice to meet commitments associated with financial instruments. The Company and Group maintains sufficient funds to meet the commitments based on historical and forecasted cash flow requirements. The exposure is being reviewed on an ongoing basis from daily procedures to monthly reporting.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. All payables are due within 6 months of balance date (2013; 6 months).

BurgerFuel expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

22) COMMITMENTS

Lease Commitments

Operating leases relate to the motor vehicle rental and store leases. Non-cancellable operating lease rentals are payable as follows:

Group	2014 Total future minimum payments	2013 Total future minimum payments
	$	$
Less than one year	2,113,873	1,576,990
Between one and five years	5,541,576	2,728,230
More than five years	714,166	781,856
	8,369,615	**5,087,076**

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. BurgerFuel holds the head lease over all of its franchisee sites with the exception of Takapuna, and in turn licenses each of these sites to its franchisees under the same terms and conditions. At balance date, the total value of lease commitments under this arrangement was $2,205,258 (2013: $3,758,410).

Capital Commitments

At 31 March 2014, no capital expenditure (2013: Nil) had been committed under contractual arrangements with substantially all payments due within one year.

Indemnity / Guarantees

BurgerFuel has term deposits in place to cover certain commitments the banks have provided:

Group	2014 Total future minimum payments	2013 Total future minimum payments
	$	$
NZX Bond	20,000	20,000
Bond for Newtown Premises	31,317	37,131
	51,317	**57,131**

23) CONTINGENCIES

The Group has no contingencies at balance date (2013: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

24) RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the year the following related party transactions took place:

Group	Relationship	Nature of transaction	2014	2013
			$	$
Redmond Enterprises Limited	Common Directorship	Consultancy Expenses Paid	250,000	200,000
Trumpeter Consulting Limited	Common Directorship	Directors Fees	50,000	43,333
Peter Brook	Common Directorship	Directors Fees	60,000	60,000
66 Surrey Limited	Common Directorship	Head Office Rental	216,493	18,752
Parent				
Burger Fuel International Limited	Subsidiary	Advance/(Repayment)	(273,099)	14,838
Burger Fuel International Management Limited	Subsidiary	Advance/(Repayment)	(240,000)	-
Burger Fuel Limited	Subsidiary	Advance	2,195,000	234,667

The Parent has the following balances receivable from related parties as at 31 March 2014

		2014	2013
Burger Fuel Limited	Subsidiary	4,019,667	1,824,667
Burger Fuel International Limited	Subsidiary	-	273,099
Burger Fuel International Management Limited	Subsidiary	-	240,000
		4,019,667	**2,337,766**

All of the above are subsidiaries of the Group. Other than the entities listed above, there are no additional related parties with whom material transactions have taken place. These loans are interest free and repayable on demand, but unlikely to be paid within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

24) RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Compensation

Key management personnel compensation costs include remuneration of the Group Chief Executive, CEO International Markets, Directors and the members of the executive team. The compensation paid or payable to key management for employee services is shown above.

	2014	2013
Salaries and other short-term employee benefits	1,479,812	885,385
KiwiSaver Employer Contribution	24,300	7,407
Director's Fee's	110,000	103,333
Share based payments	-	64,667
	1,614,112	**1,060,792**

The Group has had the following transactions with key management personnel:

	Relationship	Nature of transaction	2014	2013
			$	$
Peter C Brook	Director	(2013: Acquisition of Shares - Directors Fees 36,585 shares @ 0.82)	-	30,000
Alan M Dunn	Director	(2013: Acquisition of Shares – Directors Fees 42,276 shares @ 0.82)	-	34,667

The new shares issued to the directors and officers were based on the market price of the equity on the date of issue.

25) EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the profit attributed to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
	$	$
Surplus attributable to the owners of the Group	400,656	1,098,294
Weighted average number of ordinary shares on issue	55,646,324	53,675,820
Basic earnings per share (cents)	0.72	2.05
Diluted earnings per share (cents)	0.72	2.05

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There is no difference between the basic and diluted number of shares on issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

26) RECONCILIATION OF NET SURPLUS AFTER TAXATION TO NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES

	Group		Parent	
	2014 $	2013 $	2014 $	2013 $
Net surplus after tax	400,656	1,098,294	51,844	48,088
Add: Non-cash items				
Amortisation	37,678	37,615	-	-
Depreciation	308,878	246,761	-	-
Issue of shares	-	64,667	-	64,667
Deferred tax asset	2,266	(13,919)	-	-
Loss on disposal of property, plant and equipment	22,057	14,736	-	-
Unrealised exchange loss	110,893	9,987	-	-
	481,772	359,847	-	64,667
Add: Items classified as investing or financing activities				
Capital gain on sale of assets	-	(7,160)	-	-
Add: Working capital movements				
(Increase)/decrease in trade and other receivables	(667,569)	(1,549,745)	-	-
(Increase)/decrease in inventories	(136,424)	(286,710)	-	-
Increase/(decrease) in taxation payable	(213,826)	41,595	(385)	4,665
Increase/(decrease) in accounts payable and accruals and provisions	(191,127)	680,450	-	-
	(1,208,946)	(1,114,410)	(385)	4,665
Net cash flows provided from/(applied to) operating activities	**(326,518)**	**336,571**	**51,459**	**117,420**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

27) SEGMENT REPORTING

Operating Segments

The Group operates in three operating segments, these operating segments have been divided into the following geographical regions, New Zealand, Australia, and the Middle East. All the segment's operations are made up of franchising fees, royalties and sales to franchisees. The segments are in the business of Franchise Systems - Gourmet Burger Restaurants. New Zealand's segment result is also due to the amortisation of intangible assets.

The amounts provided to the Board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

2014

	New Zealand	Australia	Middle East	Consolidated
	$	$	$	**$**
Revenue				
Sales	5,191,226	128,326	2,712,953	**8,032,505**
Royalties	2,233,146	33,658	1,270,561	**3,537,365**
Franchising fees	122,000	105,288	80,773	**308,061**
Training fees	105,000	-	-	**105,000**
Construction management fees	90,000	-	-	**90,000**
Advertising fees	1,460,629	10,868	255,365	**1,726,862**
Foreign exchange gain	(47,056)	(63,444)	(393)	**(110,893)**
Sundry income	650,301	(1)	(7,332)	**642,968**
Interest received	74,629	1,301	7,783	**83,713**
Total Revenue	**9,879,875**	**215,996**	**4,319,710**	**14,415,581**
Interest Expense	**4,007**	**500**	**-**	**4,507**
Depreciation	**308,878**	**-**	**-**	**308,878**
Amortisation	**37,678**	**-**	**-**	**37,678**
Income Tax Expense	**102,590**	**-**	**5,136**	**107,726**
Segment Result	**239,488**	**36,677**	**232,217**	**508,382**
Segment Assets	**13,612,162**	**361,333**	**655,427**	**14,628,922**
Segment Liabilities	**1,098,190**	**139,763**	**118,225**	**1,356,178**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

27) SEGMENT REPORTING (CONTINUED)

2013

	New Zealand	Australia	Middle East	Consolidated
	$	$	$	**$**
Revenue				
Sales	3,937,035	72,339	2,127,680	**6,137,054**
Royalties	1,742,077	36,071	834,975	**2,613,123**
Franchising fees	409,500	562,872	170,000	**1,142,372**
Training fees	80,000	-	-	**80,000**
Construction management fees	90,000	-	-	**90,000**
Advertising fees	1,135,505	12,024	176,067	**1,323,596**
Foreign exchange gain/(loss)	(5,678)	(5,423)	(5,028)	**(16,129)**
Sundry income	370,590	(1)	211,065	**581,654**
Interest received	72,845	2,120	5,479	**80,444**
Total Revenue	**7,831,874**	**680,002**	**3,520,238**	**12,032,114**
Interest Expense	**-**	**(19)**	**1,180**	**1,161**
Depreciation	**246,678**	**83**	**-**	**246,761**
Amortisation	**37,615**	**-**	**-**	**37,615**
Income Tax Expense	**126,020**	**-**	**89,661**	**215,681**
Segment Result	**481,229**	**518,902**	**313,844**	**1,313,975**
Segment Assets	**6,682,300**	**419,068**	**1,787,623**	**8,888,991**
Segment Liabilities	**184,840**	**61,143**	**1,463,694**	**1,709,677**

The 2013 Australian, New Zealand & Middle East Geographical Segments have been reclassified to reflect what is currently reported to the Board of Directors.

28) SUBSEQUENT EVENTS

There have been no material events subsequent to balance date (2013: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

29) ACQUISITION OF SUBSIDIARIES

2014

The following new entities were established with nominal share capital, and were non-trading at 31 March 2014.

- BF Lease Company No 21 Limited
- BF Lease Company No 22 Limited
- BF Lease Company No 23 Limited
- BF Lease Company No 24 Limited
- BF Lease Company No 25 Limited
- BF Lease Company No 26 Limited
- BF Lease Company No 27 Limited
- BF Lease Company No 28 Limited
- BF Lease Company No 29 Limited
- BF Lease Company No 30 Limited
- BF Lease Company No 31 Limited

2013

The following new entities were established with nominal share capital, and with the exception of Burger Fuel (ME) JLT were non-trading at 31 March 2013:

- BF Lease Company No 1 Limited
- BF Lease Company No 2 Limited
- BF Lease Company No 3 Limited
- BF Lease Company No 4 Limited
- BF Lease Company No 5 Limited
- BF Lease Company No 6 Limited
- BF Lease Company No 7 Limited
- BF Lease Company No 8 Limited
- BF Lease Company No 9 Limited
- BF Lease Company No 10 Limited
- BF Lease Company No 11 Limited
- BF Lease Company No 12 Limited
- BF Lease Company No 13 Limited
- BF Lease Company No 14 Limited
- BF Lease Company No 15 Limited
- BF Lease Company No 16 Limited
- BF Lease Company No 17 Limited
- BF Lease Company No 18 Limited
- BF Lease Company No 19 Limited
- BF Lease Company No 20 Limited
- Burger Fuel (Dubai) NZ Limited
- Burger Fuel (ME) JLT

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2014

Remuneration of Directors	2014 12 Months	2013 12 Months
	$	$
Peter Brook*	60,000	60,000
Christopher Mason	200,000	200,000
Josef Roberts	250,000	200,000
Alan Dunn*	50,000	43,333

*Includes share based payments and consultancy fees paid in arrears.

Remuneration of Employees (Excluding Executive Directors)	2014 12 Months Number of Employees	2013 12 Months Number of Employees
$100,000 - $110,000	3	1
$110,000- $120,000	1	3
$120,000-$130,000	1	-
$130,000-$140,000	1	2
$150,000-$160,000	1	-
$180,000-$190,000	1	-

Statement of Directors and Officers Interests

Directors and Officers held the following equity securities in the Company:

	Beneficially held at 31/3/14	Non-beneficially held at 31/3/14	Beneficially held at 31/3/13	Non-beneficially held at 31/3/13
Peter Brook	336,596	-	336,596	-
Christopher Mason	6,886,309	-	7,875,711	-
Josef Roberts	36,423,473	-	37,018,607	-
Alan Dunn	374,656	-	374,656	-
Tyrone Foley (Officer)	11,013	-	9,346	-
Mark Piet (Officer)	21,667	-	20,000	-

The following share transactions took place during the financial year.:

	Date of Transaction	Shares Acquired (Disposed)	Consideration Paid (received)	Nature of relevant interest
Christopher Mason	7/08/2013	(486,373)	$0	Shares Held in Associated Trust
Christopher Mason	5/03/2014	300,000	$405,000	Shares Held in Associated Trust
Christopher Mason	28/02/2014	(803,029)	($1,084,089)	Shares Held in Associated Trust
Josef Roberts	20/12/2014	(92,106)	$0	Shares Held in Associated Trust
Josef Roberts	5/03/2014	300,000	$405,000	Shares Held in Associated Trust
Josef Roberts	28/02/2014	(803,028)	($1,084,088)	Shares Held in Associated Trust
Tyrone Foley (Officer)	20/12/2014	1,667	$0	Beneficial Owner
Mark Piet (Officer)	20/12/2014	1,667	$0	Beneficial Owner

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2014

Substantial Security Holders

The following information is given pursuant to Section 26 of the Securities Amendment Act 1988. The following are registered by the Company at 25 June 2013 as Substantial Security Holders in the Company, having declared the following relevant interest in voting securities in terms of Section 25 of the Securities Amendment Act 1988.

Substantial Security Holder	Number of Voting Securities	%
Mason Roberts Holdings Limited	42,709,782	71.62%
Franchise Brands LLC	5,963,355	10.00%

The total number of voting securities of the Company on issue at 31 March 2014 was 59,633,550 fully paid ordinary shares.

Twenty Largest Security Holders as at 3 June 2014

Shareholder	Number of Shares	%
MASON ROBERTS HOLDINGS LIMITED	42,709,782	71.62%
FRANCHISE BRANDS LLC	5,963,355	10.00%
TEA CUSTODIANS LIMITED	1,968,498	3.30%
RRT CORPORATE TRUSTEE LIMITED	1,000,000	1.67%
CMJR HOLDINGS LIMITED	600,000	1.00%
CARTALLEN TRUSTEE LIMITED	486,373	0.81%
TRUMPETER TRUSTEES (2007) LIMITED	374,656	0.62%
PETER CLYNTON BROOK	336,596	0.56%
GINOSTRA SUPERANNUATION FUND PTY LIMITED	100,000	0.16%
GRANT SAMUEL & ASSOCIATES	100,000	0.16%
MATTHEW JAMES PRINGLE	75,000	0.12%
JBWERE (NZ) NOMINEES LIMITED	73,157	0.12%
ASB NOMINEES LIMITED	62,500	0.10%
AARON TRUSTEES LIMITED & DRURY NOMINEES NO 2 LIMITED	57,511	0.09%
STERLING NOMINEES LIMITED	51,431	0.08%
REBECCA AMY MCLENNAN	49,636	0.08%
ANDREW PAUL KINGSTONE & GRAEME ROSS KINGSTONE & JAMES SMELLIE	41,500	0.06%
FARAH GEORGE FARAH	40,000	0.06%
MAXWELL THOMAS GOODALL	40,000	0.06%
ALAN DAVID PATTLE & BBW TRUSTEES LIMITED	39,121	0.06%
	54,169,116	**90.73%**

SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2014

Domicile of Security Holdings

	Number of Holders	Number of Shares	%
New Zealand	2,462	53,271,989	89.3%
Australia	74	249,556	0.4%
Austria	1	2,000	0.0%
Canada	2	2,000	0.0%
China	1	2,000	0.0%
France	2	3,000	0.0%
Germany	1	1,500	0.0%
Hong Kong	1	1,000	0.0%
Japan	2	2,000	0.0%
Norway	1	1,000	0.0%
Singapore	1	3,500	0.0%
South Africa	1	1,000	0.0%
Taiwan	1	1,000	0.0%
U.S.A.	13	5,988,455	10.0%
	2,583	**59,633,550**	**100.00%**

Spread of Security Holders

Shareholding Size	Number of Holders	Total Shares Held	%
1 – 99	3	150	0.00%
100 - 199	12	1,493	0.00%
200 – 499	139	51,050	0.09%
500 – 999	127	82,863	0.14%
1,000 – 1,999	1502	1,644,660	2.76%
2,000 - 4,999	523	1,288,556	2.16%
5,000 – 9,999	155	870,306	1.46%
10,000 - 49,999	107	1,735,613	2.91%
50,000 – 99,999	5	319,599	0.54%
100,000 – 499,999	5	1,397,625	2.34%
500,000 – 999,999	1	600,000	1.01%
1,000,000 – 99,999,999	4	51,641,635	86.60%
	2,583	**59,633,550**	**100.00%**

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2014

The Board of Directors is responsible for the corporate governance of the Group. 'Corporate Governance' involves the direction and control of the business by the Directors and the accountability of Directors to shareholders and other stakeholders for the performance of the Group and compliance with applicable laws and standards.

Role of the Board

The Board is elected by the Shareholders of the Company. At each Annual Meeting one third of the directors will retire by rotation. The Directors to retire are those who wish to retire, or those who have been longest in office since last being elected.

The Board of Directors is responsible for the overall direction of Burger Fuel Worldwide Limited's business and affairs on behalf of all shareholders. The Board's key role is to ensure that corporate management is continuously and effectively striving for above-average performance, taking account of risk.

The Board:

- Establishes the objectives of Burger Fuel Worldwide Limited;
- Approves major strategies for achieving these objectives;
- Oversees risk management and compliance;
- Sets in place the policy framework within which BurgerFuel operates; and
- Monitors management performance against this background.

The Board has delegated the day-to-day leadership and management of the Group to the Group Chief Executive Officer and the Chief Operating Officer.

The Board monitors financial results and compares them to annual plans and forecasts/budgets on a regular basis, and on a quarterly basis reviews the Group's performance against its strategic planning objectives.

Board Size and Composition

Unlike the NZX Listing Rules for NZSX listed companies, the NZAX Listing Rules do not require that the Company have any independent directors. However, in the interests of good governance, and notwithstanding that there is no requirement under the NZAX Listing Rules, the Directors have decided to adopt a governance policy whereby at least two of the Directors of the Board will be "independent" as defined in the NZX Listing Rules. The size and composition of the Board is determined by the Company's constitution. As at 9 May 2013, there were four Directors, a Chief Operating Officer, and a Chief Financial Officer/Company Secretary. The Chairman of the Board and the Chairman of the Audit Committee are non-executive and independent of the role of the Chief Executive Officer and Chief Operating Officer.

Audit Committee

Although not required by the NZAX Listing Rules, to assist the Board in the execution of its responsibilities, an Audit Committee is in operation.

(i) Risk Management

The Audit Committee is required to establish a framework of internal control mechanisms to ensure proper management of the Group's affairs and that key business and financial risks are identified and controls and procedures are in place to effectively manage those risks. The Audit Committee is accountable to the Board for the recommendation of the external auditors, directing and monitoring the audit function and reviewing the adequacy and quality of the annual audit process.

(ii) Additional Assurance

The Committee provides the Board with additional assurance regarding the accuracy of financial information for inclusion in the Group's annual report, including the financial statements. The Committee is also responsible for ensuring that Burger Fuel Worldwide Limited has an effective internal control framework. These controls include the safeguarding of assets, maintaining proper accounting records, complying with legislation, including resource management and health and safety issues, ensuring the reliability of financial information and assessing and overviewing business risk. The Committee also deals with governmental and New Zealand Stock Exchange requirements.

(iii) Share Trading Policy

The Company has adopted a formal Securities Trading Policy ("Policy") to address insider trading requirements under the Securities Markets Act 1988 (as amended by the Securities Markets Amendment Act 2006 and the Securities Markets Regulations 2007). The Policy is modelled on the Listed Companies Association Securities Trading Policy and Guidelines and is administered by the Audit Committee and restricts share trading in a number of ways.

(iv) Insurance and Indemnification

Burger Fuel Worldwide Limited provides indemnity insurance cover to directors, officers and employees of the Group except where there is conduct involving a wilful breach of duty, improper use of inside information or criminality.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2014

Directors & Officers Board & Audit Committee Attendance Record

Directors	Board Meetings	Audit Committee Meetings
Peter Brook (Chair)	6	3
Josef Roberts	6	3
Chris Mason	6	3
Alan Dunn	6	3
Officers		
Tyrone Foley (Chief Operating Officer)	5	3
Mark Piet (Chief Financial Officer/Company Secretary)	6	3

Further details and photos of our board members and the composition are published in the annual report.

Constitution

A full copy of the Company's constitution is available on the Company's website (www.burgerfuel.com).

Board Remuneration

Directors are entitled to Directors' fees, reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as Directors. Aggregate fees payable to the Board will not exceed $180,000 per annum, excluding the Group Chief Executive, CEO International Markets, Chief Operating Officer and Chief Financial Officer/Company Secretary.

The Chairman receives an annual fee of $60,000 and each independent, non-executive Director will receive an annual fee of $50,000. The Company Secretary attends to all company secretarial and corporate governance matters.

Conflict of Interest

The Board has guidelines dealing with the disclosure of interests by Directors and the participation and voting at Board meetings where any such interests are discussed. The Group maintains an interests register in which particulars of certain transactions and matters involving Directors must be recorded.

COMPANY DIRECTORY
AS AT 31 MARCH 2014

Registered Office
Grant Thornton New Zealand Limited
152 Fanshawe Street
Auckland

Company Number
1947191

Date of Incorporation
14 June 2007

Directors
Peter Brook - Chairman (Independent)
Alan Dunn (Independent)
Christopher Mason (Executive)
Josef Roberts (Executive)

Board Executives
Tyrone Foley (Chief Operating Officer)
Mark Piet (Chief Financial Officer/Company Secretary)

Accountant
Grant Thornton New Zealand Limited
Level 4
152 Fanshawe Street
Auckland

Platinum Associates
Level 3, 75 Grafton Street, Bondi Junction
NSW, 2022
Australia

Bankers
ASB Bank Limited
CBA Bank Limited (Australia)

Solicitors
Kensington Swan
18 Viaduct Harbour Avenue, Auckland

Missingham Law Limited
Plaza Level, AXA Building, 41 Shortland Street, Auckland

Macky Roberton Limited
Level 1, 144 Parnell Road, Parnell, Auckland

MST Lawyers, 315 Ferntree Gully Road,
Mt Waverly, Victoria, 3149, Australia

Business Headquarters
Level 1
66 Surrey Crescent
Grey Lynn
Auckland

Auditor
Staples Rodway
Level 9, Tower Centre
45 Queen Street
Auckland

BUILT Fresh

THE TAKEOVERS PANEL

GRANTED EXEMPTIONS FOR FBLLC AND BFW FROM RULES 7(C) AND 15(B) OF THE TAKEOVERS CODE

BACKGROUND TO THE EXEMPTION

Burger Fuel Worldwide Limited (**BFW**) is a Code company. Mason Roberts Holdings Limited (**MRHL**) is the majority shareholder in BFW.

MRHL entered into a Sale and Option Agreement with Franchise Brands LLC (FBLLC) under which FBLLC agreed to purchase, and MRHL agreed to sell—

- 1,606,057 voting securities in BFW, being fully paid ordinary shares in BFW; and
- up to 23,853,420 voting securities in BFW, being an option to subscribe for up to 23,853,420 fully paid ordinary shares in BFW (**the Call Options**).

BFW obtained shareholder approval on 26 February 2014, in accordance with the Code, to the allotment of voting securities to FBLLC under the Subscription Agreement and to the acquisition of voting securities by FBLLC under the Sale and Option Agreement. The disclosures under rule 15(b) of the Code in respect of the acquisition of voting securities under the Sale and Option Agreement could not be definitively determined in advance because the actual number of voting securities that will be acquired by FBLLC under the Sale and Option Agreement depends on whether FBLLC exercises the maximum number of Call Options. Accordingly, the Panel granted the Takeovers Code (Burger Fuel Worldwide Limited) Exemption Notice 2014 (**Exemption Notice**), which granted the following exemptions:

(a) to FBLLC, from rule 7(c) of the Code in respect of any increase in FBLLC's voting control that results from the acquisition of voting securities by FBLLC under the call option to the extent that the notice of meeting does not comply with rule 15(b) of the Code; and

(b) to BFW, from rule 15(b) of the Code in respect of the notice of meeting, to the extent that rule 15(b) requires the notice of meeting to contain, or be accompanied by, particulars of voting securities to be acquired under the call option.

DISCLOSURES REQUIRED BY THE EXEMPTION NOTICE

Clause 7 of the Exemption Notice requires that every annual report issued by BFW during the period commencing on the date of the meeting and ending on the final completion date, and in the first annual report after the final completion date, contains the following information:

A SUMMARY OF THE TERMS OF THE CALL OPTION, AS APPROVED AT THE MEETING:

The Call Options are exercisable in four tranches over eight years from the initial completion date. Each tranche can be exercised in full or in part. Call Options not exercised in one tranche will accumulate in the subsequent tranche.

If Franchise Brands does not issue an Exercise Notice during any of the Tranche Periods, Mason Roberts Holdings Limited may sell up to 1,000,000 of the Tranche Option Shares (on each Tranche period end date) on the public market.

If BFW reaches or exceeds its target of 1,000 open and operating Burger Fuel outlets by the eighth anniversary of the call option agreement, then the number of options will be limited to 35% of the total outstanding shares in the Company (if all options are exercised, which would take Franchise Brands to a 45% ownership). If the Company has not achieved a minimum of 1,000 outlets by the eighth anniversary of the call option agreement, then Franchise Brands could increase its ownership stake to 50% of the total issued shares of the Company (if all options are exercised).

As at balance date (31 March 2014) Franchise Brands LLC holds 10% of BFW's issued capital (5,963,355 shares) & no call options have been exercised in this period. Each call option (tranche) is for a maximum of 5,963,355 shares or 10% of the issued capital.

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A summary of the milestone dates for the call options is contained in the table below.

CALL OPTION SHARE - MILESTONE DATES	EGM 26 February 2014	Completion Date (2 Business Days post EGM) 28 February 2014

	Tranche One Option Shares	Tranche Two Option Shares	Tranche Three Option Shares	Tranche Four Option Shares
Tranche Commencement Date	28 February 2014	28 February 2016	27 February 2018	27 February 2020
20 Day Exercise Period - Start Date	8 February 2016	7 February 2018	7 February 2020	6 February 2022
Tranche End Date	28 February 2016 (2nd Anniversary)	27 February 2018 (4th Anniversary)	27 February 2020 (6th Anniversary)	26 February 2022 (8th Anniversary)
If the Average Market Price of the BFW shares as at the commencement of the Tranche Period is Less than:	NZD 1.49	NZD 1.64	NZD 1.80	NZD 1.98
The Tranche End Date will be either				
Tranche End Date (+ 12 month extension) OR	27 February 2017	27 February 2019	26 February 2021	26 February 2023
Tranche End Date will be 20 Business Days after the Average Market Price becomes greater than:	> NZD 1.49	> NZD 1.64	> NZD 1.80	> NZD 1.98
Shares held by FBLLC at initial completion date – 5,963,355	Up to 5,963,355	Up to 5,963,355	Up to 5,963,355	Up to 5,963,355
FBLLC Percentage held of BFW issued capital at initial completion date – 10%	10%	10%	10%	10% (if less than 1,000 stores have been opened)

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A SUMMARY OF THE TERMS AND CONDITIONS OF THE EXEMPTIONS GRANTED UNDER THE EXEMPTION.

In addition to disclosures made in the Notice of Meeting dated 11 February 2014, every annual report issued by BFW during the period in which the Exemption Notice is in force must contain the following in a prominent position:

(i) a summary of the terms of the Call Options, as approved at the meeting at which shareholder approval of the Call Options was given;

(ii) a summary of the terms and conditions of the exemptions granted under the exemption notice;

(iii) Particulars, as at the end of the financial year to which the report relates, of—

- (a) the number of voting securities acquired by FBLLC under the Call Options; and
- (b) the number of voting securities then on issue that are held or controlled by FBLLC, and the percentage of all voting securities on issue that that number represents; and
- (c) the percentage of all voting securities then on issue that are held or controlled, in aggregate, by FBLLC and FBLLC's associates; and
- (d) the maximum percentage of all voting securities that could be held or controlled by FBLLC if it acquires the approved maximum number of voting securities under the Sale and Option Agreement; and
- (e) the maximum percentage of all voting securities that could be held or controlled, in aggregate, by FBLLC and FBLLC's associates if it acquires the approved maximum number of voting securities under the Sale and Option Agreement; and
- (f) a statement of the assumptions on which these particulars are based.

From the date of the meeting, 26 February 2014, until the final completion date, BFW must show the following information in a prominent position on its website:

- (a) the information required to be disclosed in BFW's annual reports (set out above); and
- (b) as soon as BFW is aware of it, or ought reasonably to be aware of it, any aggregate increase of 1% or more in the voting securities held or controlled by FBLLC.

The exemptions are also subject to the additional conditions that during the period in which the notice is in force

- FBLLC must not increase its voting control except in accordance with;
  - (a) the approved transactions; or
  - (b) an exemption from the Panel under section 45 of the Act; or
  - (c) rule 7(c) or (d) of the code.
- There must be no change of control of FBLLC that results in another person becoming the holder or controller of an increased percentage of voting rights in BFW except in accordance with;
  - (a) An exemption from the Panel under section 45 of the Act; or
  - (b) rule 7(c) or (d) of the code.

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PARTICULARS, AS AT THE 31ST MARCH 2014

the number of voting securities acquired by FBLLC under the call option; and	0
the number of voting securities then on issue that are held or controlled by FBLLC, and the percentage of all voting securities on issue that that number represents; and	5,963,355 / 10%
the percentage of all voting securities then on issue that are held or controlled, in aggregate, by FBLLC and FBLLC's associates; and	10%
the maximum percentage of all voting securities that could be held or controlled by FBLLC if it acquires the approved maximum number of voting securities under the call option; and	50%
the maximum percentage of all voting securities that could be held or controlled, in aggregate, by FBLLC and FBLLC's associates if it acquires the approved maximum number of voting securities under the call option; and	50%
a statement of the assumptions on which the particulars are calculated	• the number of voting securities on issue, was the number of voting securities on issue as at the date of the notice of meeting; • 1,606,057 fully paid ordinary shares in BFW were acquired by FBLLC from MRHL under the Sale and Option Agreement on the initial completion date; • 23,853,420 fully paid ordinary shares in BFW will be acquired by FBLLC from MRHL under the call options. • 4,357,298 fully paid ordinary shares in BFW were allotted to FBLLC under the Subscription Agreement, on the initial completion date; and • 600,000 fully paid ordinary shares in BFW are acquired by MRHL from T.E.A Custodians Limited on the initial completion date and; • There is no change in the total number of voting securities on issue from the date of the notice of meeting until the final completion date (other the acquisition above).


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