BURGER FUEL WORLDWIDE LIMITED ANNUAL REPORT 2017

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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FOR THE YEAR ENDED 31 MARCH 2017

ANNUAL REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017

OVERVIEW

The Directors of BurgerFuel Worldwide (BFW) are pleased to present audited results for the 12 months to 31 March 2017.

Group Operating Revenue increased by 9.9% to $22.3M. BurgerFuel Total (unaudited) System Sales are up 5.78% to $102M* for the 12 month period, a key milestone for the Group.

(*Please note; taking foreign exchange rate movements' into account, the adjusted total system sales growth on a year-on-year basis is 4.0% equalling $100M).

Net Profit after tax for the period was $888,948 representing an increase of 178% on last year.

This result is particularly pleasing considering the costs associated with the annulment of the Franchise Brands relationship and the resulting expenditure that occurred in order for BFW to enter the USA on its own. It should, however, be noted that further costs for the support and opening of the USA store have occurred in the early months of FY18.

Our Group Operating Revenue increased by 9.9% on the same period last year. This revenue is largely comprised of long-term recurring royalties and sales. The 4.0% increase in BurgerFuel Total System Sales for the period is made up of both new and existing stores' sales growth.

We have added nine new restaurants between 1 April 2016 and 31 March 2017 within New Zealand as well as in Iraq and Egypt (relocation). As at 31 March 2017 there were 86 BurgerFuel stores operating worldwide.

BFW RESULTS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

	31 March 2017	31 March 2016
	$000	$000
Operating Revenue*	22,343	20,328
Operating Expenses**	(21,229)	(21,374)
Net Profit (Loss) Before Tax	1,114	(1,046)
Net Profit (Loss) After Tax	889	(1,144)

* Revenue includes; Operating revenue & interest income.

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

TOTAL (UNAUDITED) SYSTEM SALES UP 4.0% to $100M

AUSTRALASIAN REGION

System sales across New Zealand (54 restaurants) and Australia (5 restaurants) increased by 15%.

In New Zealand, we continue to strengthen our growth position. BurgerFuel remains the largest gourmet burger chain in this market, and the third largest burger concept overall.

As well as functioning as a highly successful business unit in its own right, the New Zealand business continues to act as an incubator and testing ground for the global business. Constant focus on operational excellence, the development of world class training technology and system development will all continue to benefit the global business.

The three NZ-based company-owned stores have performed well, and we continue to see potential in this area. With strong cash reserves and no debt, the Group is well placed to facilitate further key BurgerFuel restaurant purchases, should opportunities arise that fit the BFW criteria for company-owned stores.

While sales continue to grow year-on-year, the board notes that the market should expect store openings in New Zealand to slow down as this market approaches its full potential – especially in the North Island. BFW still sees the opportunity for further expansion in the South Island and this will be explored during FY18.

While focus will remain on the protection and growth of the existing New Zealand business, BFW will continue in its exploration of diversification opportunities. The board will be considering all options for continued expansion within the New Zealand Market, both inside and outside the BurgerFuel brand.

The Australian market remains difficult, and alongside an extremely competitive landscape, we continue to face high operating costs such as rent and labour.

Sales and royalty income derived from Australia has seen a reduction in comparison to FY16, due to the reduced store numbers, and a move to sourcing locally produced products, rather than exporting from NZ. In the long term, this move will improve profitability for the Group and the remaining franchised Australian stores.

As we seek to explore new markets in new countries our strategy has always incorporated our ability to both open and if necessary close or re-locate locations if the need arises. In early FY18, the franchised Parramatta store in Sydney was closed due to a less than expected trading performance. This will have no material impact on BFW results.

As previously communicated, we are aware that it will require significant time and investment to establish the brand to a profitable level in Australia.

At this stage we will continue to operate in the Australian market but it remains under review and accordingly monthly performance will be closely monitored with view to our long term commitment to Australia.

MIDDLE EASTERN REGION

In the Middle East, despite facing the ongoing effects of low oil prices as well as economic and political unrest, we have seen significant growth in certain areas and continue to make progress in this market.

As of the 31st March 2017, we now have a total of 27 BurgerFuel stores across the Middle East.

Most notably, our business in Saudi Arabia has seen significant growth in sales in the last six months, and this can be largely attributed to the recent revitalisation of the Saudi economy as well as efforts to increase marketing activity in that region.

The UAE, we are facing a densely populated competitor market, with over 55 burger concepts now competing. Despite these challenges, our business in the UAE continues to operate reasonably well, and Dubai remains a strong focus for us in the Middle Eastern region.

The largest problem facing all retail brands in Dubai is the continued upward movement of occupancy costs with retail rents rising. These out of proportion occupancy costs take the shine off trading results and remove incentives to develop further. This is a trend that is occurring in nearly all developed world markets (including New Zealand) and can only lead to both the failure of some concepts as well as the increased ticket prices of all retail goods sold in store, including food.

In Egypt, we relocated a store in September 2016. While we remain optimistic about this market, the reality is that due to ongoing political turmoil, store turnover is very low and this market will require close monitoring. Our partners continue to look for expansion opportunities in Egypt and have our support in this endeavour.

In Iraq, where we have one store in Baghdad, sales are strong, and our partners are actively looking at expansion opportunities.

In summary, while revenue is down for the MENA region, it continues to be a good contributor for us, despite heavy competition, regional unrest and the economic effects of lower oil prices. We do caution the market every year that our outlook in any of these regions can change quickly due to the ongoing potential for volatility in the Middle East. As such, we will monitor all of these markets closely.

GROUP OUTLOOK

Despite withdrawing from the collaboration agreement with Franchise Brands last year, in May 2017 we announced the opening of the first BurgerFuel store in the United States, located in Indianapolis. This is a 100% company owned and operated store.

Although it is early days, the store is operating well, and the initial public reaction has been extremely positive. The focus is now on ensuring the continued growth of this store, monitoring performance closely and preparing for further expansion in the American market.

Outside of the US, the group continues to protect and grow the existing business, as well as look for new expansion opportunities both inside and outside of the BurgerFuel brand.

Despite significant investment into the USA, cash reserves have increased, and BFW is in a strong position, not only financially, but also from a management, resource and intellectual property perspective. This places the Group in good stead for both further expansion and diversification into new opportunities.

The Board will be considering all options for the expansion of the Group both in New Zealand and internationally. In this regard, and as always, we will keep the market informed of any progress made.

The Group has no debt, and as of 31st March 2017 had cash reserves of $6.4M.

We would like to thank all our shareholders for their continued support, and we look forward to keeping you informed of our progress.

Best regards

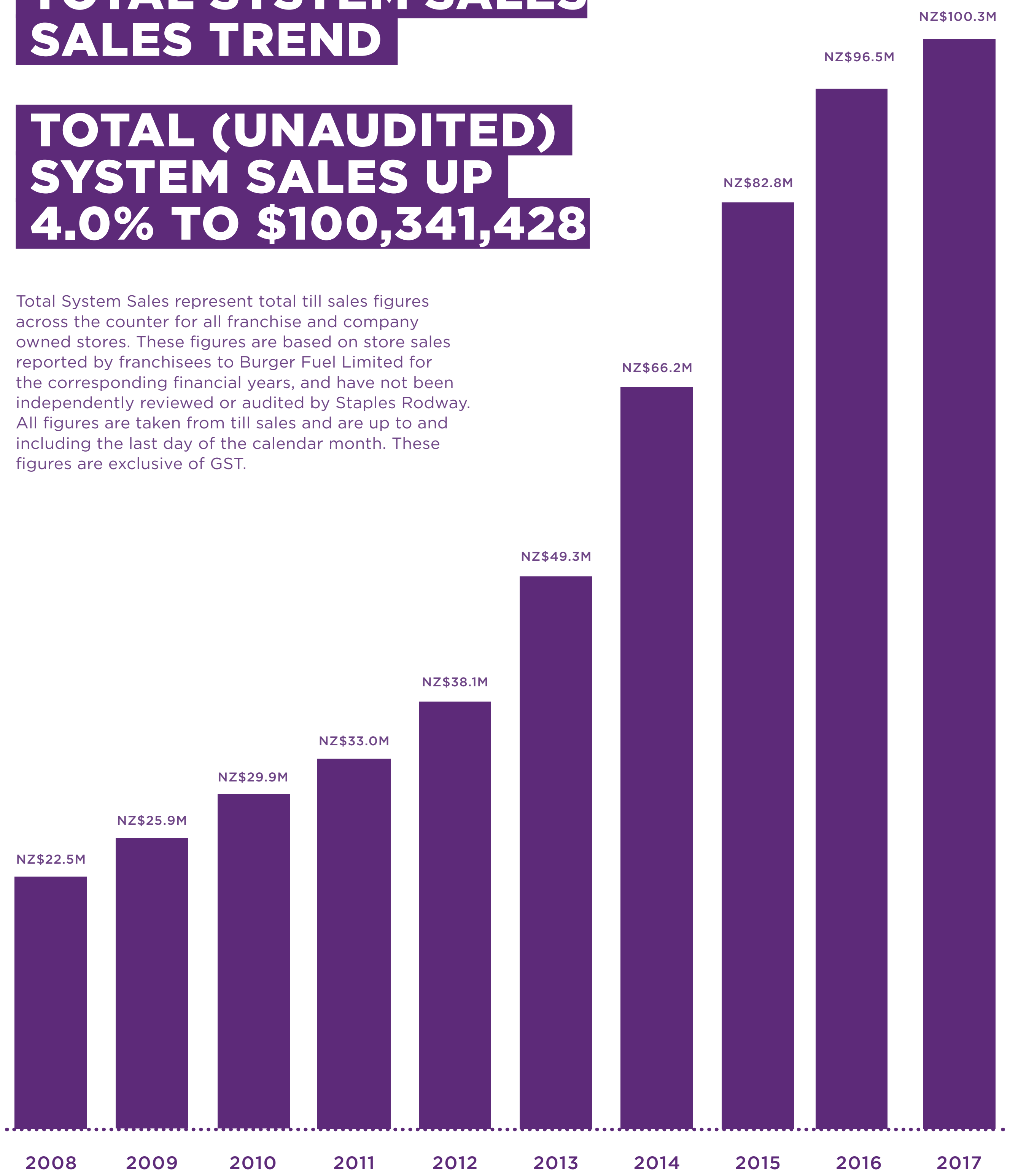
Peter Brook
Chairman

Josef Roberts
Group CEO

TOTAL SYSTEM SALES SALES TREND

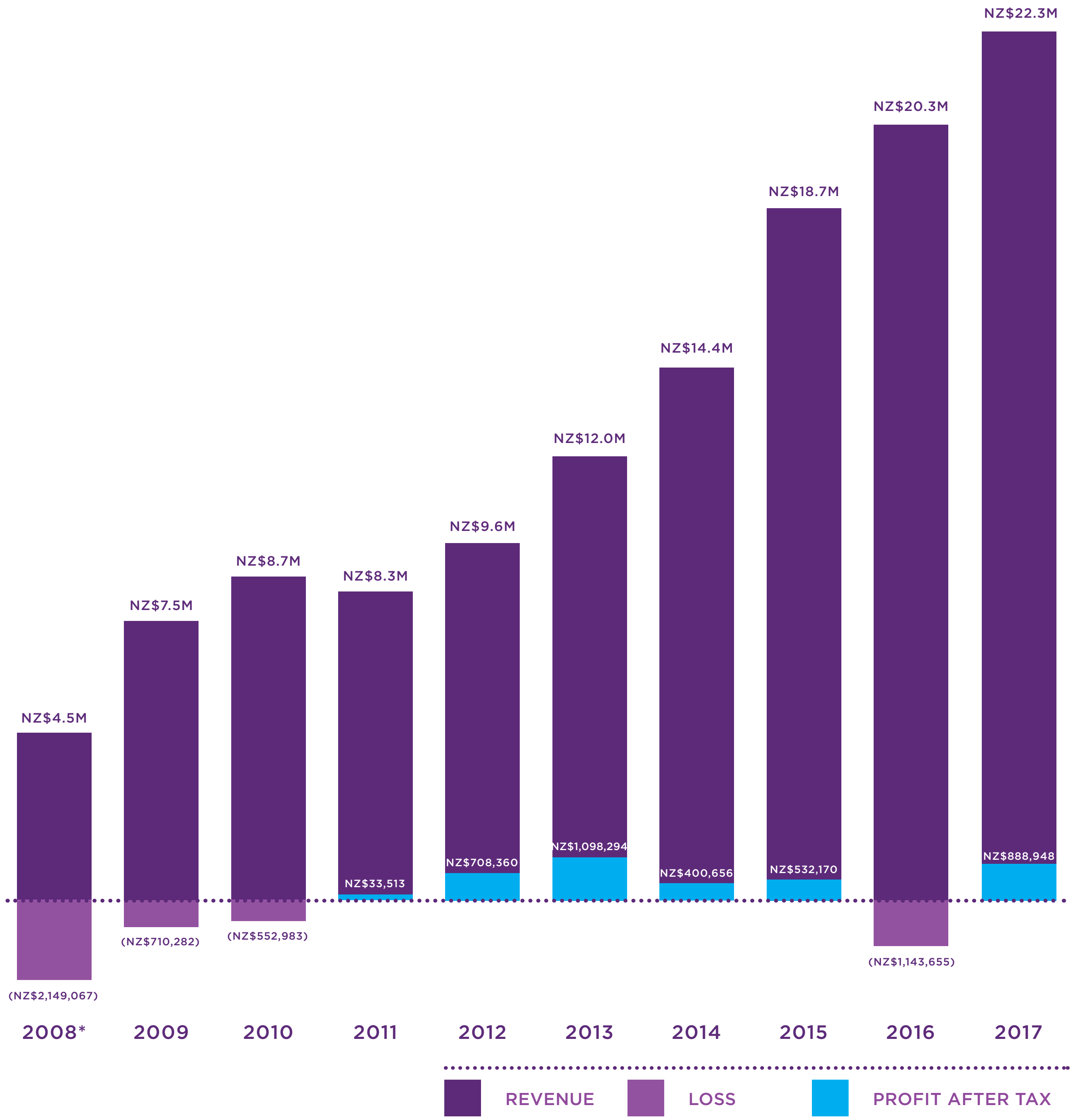
TOTAL (UNAUDITED) SYSTEM SALES UP 4.0% TO $100,341,428

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

BURGERFUEL OPENS IN THE USA

After ending our collaboration agreement with Franchise Brands last year, we forged ahead in true BurgerFuel style, in May 2017 we opened an independent, company owned store in Indianapolis, USA.

The flagship restaurant is located on a large stand-alone site in thriving Broad Ripple, a suburb filled with bars, clubs, eateries as well as four large universities. The area, which can be likened to the Auckland suburb of Ponsonby, attracts a lively crowd who travel there for the high energy social scene on offer.

In order to give the people of Indianapolis a full throttle introduction to the iconic BurgerFuel experience, launch activity included the full arsenal of BurgerFuel culture, from live street art installations in the community, to Radio BurgerFuel broadcasting live from the store and our two classic, custom-built BurgerFuel machines cruising the streets of Indianapolis.

Serving up the same fresh, natural, gourmet burgers and unique sides that are loved by customers around the globe, the store has performed well to date, and customer feedback has been overwhelmingly positive.

We are now fully focused on the performance of this store, with our sights set firmly on further expansion in the USA.

THE BOARD

TYRONE FOLEY

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.

JOHN PFANNENBECKER

INDEPENDENT DIRECTOR

John is currently serving as the Managing Attorney for Finance and Investments and as a member of its Executive Management Committee for Franchise World Headquarters, LLC advising Doctor's Associates Inc., Franchise Brands, LLC and its private equity holdings.

CHRIS MASON

FOUNDING DIRECTOR

Chris is the founder of BurgerFuel having opened the first store on Ponsonby Road in 1995.

He is an executive member of the board of directors. Chris was previously based in the UAE but since September 2015 he has been based in the USA, driving our USA business.

PETER BROOK

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.

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.

MARK PIET

CHIEF FINANCIAL OFFICER

Mark is the CFO & Company Secretary of BurgerFuel and has been with the company since 2008.

Mark is a chartered accountant & a member of Chartered Accountants Australia and New Zealand.

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

ALAN DUNN

INDEPENDENT DIRECTOR

CHAIRMAN - BFW AUDIT COMMITTEE

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

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

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Burger Fuel Worldwide Limited and its subsidiaries (the Group) on pages 18 to 54, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

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

Our report is made solely to the Shareholders of Burger Fuel Worldwide Limited, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Burger Fuel Worldwide Limited and the Shareholders of Burger Fuel Worldwide Limited, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, Burger Fuel Worldwide Limited or any of its subsidiaries.

In addition to this, principals and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. This has not impaired our independence.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters are selected from the matters that were discussed with the Directors, but are not intended to represent all matters that were communicated with the Directors, but are not intended to represent all matters that were discussed with them.

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Key Audit Matter	How our audit addressed the key audit matter

Acquisition of Takapuna Franchise
As disclosed in Note 29 of the Group's consolidated financial statements the Group Acquired the Takapuna Franchise during the year ended 31 March 2017. The acquisition was significant to our audit due to the size of the acquisition (consideration transferred of $1,298,067) and the subjectivity and complexity inherent in the business acquisition.
Management has completed a process to identify the acquirer, determine the acquisition date, measure the consideration transferred, and allocate the consideration transferred to the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.
This process involves complex and subjective estimation and judgement by Management on the following:
• the accounting treatment of the acquisition;
• identification of the assets acquired and liabilities assumed;
• the future performance of the acquired business;
• discount rates applied to future cash flow forecasts; and
• determination of the goodwill balance.
Management has 12 months from the date of acquisition to finalise the purchase price allocation. Management are currently in the process of obtaining a valuation of the reacquired rights to finalise this process, as disclosed in Note 29.
	Our audit procedures among others included:
	• Reading the sale and purchase agreement relating to the acquisition to understand key terms and conditions and confirming our understanding of the transaction with Management.
	• Evaluating the measurement of the consideration transferred.
	• Evaluating the identified assets and liabilities against the terms of the sale and purchase agreement.
	• For the measurement of the identified assets and liabilities, evaluating:
	  • the fair values of the identified assets and liabilities at acquisition date; and
	  • the cash flow forecasts used in the measurement of the identifiable intangible assets, which included assessing the appropriateness of future cash flow forecasts and discount rates applied to those forecasts against the historic performance of the business and considering the impact and likelihood of known future events.
	• Evaluating the related disclosures about the acquisition of the Takapuna Franchise included in Note 29 in the Group's consolidated financial statements.

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Key Audit Matter	How our audit addressed the key audit matter
Goodwill As disclosed in Note 14 of the Group's consolidated financial statements the Group has goodwill of $1,890,039 allocated across two of the Group's cash-generating units ('CGUs'). Goodwill was significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in the measurement of the recoverable amount of the CGUs' for the purpose of the required annual impairment test. The measurement of a CGUs recoverable amount includes the assessment and calculation of its 'value-in-use'. Management has completed the annual impairment test for each of the CGUs as at 31 March 2017. The Group is still finalising its purchase price allocation for the Takapuna acquisition. It is expected that a value will be attributed to the reacquired rights which will be amortised over a residual 9.5 year term. The balance after allocation to the reacquired rights would be allocated to Goodwill. In the current year the total Goodwill balance has been included for impairment testing.	Our audit procedures among others included: • Evaluating Management's determination of the Group's two CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how CGUs are monitored and reported. • Challenging Management's assumptions and estimates used to determine the recoverable value of its indefinite life intangible assets, including those relating to forecast revenue, cost, capital expenditure, discount rates, by adjusting for future events and corroborating the key market related assumptions to external data. Procedures included: • Evaluating the logic of the value-in-use calculations supporting their annual impairment test and testing the mathematical accuracy of these calculations; • Evaluating Management's process regarding the preparation and review of forecasts; • Comparing forecasts to Board approved forecasts; • Evaluating the historical accuracy of the Group's forecasting to actual historical performance; • Evaluating the forecast growth assumptions; • Evaluating the inputs to the calculation of the discount rates applied; • Engaging our own internal valuation experts to assess the reasonableness of the discount rates applied; • Evaluating Management's sensitivity analysis' for reasonably possible changes in key assumptions; • Performing our own sensitivity analysis for reasonably possible changes in key assumptions, the two main assumptions being: the discount rate and forecast growth assumptions (during both the forecast and terminal periods); and • Evaluating the related disclosures about indefinite life intangible assets which are included in Note 14 in the Group's consolidated financial statements.

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Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition The Group's three largest revenue streams are, revenue from the sale of goods $10,765,657, royalties of $5,713,461 and advertising fees $3,679,221. Revenue recognised from royalties and advertising fees is calculated based on agreed percentages of sales made by the Group's individual franchisees during the year. To determine the amount of royalties and advertising fee to be recognised for the year, Management has completed royalty and advertising fee calculations throughout the year based on the percentages agreed with individual franchisees and sales information provided by these franchisees.	Our procedures among others included: • Agreeing the percentage of sales due from the Group's individual franchisees as royalties and advertising fees to the relevant franchisee agreement on a sample basis; • Evaluating the design and operating effectiveness of the key controls over the integrity, accuracy and completeness of the sales information provided to the Group by individual franchisees; • Testing the mathematical accuracy of the royalties and advertising fee calculation undertaken by Management on a sample basis; and • Evaluating the related disclosures about royalties and advertising fee revenue included in Notes 3 and 5 in the Group's consolidated financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2017 (but does not include the consolidated financial statements and our auditor's report thereon).

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Responsibilities of the Directors for the Consolidated Financial Statements
The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS), and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Matters Relating to the Electronic Presentation of the Audited Consolidated Financial Statements
This audit report relates to the consolidated financial statements of Burger Fuel Worldwide Limited and its subsidiaries for the year ended 31 March 2017 included on Burger Fuel Worldwide Limited's website. The Directors of Burger Fuel Worldwide Limited are 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 consolidated financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated 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 consolidated financial statements and related audit report dated 27 July 2017 to confirm the information included in the audited consolidated financial statements presented on this website.

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

The engagement partner on the audit resulting in this independent auditor's report is D I Searle.

Staples Rodway

STAPLES RODWAY AUCKLAND
27 July 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 $	2016 $
Revenue	5	22,217,345	20,130,134
Operating Expenses	6	(20,520,743)	(20,637,107)
Profit / (Loss) before Interest, Taxation, Depreciation and Amortisation		**1,696,602**	**(506,973)**
Depreciation	11	(615,868)	(688,946)
Amortisation	14	(85,771)	(44,043)
		(701,639)	(732,989)
Profit / (Loss) before Interest and Taxation		**994,963**	**(1,239,962)**
Interest Income		126,453	198,204
Interest Expense		(6,918)	(4,350)
		119,535	193,854
Profit / (Loss) before Taxation		**1,114,498**	**(1,046,108)**
Income Tax Expense	7	(225,550)	(97,547)
Net Profit / (Loss) attributable to shareholders		**888,948**	**(1,143,655)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in Foreign Currency Translation Reserve	20	3,565	23,792
Total comprehensive income		**892,513**	**(1,119,863)**
Basic Earnings per Share (cents)	25	**1.49**	**(1.92)**
Diluted Earnings per Share (cents)	25	1.49	(1.92)

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

		2017	2016
Shareholders' equity	Note	$	$
Contributed equity	18	16,034,443	16,034,443
Retained earnings	19	(1,873,589)	(2,762,537)
IPO capital costs	18	(223,432)	(223,432)
Other reserves	20	(305,222)	(308,787)
		13,632,200	**12,739,687**
Current assets			
Cash and cash equivalents	17	6,412,895	6,078,288
Trade and other receivables	9	2,634,258	2,719,652
Income tax receivable		-	111,779
Inventories	10	1,174,109	1,293,561
Loans	13	133,000	46,000
		10,354,262	**10,249,280**
Non-current assets			
Property, plant and equipment	11	3,278,161	3,155,480
Deferred tax asset	7	94,965	76,375
Intangible assets	14	2,423,975	1,127,910
		5,797,101	4,359,765
Total assets		**16,151,363**	**14,609,045**
Current liabilities			
Trade and other payables	15	2,121,142	1,527,689
Income tax payable		25,348	-
Provisions	16	337,023	307,219
		2,483,513	**1,834,908**
Non-current liabilities			
Provisions	16	35,650	34,450
		35,650	34,450
Total liabilities		**2,519,163**	**1,869,358**
Net assets		**13,632,200**	**12,739,687**
Net tangible assets per share ($ per share)	30	0.19	0.19

For and on behalf of the board who approved these financial statements for issue on 27th July 2017.

Director Director

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

2017		Contributed Equity	Foreign Currency Translation Reserve	IPO Capital Costs	Share Option Reserve	Retained Earnings	Total Equity
	Note	$	$	$	$	$	**$**
Balance as at 1 April 2016		16,034,443	(308,787)	(223,432)	-	(2,762,537)	**12,739,687**
Issue of Ordinary Shares		-	-	-	-	-	**-**
Movement in foreign currency translation reserve recognised in other comprehensive income		-	3,565	-	-	-	**3,565**
Net Profit for the year ended 31 March 2017		-	-	-	-	888,948	**888,948**
Total comprehensive income		-	3,565	-	-	888,948	**892,513**
Balance as at 31 March 2017		**16,034,443**	**(305,222)**	**(223,432)**	**-**	**(1,873,589)**	**13,632,200**

2016		Contributed Equity	Foreign Currency Translation Reserve	IPO Capital Costs	Share Option Reserve	Retained Earnings	Total Equity
	Note	$	$	$	$	$	**$**
Balance as at 1 April 2015		16,034,443	(332,579)	(223,432)	5,269	(1,624,151)	**13,859,550**
Movement in foreign currency translation reserve recognised in other comprehensive income		-	23,792	-	-	-	**23,792**
Movement in Share option reserve		-	-	-	(5,269)	5,269	**-**
Net Loss for the year ended 31 March 2016		-	-	-	-	(1,143,655)	**(1,143,655)**
Total comprehensive income		-	23,792	-	(5,269)	(1,138,386)	**(1,119,863)**
Balance as at 31 March 2016		**16,034,443**	**(308,787)**	**(223,432)**	**-**	**(2,762,537)**	**12,739,687**

The attached notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		22,934,671	19,294,725
Interest received		126,453	198,204
Goods and services tax received		7,918	95,104
		23,069,042	**19,588,033**
Cash was applied to:			
Payments to suppliers & employees		(20,374,689)	(19,945,381)
Interest paid		(6,918)	(4,350)
Taxes paid		(107,015)	(363,320)
		(20,488,622)	(20,313,051)
Net cash flows provided from / (applied to) operating activities	26	**2,580,420**	**(725,018)**
Cash flows from investing activities			
Cash was provided from:			
Repayments from franchisees		46,000	46,000
Sale of property, plant and equipment		140,419	115,475
		186,419	161,475
Cash was applied to:			
Acquisition of intangible assets		(195,180)	(308,299)
Advance to supplier		(133,000)	-
Acquisition of property, plant & equipment		(814,513)	(949,171)
Acquisition of subsidiary	29	(1,298,067)	-
		(2,440,760)	(1,257,470)
Net cash flows applied to investing activities		**(2,254,341)**	**(1,095,995)**
Net movement in cash and cash equivalents		326,079	(1,821,013)
Exchange gains on cash and cash equivalents		8,528	178,268
Opening cash and cash equivalents		6,078,288	7,721,033
Closing cash and cash equivalents	17	**6,412,895**	**6,078,288**

The attached notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Markets Conduct Act 2013 and its financial statements comply with that Act.

The financial statements presented are those of Burger Fuel Worldwide Limited (the ‘Group’). A list of its wholly owned subsidiaries is listed in note 12 of the financial statements.

The Group 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”) and the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. 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. For the purposes of complying with NZ GAAP, the Group is a Tier 1 for-profit entity as defined in the XRB’s Accounting Standards Framework. 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 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 in each of the jurisdictions it operates in.

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.

Refer to note 7 for additional information on accounting for income tax.

Impairment of Goodwill

The Group reviews Goodwill for indicators of impairment at least on an annual basis. This requires an estimation of the fair value of the cash-generating units to which the Goodwill are allocated. Estimating the fair value amount requires management to make an estimate of the expected future cash flows from the cash-generating unit in the forecasted period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The Group’s longer term forecasts are subject to a higher level of uncertainty as it mostly depends on consumer spending, market conditions and level of competition. For additional information on the impairment test, reference is made to note 14.1 - Intangible Assets.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

a) Basis of Consolidation

Subsidiaries

Subsidiaries are all 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.

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.

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.

Sale of Goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, allowances and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs of possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

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 as the twelve week training course is provided to the new operator.

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 a percentage of completion basis, as the store build progresses.

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 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.

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

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.

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.

f) Share Capital

Ordinary Shares

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

g) Finance Income and Expense

For all financial instruments measured at amortised cost, interest income and expense is recorded at the effective interest rate.

h) 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 & straight line (USA)
Leasehold Improvements	9% - 26.4% diminishing value & straight line (USA)
Information Technology	33% - 67% diminishing value & straight line (USA)
Furniture & Fittings	10% - 80.4% diminishing value
Kitchen Equipment	13% - 39.6% diminishing value
Office Equipment	10% - 60% diminishing value & straight line (USA)

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 2017

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

i) Leased Assets

Operating and Financing 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.

j) Intangible Assets

The Group's intangible assets have finite useful lives with the exception of Goodwill 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 an impairment 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.

As part of a business combination, an acquirer may acquire a right that it had previously granted to the acquiree to use one or more of the acquirer's recognised or unrecognised assets. An example of such rights include a right to use the acquirer's trade name under a franchise agreement. A reacquired right is an identifiable intangible asset that the acquirer recognises separately from goodwill. Reacquired rights are initially valued at the present value of the expected future cash flows, which is subsequently used as cost and amortised on a straight-line basis over its useful life, being the remaining contractual period without considering contractual extension possibilities, but not exceeding 10 years.

k) 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.

l) 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.

m) Goods and Services Tax (GST)

The Statement of Comprehensive Income and Cash Flows 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 Group comprise both exempt and non-exempt supplies for GST purposes.

n) 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. Foreign currency differences arising on retranslation are recognised in the profit or loss.

Foreign Operations

The assets and liabilities of foreign operations are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

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 the average exchange rates for the period where this rate approximates the rate at the date of the transaction.

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.

o) 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, acquisition of a subsidiary 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.

p) Earnings and Net Tangible Assets 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.

The Group also presents Net Tangible Assets Per Share for its ordinary shares and it is calculated by dividing the net tangible assets of the Group by the number of shares outstanding at the end of the year.

q) 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 four operating segments – these consist of the following geographical locations, New Zealand, Australia, United States of America and the Middle East.

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

r) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Refer to Note 14.1 for a description of impairment testing procedures.

s) Impairment testing of Goodwill, Other intangible Assets and Non-financial Assets

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

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

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

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.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4) NEW STANDARDS ADOPTED AND INTERPRETATIONS NOT YET ADOPTED

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

NZ IFRS 9 – Financial instruments (effective date from 1 January 2018)

NZ IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of NZ IAS 39. The main changes are:

(a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

(d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and
- The remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from NZ IAS 39 into NZ IFRS 9

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

NZ IFRS 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

NZ IFRS 9 also contains a new impairment model based on expected credit losses. The model makes use of more forward-looking information. In applying this more forward-looking approach, a distinction is made between:

- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

The Group intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact. Management does not expect a significant change to the way in which the group measures its financial instruments.

NZ IFRS 15 – Revenue from contracts with customers (effective date from 1 January 2018)

NZ IFRS 15:

- replaces NZ IAS 18 *Revenue*, NZ IAS 11 *Construction Contracts* and some revenue-related interpretations.
- establishes a new control-based revenue recognition model.
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics.
- expands and improves disclosures about revenue.

In particular, NZ IFRS 15 includes important new guidance on:

- contracts involving the delivery of two or more goods or services – when to account separately for the individual performance obligations in a multiple element arrangement, how to allocate the transaction price, and when to combine contracts timing – whether revenue is required to be recognised over time or at a single point in time.
- variable pricing and credit risk – addressing how to treat arrangements with variable or contingent (e.g. performance-based) pricing, and introducing an overall constraint on revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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

- time value – when to adjust a contract price for a financing component, and
- various specific issues, such as non-cash consideration and asset exchanges, contract costs, rights of return and other customer options, supplier repurchase options, warranties, principal versus agent, licencing, breakage, non-refundable upfront fees, and consignment and bill-and-hold arrangements. .

Transition to NZ IFRS 15 is retrospective, but it is subject to various practical expedients.

The Group intends to adopt NZ IFRS 15 on its effective date and is still assessing the full impact on all revenue streams.

NZ IFRS 16 - Leases

NZ IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases.

The new lease accounting standard provides much-improved transparency and comparability of Groups' lease assets and lease liabilities for investors and other users of general purpose financial statements.

The Standard eliminates the classification of leases as either operating leases or finance leases. Instead, there is a single lessee model which requires a lessee to recognise on the statement of financial position assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

NZ IFRS 16 will impact the Groups Statement of Financial Position as they hold the head leases on all the New Zealand franchised & company owned stores. The value of the lease will be capitalised on the balance sheet with a liability offset to reflect the lease with the franchisee.

The accounting requirements for lessors are substantially the same as those in NZ IAS 17. A lessor, therefore, continues to classify its leases as operating leases or finance leases, and continues to account for those two types of leases differently.

NZ IFRS 16 applies to Tier 1 and Tier 2 for-profit reporting entities, and is effective for annual periods beginning on or after 1 January 2019.

The Group intends to adopt NZ IFRS 16 on its effective date and has yet to assess its full effect.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5) REVENUE

	2017	2016
	$	$
Sale of Goods	10,765,657	9,678,690
Franchising Fees	175,000	707,781
Training Fees	30,000	120,000
Royalties	5,713,461	5,325,962
Advertising Fees	3,679,221	3,245,728
Construction Management Fees	57,500	15,000
Gain on Sale of Fixed Assets	28,348	26,590
Foreign Exchange Gains	(2,809)	169,821
Other Income	1,770,967	840,562
	22,217,345	**20,130,134**

6) EXPENSES

	2017	2016
	$	$
Operating expenses include:		
Cost of Sales	5,782,067	5,564,998
Rental and Operating Lease Costs	867,886	740,201
Loss on Disposal of Property, Plant and Equipment	67,532	696
Directors' Fees	120,000	115,000
Wages and Salaries	4,542,842	4,399,094
Contributions to a defined contribution plan	155,827	142,227
Key management personnel costs: (refer note 24)		
- Salary and other short-term benefits	2,308,788	2,271,147
Auditors' remuneration – Audit Services – Staples Rodway:		
- Audit of Financial Statements	72,107	64,808
Other Operating Expenses	2,952,372	4,081,143
Advertising Expenditure	3,651,322	3,257,793
	20,520,743	**20,637,107**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

7) INCOME TAX

	2017	2016
	$	$
Taxation expense is represented by:		
Current Tax	243,994	90,758
Deferred Tax	(18,444)	6,789
	225,550	**97,547**
Profit / (Loss) before income tax expense	1,114,498	(1,046,108)
Timing differences & non-deductible expenses:		
50% entertainment	53,718	50,601
Accruals	856	(13,600)
Make good provision	1,200	1,200
Holiday pay not paid out within 63 days	(38,139)	14,519
Capital gain on sale of assets	(28,348)	(26,590)
Provision for Doubtful Debts	120,583	-
US Depreciation	(26,156)	-
Other	1,353	12,427
	85,067	**38,557**
Taxable Profit / (Loss)	1,199,565	(1,007,551)
Loss made by Australian, and Middle East Entities	-	602,695
Tax losses utilised	(455,028)	-
Net Taxable Profit	744,537	(404,856)
Taxation at the Company's effective tax rate	243,994	(119,228)
Deferred tax movement	(18,444)	6,789
NZ Losses not recognised as a deferred tax asset	-	121,786
Foreign tax credits lost	-	88,200
Total income tax expense per statement of comprehensive income	**225,550**	**97,547**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7) INCOME TAX (CONTINUED)

	2017	2016
Reconciliation of deferred tax asset:	$	$
Deferred tax on temporary differences		
Opening balance	76,375	82,330
Provision for employee benefits	(10,679)	4,066
Provisions for make good	336	336
Recognition of USA Non-Operating loss	22,518	10,704
Depreciation	3,720	(21,667)
US State Deferred Assets / (liabilities)	(937)	-
Accruals	2,866	(3,808)
Prepayments NZ	766	4,414
	94,965	**76,375**

	2017	2016
Opening Balance	**76,375**	**82,330**
Charged to profit or loss	18,444	(6,789)
Foreign Currency transition	146	834
Closing Balance	**94,965**	**76,375**

The Group has $1,834,262 of unrecognised losses to be carried forward (2016: $2,324,922). The potential benefit of these losses is $513,593 (2016: $650,978) which has not been recognised in the financial statements. The losses carried forward relate to the Australian operations which is not currently profitable.

The Group has recognised a deferred tax asset of $94,965 (2016: $76,375) 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 Group is effectively 20.2% (2016: 10.7% based on operating in New Zealand, USA and Australia). There are no other tax jurisdictions, other than New Zealand, USA and Australia, in which the Group earns taxable income.

8) IMPUTATION CREDITS

	2017	2016
	$	$
Opening balance	642,848	380,997
Add		
Provisional tax paid	-	54,373
Terminal tax paid	-	155,355
Resident withholding tax	32,411	54,993
	32,411	264,721
Deduct		
Income tax refund received	(10,791)	(2,870)
	(10,791)	(2,870)
Closing Balance	**644,468**	**642,848**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9) TRADE AND OTHER RECEIVABLES

	2017	2016
	$	$
Trade receivables	2,500,440	3,071,772
Prepayments	65,277	236,810
Sundry receivables	189,124	45,432
	2,754,841	**3,354,014**
Doubtful Debt Provision	(120,583)	(634,362)
	2,634,258	**2,719,652**

Receivables denominated in currencies other than the presentation currency are Australian Dollars, US Dollars and UAE Dirhams and they comprise 44.3% of the trade receivables (2016: 41.84%). The total receivables impaired for the 2017 financial year are $120,583 (2016: $634,362).

The doubtful debt provision was derived from unpaid royalties & marketing levies from the Middle East. This has been assessed by management & the directors in relation to collectability.

Impairment Provision Movement:

	2017	2016
	$	$
Opening Balance	(634,362)	-
Provision Utilised	634,362	-
Additional provisions	(120,583)	(634,362)
Closing Balance	**(120,583)**	**(634,362)**

10) INVENTORIES

	2017	2016
	$	$
Finished Goods	1,174,109	1,293,561
Total Finished Goods	**1,174,109**	**1,293,561**

Finished goods includes signage, kitchen equipment & proprietary products (BurgerFuel sauces & dry goods).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11) PROPERTY, PLANT & EQUIPMENT

	Motor vehicles	Office equipment	Furniture and fittings	IT
2017	$	$	$	$
Cost				
Balance 1 April 2016	1,216,241	108,616	1,087,113	912,940
Additions	1,453	-	81,490	147,359
Disposals	(112,752)	(331)	(24,660)	(11,281)
Cost at 31 March 2017	**1,104,942**	**108,285**	**1,143,943**	**1,049,018**
Depreciation and impairment losses				
Balance 1 April 2016	509,285	59,714	516,130	621,609
Depreciation for the year	154,965	8,942	105,004	158,037
Foreign exchange impact	4,676	14	1,263	62
Balance 31 March 2017	**668,926**	**68,670**	**622,397**	**779,708**
Net Book Value				
Balance 1 April 2016	706,956	48,902	570,983	291,331
Depreciation for the year	(154,965)	(8,942)	(105,004)	(158,037)
Additions	1,453	-	81,490	147,359
Disposals	(112,752)	(331)	(24,660)	(11,281)
Foreign exchange impact	(4,676)	(14)	(1,263)	(62)
Net Book Value at 31 March 2017	**436,016**	**39,615**	**521,546**	**269,310**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Kitchen equipment	Leasehold improvements	Total
2017	$	$	$
Cost			
Balance 1 April 2016	538,154	1,659,483	**5,522,547**
Additions	78,137	617,485	**925,924**
Disposals	(17,764)	(12,815)	**(179,603)**
Cost at 31 March 2017	**598,527**	**2,264,153**	**6,268,868**
Depreciation and impairment losses			
Balance 1 April 2016	205,552	454,777	**2,367,067**
Depreciation for the year	63,050	125,870	**615,868**
Foreign exchange impact	728	1,029	**7,772**
Balance 31 March 2017	**269,330**	**581,676**	**2,990,707**
Net Book Value			
Balance 1 April 2016	332,602	1,204,706	**3,155,480**
Depreciation for the year	(63,050)	(125,870)	**(615,868)**
Additions	78,137	617,485	**925,924**
Disposals	(17,764)	(12,815)	**(179,603)**
Foreign exchange impact	(728)	(1,029)	**(7,772)**
Net Book Value at 31 March 2017	**329,197**	**1,682,477**	**3,278,161**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

11) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Motor vehicles	Office equipment	Furniture and fittings	IT
2016				
Cost				
Balance 1 April 2015	737,548	99,502	991,409	791,753
Additions	478,693	9,402	110,974	194,352
Disposals	-	(288)	(15,270)	(73,165)
Cost at 31 March 2016	**1,216,241**	**108,616**	**1,087,113**	**912,940**
Depreciation and impairment losses				
Balance 1 April 2015	325,271	50,070	399,535	454,435
Depreciation for the year	184,379	9,652	122,322	167,232
Foreign exchange impact	(365)	(8)	(5,727)	(58)
Balance 31 March 2016	**509,285**	**59,714**	**516,130**	**621,609**
Net Book Value				
Balance 1 April 2015	412,277	49,432	591,874	337,318
Depreciation for the year	(184,379)	(9,652)	(122,322)	(167,232)
Additions	478,693	9,402	110,974	194,352
Disposals	-	(288)	(15,270)	(73,165)
Foreign exchange impact	365	8	5,727	58
Net Book Value at 31 March 2016	**706,956**	**48,902**	**570,983**	**291,331**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

11) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Kitchen equipment	Leasehold improvements	Total
2016	$	$	$
Cost			
Balance 1 April 2015	462,454	1,580,291	**4,662,957**
Additions	76,558	79,192	**949,171**
Disposals	(858)	-	**(89,581)**
Cost at 31 March 2016	**538,154**	**1,659,483**	**5,522,547**
Depreciation and impairment losses			
Balance 1 April 2015	134,067	330,088	**1,693,466**
Depreciation for the year	75,423	129,938	**688,946**
Foreign exchange impact	(3,938)	(5,249)	**(15,345)**
Balance 31 March 2016	**205,552**	**454,777**	**2,367,067**
Net Book Value			
Balance 1 April 2015	328,387	1,250,203	**2,969,491**
Depreciation for the year	(75,423)	(129,938)	**(688,946)**
Additions	76,558	79,192	**949,171**
Disposals	(858)	-	**(89,581)**
Foreign exchange impact	3,938	5,249	**15,345**
Net Book Value at 31 March 2016	**332,602**	**1,204,706**	**3,155,480**

The capital gain on sale recorded in the Statement of Comprehensive Income is $28,348 for the year ended 31 March 2017 (2016: $26,590) was due to the sale of Motor vehicles, IT and Kitchen equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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 2017	Interest Held 2016
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%
BF Lease Company No 32 Limited	New Zealand	100%	100%
BF Lease Company No 33 Limited	New Zealand	100%	100%
BF Lease Company No 34 Limited	New Zealand	100%	100%
BF Lease Company No 35 Limited	New Zealand	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12) INVESTMENT IN SUBSIDIARIES (CONTINUED)

Subsidiary Companies	Country of Incorporation	Interest Held 2017	Interest Held 2016
BF Lease Company No 36 Limited	New Zealand	100%	100%
BF Lease Company No 37 Limited	New Zealand	100%	100%
BF Lease Company No 38 Limited	New Zealand	100%	100%
BF Lease Company No 39 Limited	New Zealand	100%	100%
BF Lease Company No 40 Limited	New Zealand	100%	100%
BF Lease Company No 41 Limited	New Zealand	100%	100%
BF Lease Company No 42 Limited	New Zealand	100%	100%
BF Lease Company No 43 Limited	New Zealand	100%	100%
BF Lease Company No 44 Limited	New Zealand	100%	100%
BF Lease Company No 45 Limited	New Zealand	100%	100%
BF Lease Company No 46 Limited	New Zealand	100%	100%
BF Lease Company No 47 Limited	New Zealand	100%	100%
BF Lease Company No 48 Limited	New Zealand	100%	100%
BF Lease Company No 49 Limited	New Zealand	100%	100%
BF Lease Company No 50 Limited	New Zealand	100%	100%
Burger Fuel (Dubai) NZ Limited	New Zealand	100%	100%
Burger Fuel (ME) DMCC	Dubai	100%	100%
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%
BurgerFuel Henderson Limited	New Zealand	100%	100%
Burger Fuel Takapuna Limited	New Zealand	100%	-
Burger Fuel Pty Limited (formerly Kincro Holdings Pty Limited)	Australia	100%	100%
Burger Fuel Australia Pty Limited	Australia	100%	100%
Burger Fuel (USA) Inc.	United States of America	100%	100%
Burger Fuel (USA) Management Inc.	United States of America	100%	100%
Burger Fuel (USA) Franchising Inc.	United States of America	100%	100%
BF Indiana One LLC.	United States of America	100%	-
BF Indiana Two LLC (formerly BF Hollywood LLC).	United States of America	100%	100%
BF California One LLC.	United States of America	100%	100%
BF California Two LLC.	United States of America	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12) INVESTMENT IN SUBSIDIARIES (CONTINUED)

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) DMCC – Dubai based trading company.

Burger Fuel (Dubai) NZ Limited – Holding company of the subsidiary in Dubai.

BurgerFuel Henderson Limited – New Zealand based company trading as restaurant.

Burger Fuel Takapuna Limited – New Zealand based company trading as restaurant.

Burger Fuel (USA) Inc. – Non trading.

Burger Fuel (USA) Management Inc. – Franchise systems – gourmet burger restaurants.

Burger Fuel (USA) Franchising Inc. – Non trading.

BF Indiana One LLC – Non trading

BF Indiana Two LLC (formerly BF Hollywood LLC). – Gourmet burger restaurant.

BF California One LLC. – Non trading.

BF California Two LLC. – Non trading.

All other companies are head lease holders for store premises in New Zealand.

13) LOANS

	2017	2016
Loans to Third Parties	$	$
Loan to Retrop Limited	-	46,000
Advance to Supplier	133,000	-
Total loans	**133,000**	**46,000**
Current	133,000	46,000
Non-current	-	-
	133,000	**46,000**

Advance to Supplier

This is an advance to assist ilabb Limited with the stock holding of the BurgerFuel uniforms. The loan is interest bearing (3%), secured over the uniform inventory and is repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14) INTANGIBLE ASSETS

2017	Key money	Goodwill	Domain name	Patent	Trademarks	Total
	$	$	$	$	$	$
Cost						
Balance 1 April 2016	90,000	701,427	44,135	32,692	658,559	**1,526,813**
Acquisitions	-	1,188,612	9,838	3,435	179,951	**1,381,836**
Balance at 31 March 2017	90,000	1,890,039	53,973	36,127	838,510	**2,908,649**
Amortisation						
Balance 1 April 2016	72,731	-	35,508	21,891	268,773	**398,903**
Current year amortisation	7,571	-	9,452	1,224	67,524	**85,771**
Balance 31 March 2017	80,302	-	44,960	23,115	336,297	**484,674**
Net Book Value						
Balance 1 April 2016	17,269	701,427	8,627	10,801	389,786	**1,127,910**
Additions	-	1,188,612	9,838	3,435	179,951	**1,381,836**
Amortisation	(7,571)	-	(9,452)	(1,224)	(67,523	**(85,771)**
Net Book Value at 31 March 2017	**9,698**	**1,890,039**	**9,013**	**13,012**	**502,214**	**2,423,975**

As disclosed in Note 29 the accounting for the acquisition of the Takapuna franchise has not yet been finalised. There will be a reallocation between goodwill & reacquired rights once the acquisition accounting is completed.

2016	Key money	Goodwill	Domain name	Patent	Trademarks	Total
	$	$	$	$	$	$
Cost						
Balance 1 April 2015	90,000	701,427	34,829	30,774	361,484	**1,218,514**
Acquisitions	-	-	9,306	1,918	297,075	**308,299**
Balance at 31 March 2016	90,000	701,427	44,135	32,692	658,559	**1,526,813**
Amortisation						
Balance 1 April 2015	68,483	-	25,529	21,015	239,833	**354,860**
Current year amortisation	4,248	-	9,979	876	28,940	**44,043**
Balance 31 March 2016	72,731	-	35,508	21,891	268,773	**398,903**
Net Book Value						
Balance 1 April 2015	21,517	701,427	9,300	9,759	121,651	**863,654**
Additions	-	-	9,306	1,918	297,075	**308,299**
Amortisation	(4,248)	-	(9,979)	(876)	(28,940)	**(44,043)**
Net Book Value at 31 March 2016	**17,269**	**701,427**	**8,627**	**10,801**	**389,786**	**1,127,910**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14.1) Impairment testing

Impairment

Based on the impairment testing results, no impairment loss on Goodwill is recorded in the 2017 financial year. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount to present values. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the Goodwill arises.

The full amount of goodwill has been impairment tested although upon completion of the acquisition accounting an amount will be allocated to reacquired rights.

	2017	2016
	$	$
New Zealand Retail – Henderson Store	701,427	701,427
New Zealand Retail – Takapuna Store	1,188,612	-
Goodwill allocation at 31 March	1,890,039	701,427

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

	Growth Rates		Discount Rates	
	2017	2016	2017	2016
New Zealand Retail – Henderson Store	3.5%	3.0%	9.8%	9.6%
New Zealand Retail – Takapuna Store	3.5%	-	9.8%	-

14.2) Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available).

14.3) Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit.

14.4) Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature market. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

The Group have used different discount and growth rates to determine the value-in-use of the cash-generating units and have concluded that there has been no indication of impairment loss in Goodwill value. An increase of 3% in Discount with no increase in Growth rate from the 2017 year would still not have generated impairment loss.

Apart from the considerations described in determining the value-in-use of the cash-generating units described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15) TRADE AND OTHER PAYABLES

	2017	2016
	$	$
Trade payables	1,693,489	1,196,568
Payroll liabilities	25,391	79,458
GST payable	199,223	191,305
Accrued expenses	203,039	60,358
	2,121,142	**1,527,689**

Payables denominated in currencies other than the presentation currency comprise 8.83% of the trade payables (2016: 5.38%).

16) PROVISIONS

	2017	2016
	$	$
Store Closure Provision		
Opening balance	34,450	33,250
Provisions made during the year	1,200	1,200
Provisions used during the year	-	-
	35,650	**34,450**
Holiday Pay Provision		
Opening balance	307,219	273,243
Provisions made during the year	65,933	77,744
Provisions used during the year	(36,129)	(43,768)
	337,023	**307,219**
Total Provisions	**372,673**	**341,669**
Current	337,023	307,219
Non-current	35,650	34,450
Total Provisions	**372,673**	**341,669**

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 normal 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 2017

17) CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash at bank	4,314,852	1,763,580
Cash on deposit	2,098,043	4,314,708
	6,412,895	**6,078,288**

At balance date there is $62,916 (2016: $63,612) in restricted cash for bonds issued to the NZX & to landlords. Refer note 22 for further information.

18) CONTRIBUTED EQUITY

	Number of Shares		Share Capital	
	2017	2016	2017	2016
			$	$
Opening ordinary shares on issue	59,633,550	59,633,550	16,034,443	16,034,443
Shares issued	-	-	-	-
Share issue costs	-	-	-	-
Authorised & issued ordinary shares on issue at 31 March	**59,633,550**	**59,633,550**	**16,034,443**	**16,034,443**
Less: IPO Capital Costs			(223,432)	(223,432)
Contributed Equity			**15,811,011**	**15,811,011**

Burger Fuel Worldwide Limited was listed on the New Zealand Alternative Stock Exchange (NZAX) 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 2017 financial year (2016: NIL).

No shares were issued during the 2017 financial year (2016: NIL).

19) RETAINED EARNINGS

	2017	2016
	$	$
Retained Earnings / (Accumulated Losses)		
Opening Balance	(2,762,537)	(1,624,151)
Re-class from share option reserve	-	5,269
Net surplus / (deficit) for the year	888,948	(1,143,655)
Closing Balance	**(1,873,589)**	**(2,762,537)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

20) OTHER RESERVES

	2017	2016
	$	$
Foreign Currency Translation Reserve		
Opening Balance	(308,787)	(332,579)
Movements	3,565	23,792
Closing Balance	**(305,222)**	**(308,787)**

	2017	2016
	$	$
Share Option Reserve		
Opening Balance	-	5,269
Reclassification	-	(5,269)
Closing Balance	**-**	**-**
Total Other Reserves	**(305,222)**	**(308,787)**

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

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Instruments

	2017	2016
	$	$
Financial Assets		
Cash	6,412,895	6,078,288
Loans (Current)	133,000	46,000
Loans (Term)	-	-
Trade Receivables	2,379,857	2,437,410
Sundry Receivables	189,124	45,432
	9,114,876	**8,607,130**
Other Financial Liabilities		
Trade Payables	2,121,142	1,527,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 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, who 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, Australian Dollar & UAE Dirham bank accounts and the trading of its Australian, US & United Arab Emirates subsidiary's. It maintains amounts in these foreign bank accounts and transfers funds when foreign exchange rates are favourable.

Foreign currency sensitivity analysis

The Group is mainly exposed to Australian dollars, US Dollars and UAE Dirhams. The following table details the Group's sensitivity to a 10% increase and decrease in the NZ$ against the Australian, UAE & USA 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.

GROUP

	10% Strengthening		10% Weakening	
	2017	2016	2017	2016
	$000	$000	$000	$000
Profit / (Loss)	(2)	28	3	(31)
Equity	(1)	20	2	(31)

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 has a USD overdraft facility and has exposure to floating interest rates on this facility. This USD overdraft facility has an effect on the interest paid on the 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 2017 would have been $64,129 higher (2016: $60,782 higher).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

21) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest Rate Risk

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 Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily through its cash balances and advances.

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

2017	Weighted average effective interest rate %	Less than 1 year	Non - interest bearing	Total
		$	$	$
Financial Assets				
Cash and cash equivalent	1.14%	6,412,895	-	**6,412,895**
Advance to Supplier	3.00%	133,000	-	**133,000**
Trade and other receivables	-	-	2,568,981	**2,568,981**
		6,545,895	**2,568,981**	**9,114,876**
Financial Liabilities				
Trade payables		-	2,121,142	**2,121,142**
		-	**2,121,142**	**2,121,142**

2016	Weighted average effective interest rate %	Less than 1 year	Non - interest bearing	Total
		$	$	$
Financial Assets				
Cash and cash equivalent	2.34%	6,078,288	-	**6,078,288**
Loans to Franchisees	-	-	46,000	**46,000**
Trade and other receivables	-	-	2,482,842	**2,482,842**
		6,078,288	**2,528,842**	**8,607,130**
Financial Liabilities				
Trade payables	-	-	1,527,689	**1,527,689**
		-	**1,527,689**	**1,527,689**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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 Group has 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.

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:

	2017	2016
	$	$
Cash and bank balances	6,412,895	6,078,288
Loans, advances and receivables	2,701,981	2,528,842

Maximum exposures are net of any recognised provisions, and at balance date no loans or advances are past due or considered to be impaired (2016: $Nil). Receivables of $120,583 are impaired with no further amounts past due (2016: $634,362 past due).

Cash

The Group's major concentration of credit risk relates to cash deposits with ASB Limited in New Zealand, CBA Bank Limited in Australia & Bank of America Merrill Lynch & Huntington Bank in the USA.

Receivables

The Group has 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 or payable on demand. No security is held.

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 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.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds at short notice to meet commitments associated with financial instruments. The 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 (2016: 6 months).

The Group 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 2017

22) COMMITMENTS

Lease Commitments

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

	2017 Total future minimum payments	2016 Total future minimum payments
	$	$
Less than one year	3,534,824	2,789,830
Between one and five years	8,630,930	7,185,603
More than five years	2,135,525	1,311,630
	14,301,279	**11,287,063**

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. The Group holds the head lease over all of its franchisee sites with the exception of the Australia stores 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 $3,623,462 (2016: $3,043,526).

Capital Commitments

At 31 March 2017, the Group has a contractual commitment to purchase 61 Ice cream machines ($1.2M), it is the Groups intention for these to be on-sold to the franchisees (2016: Nil).

Indemnity / Guarantees

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

	2017 Total future minimum payments	2016 Total future minimum payments
	$	$
NZX Bond	20,000	20,000
Bond for Newtown Premises	31,965	32,483
Bond for Australian Kitchen Premises	10,951	11,129
	62,916	**63,612**

23) CONTINGENCIES

The Group has no contingencies at balance date (2016: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

24) RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the year the following related party transactions took place:

Group	Relationship	Nature of transaction	2017 $	2016 $
Redmond Enterprises Limited	Common Directorship	Consultancy Expenses Paid	550,000	500,000
Trumpeter Consulting Limited	Common Directorship	Directors Fees	50,000	50,000
Peter Brook	Common Directorship	Directors Fees	70,000	65,000
66 Surrey Limited	Common Directorship	Head Office Rental	429,715	360,462
Trumpeter Consulting Limited	Common Directorship	Consultancy Expenses Paid	12,000	14,000

The Burger Fuel Worldwide Limited Chief Executive Officer is the sole director of Redmond Enterprises Limited & 66 Surrey Limited. The head office rental is the premises at 66 Surrey Crescent, Grey Lynn Auckland and the Redmond Enterprises consultancy fee relates to the remuneration of the CEO.

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.

	2017	2016
	$	$
Salaries and other short-term employee benefits	2,308,788	2,271,147
KiwiSaver Employer Contribution	36,900	35,404
Directors' Fees	120,000	115,000
	2,465,688	**2,421,551**

25) EARNINGS PER SHARE

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

	2017	2016
	$	$
Surplus / (Deficit) attributable to the owners of the Group	888,948	(1,143,655)
Weighted average number of ordinary shares on issue	59,633,550	59,633,550
Basic earnings /(loss) per share (cents)	1.49	(1.92)
Diluted earnings /(loss) per share (cents)	1.49	(1.92)

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 2017

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

	2017	2016
	$	$
Net surplus / (deficit) after tax	888,948	(1,143,655)
Add: Non-cash items		
Amortisation	85,771	44,043
Depreciation	615,868	688,946
Deferred tax asset	18,590	(5,955)
Loss on disposal of property, plant and equipment	67,532	696
Unrealised exchange loss / (gain)	2,809	(169,820)
Provision for Doubtful Debts	120,583	634,362
	911,153	**1,192,272**
Add: Items classified as investing or financing activities		
Gain on sale of assets	(28,348)	(26,590)
Add: Working capital movements		
(Increase) / decrease in trade and other receivables	478,590	(1,244,669)
(Increase) / decrease in inventories	119,452	(37,436)
(Increase) / decrease in taxation receivable	99,947	(259,820)
Increase / (decrease) in accounts payable and accruals and provisions	110,678	794,880
	808,667	(747,045)
Net cash flows provided from / (applied to) operating activities	**2,580,420**	**(725,018)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

27) SEGMENT REPORTING

Operating Segments

The Group operates in four operating segments; these operating segments have been divided into the following geographical regions, New Zealand, Australia, USA 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.

2017	New Zealand	Australia	Middle East	USA	Consolidated
	$	$	$	$	$
Revenue					
Sales	9,890,968	181,058	693,631	-	**10,765,657**
Royalties	4,232,709	199,408	1,281,344	-	**5,713,461**
Franchising fees	175,000	-	-	-	**175,000**
Training fees	30,000	-	-	-	**30,000**
Construction management fees	57,500	-	-	-	**57,500**
Advertising fees	3,242,015	181,651	255,555	-	**3,679,221**
Foreign exchange gain	6,537	(9,346)	-	-	**(2,809)**
Sundry income	1,645,042	53,314	100,959	-	**1,799,315**
Interest received	125,372	1,081	-	-	**126,453**
Total Revenue	**19,405,143**	**607,166**	**2,331,489**	**-**	**22,343,798**
Interest Expense	1,202	498	-	5,218	**6,918**
Depreciation	523,371	42,209	8,742	41,546	**615,868**
Amortisation	85,771	-	-	-	**85,771**
Segment Result	1,539,777	(123,642)	953,857	(1,255,494)	**1,114,498**
Income Tax Expense	196,645	-	-	28,905	**225,550**
Segment Assets	14,210,738	256,627	825,443	858,555	**16,151,363**
Segment Liabilities	682,070	1,048,970	63,098	725,025	**2,519,163**

Acquisition of Property, Plant & Equipment & Intangible Assets.

Business Combination	1,290,000	-	-	-	**1,290,000**
Other	445,782	1,825	4,067	566,086	**1,017,760**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

27) SEGMENT REPORTING (CONTINUED)

2016	New Zealand	Australia	Middle East	USA	Consolidated
	$	$	$	$	$
Revenue					
Sales	7,923,910	311,557	1,443,223	-	**9,678,690**
Royalties	3,453,907	283,487	1,588,568	-	**5,325,962**
Franchising fees	615,250	38,178	54,353	-	**707,781**
Training fees	120,000	-	-	-	**120,000**
Construction management fees	15,000	-	-	-	**15,000**
Advertising fees	2,725,381	208,939	311,408	-	**3,245,728**
Foreign exchange gain	82,647	87,006	168	-	**169,821**
Sundry income	817,204	76,245	(26,297)	-	**867,152**
Interest received	192,306	1,167	4,731	-	**198,204**
Total Revenue	**15,945,605**	**1,006,579**	**3,376,154**	**-**	**20,328,338**
Interest Expense	1,092	75	-	3,183	**4,350**
Depreciation	627,561	30,218	20,323	10,844	**688,946**
Amortisation	44,043	-	-	-	**44,043**
Segment Result	(1,110,633)	(529,790)	1,130,197	(535,882)	**(1,046,108)**
Income Tax Expense	80,248	-	-	17,299	**97,547**
Segment Assets	13,531,694	272,722	741,484	63,145	**14,609,045**
Segment Liabilities	921,625	902,796	4,554	40,383	**1,869,358**

Acquisition of Property, Plant & Equipment & Intangible Assets.

Business Combination	-	-		-	-
Other	896,046	89,330	69,372	202,722	**1,257,470**

28) SUBSEQUENT EVENTS

There have been no material events subsequent to balance date (2016: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

29) ACQUISITION OF SUBSIDIARIES

Acquisition of Burger Fuel Takapuna Limited

On 3 October 2016, the Group acquired 100% of the equity instruments of Burger Fuel Takapuna Limited (BurgerFuel Takapuna), an Auckland based store, thereby obtaining control. The acquisition was made to enhance the Group's position in the fast food restaurant market. Burger Fuel Takapuna is a significant business in the Group's targeted market.

The details of the business combination are as follows:

Fair value of consideration transferred	
Amount settled in cash	1,298,067
Total	**1,298,067**
Recognised amounts of identifiable net assets	
Property, plant and equipment	102,588
Total non-current assets	**102,588**
Inventories	6,867
Total current assets	**6,867**
Identifiable net assets	109,455
Goodwill on acquisition	**1,188,612**
Consideration transferred settled in cash	1,298,067
Net cash outflow on acquisition	**1,298,067**
Acquisition costs charged to expenses	Nil
Net cash paid relating to the acquisition	**1,298,067**

Consideration transferred

The acquisition of Burger Fuel Takapuna Limited was settled in cash of $1,298,067.

Identifiable net assets

The fair value of the all assets acquired as part of the business combination amounted to $110,211.

Goodwill

Goodwill of $1,188,612 is primarily related to growth expectations, expected future profitability, the substantial skill and expertise of Burger Fuel Takapuna Limited's workforce and expected cost synergies. Goodwill has been allocated to cash-generating units at 31 March 2017. The goodwill that arose from this business combination is not expected to be deductible for tax purposes. Until the reacquired right has been determined the total amount has been allocated to goodwill.

Reacquired Rights

The acquisition of the Takapuna franchised store remains an open transaction (as we are still within the measurement period) at balance date due to the franchise agreement having 9.5 years remaining, at time of acquisition. An independent valuation to assess the value of the reacquired right is still to be completed. The reacquired right portion of the goodwill amount will be amortised over the residual life of the franchise. This will not have a material effect on the current year financial statements.

Burger Fuel Takapuna Limited's contribution to the Group results

Burger Fuel Takapuna Limited generated a before tax profit of $113,905 for the six month period ending 31 March 2017. If Burger Fuel Takapuna Limited had been acquired on 1 April 2016, revenue of the Group for 2017 would have been $23,113,119 and profit for the year would have increased by $142,129.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

30) NET TANGIBLE ASSET PER SHARE

The net tangible asset per share is calculated by dividing the net tangible assets of the Group by the total number of ordinary shares in issue during the year.

	2017	2016
	$	$
Total Assets	16,151,363	14,609,045
Less Intangible Assets	(2,518,940)	(1,204,285)
Total Tangible Assets	13,632,423	13,404,760
Total Liabilities	(2,519,163)	(1,869,358)
Net Tangible Assets	11,113,260	11,535,402
Total ordinary shares on issue	59,633,550	59,633,550
Net Tangible Assets per share		
($ per Share)	0.19	0.19

SHAREHOLDER INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

Remuneration of Directors	2017 12 Months	2016 12 Months
	$	$
Peter Brook	70,000	65,000
Christopher Mason	363,491	306,597
Josef Roberts	550,000	500,000
Alan Dunn	50,000	50,000

Remuneration of Employees (Excluding Executive Directors)	2017 12 Months Number of Employees	2016 12 Months Number of Employees
$100,000 - $110,000	1	1
$110,000 - $120,000	-	1
$120,000 - $130,000	1	2
$130,000 - $140,000	-	1
$140,000 - $150,000	2	-
$150,000 - $160,000	2	1
$160,000 - $170,000	1	2
$180,000 - $190,000	-	2
$190,000-$200,000	1	-
$200,000-$210,000	1	-

Statement of Directors and Officers Interests

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

	Beneficially held at 31/03/17	Non-beneficially held at 31/03/17	Beneficially held at 31/03/16	Non-beneficially held at 31/03/16
Peter Brook	336,596	-	336,596	-
Christopher Mason	6,586,309	-	6,586,309	-
Josef Roberts	36,123,473	-	36,123,473	-
Alan Dunn	324,656	-	324,656	-
John Pfannenbecker	-	-	-	-
Tyrone Foley (Officer)	14,874	-	14,874	-
Mark Piet (Officer)	21,667	-	21,667	-

SHAREHOLDER INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

The following share transactions took place during the financial year

	Date of Transaction	Shares Acquired (Disposed)	Consideration Paid (received)	Nature of relevant interest
Peter Brook	-	-	-	Shares Held in Associated Trust
Christopher Mason	-	-	-	Shares Held in Associated Trust
Josef Roberts	-	-	-	Shares Held in Associated Trust
Alan Dunn	-	-	-	Shares Held in Associated Trust
John Pfannenbecker	-	-	-	Beneficial Owner
Tyrone Foley (Officer)	-	-	-	Beneficial Owner
Mark Piet (Officer)	-	-	-	Beneficial Owner

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 30 April 2017 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 2017 was 59,633,550 fully paid ordinary shares.

SHAREHOLDER INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

Twenty Largest Security Holders as at 31 March 2017

Shareholder	Number of Shares	%
MASON ROBERTS HOLDINGS LIMITED	42,709,782	71.62%
FRANCHISE BRANDS LLC	5,963,355	10.00%
NATIONAL NOMINEES NEW ZEALAND LIMITED - NZCSD	1,969,393	3.30%
RRT CORPORATE TRUSTEE LIMITED	1,000,000	1.68%
CARTALLEN TRUSTEE LIMITED	486,373	0.82%
JBWERE (NZ) NOMINEES LIMITED	369,296	0.62%
PETER CLYNTON BROOK	336,596	0.56%
TRUMPETER TRUSTEES (2007) LIMITED	324,656	0.54%
CITIBANK NOMINEES (NEW ZEALAND) LIMITED	136,240	0.23%
GRANT SAMUEL & ASSOCIATES	100,000	0.17%
ASB NOMINEES LIMITED	80,000	0.13%
MATTHEW JAMES PRINGLE	75,000	0.13%
STERLING NOMINEES LIMITED	69,959	0.12%
FORSYTH BARR CUSTODIANS LIMITED	63,050	0.11%
BROOKE HARRY NELSON WOLFE	60,000	0.10%
JONATHAN LAURIE BUCKLEY	57,915	0.10%
BRAD WILLIAM MCFARLANE	55,052	0.09%
AARON TRUSTEES LIMITED + DRURY NOMINEES NO 2 LIMITED	50,596	0.08%
STEVEN JAMES WALL + DEBORAH LOUISE WALL	41,197	0.07%
MICHAEL GRAHAME POLE + NATALIE KAREN POLE	40,353	0.07%
	53,988,813	**90.53%**

SHAREHOLDER INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

Domicile of Security Holdings

Location	Holders	Units	Units %
New Zealand	2454	53,380,400	89.5%
U.S.A.	13	5,988,788	10.0%
Australia	81	142,372	0.3%
United Arab Emirates	4	49,350	0.1%
United Kingdom	15	44,340	0.1%
Japan	4	7,000	0.0%
Singapore	1	3,500	0.0%
France	2	3,000	0.0%
Taiwan	2	3,000	0.0%
Austria	1	2,000	0.0%
Canada	2	2,000	0.0%
China	1	2,000	0.0%
Hong Kong	2	2,000	0.0%
Germany	1	1,500	0.0%
Norway	1	1,000	0.0%
South Africa	1	1,000	0.0%
Switzerland	1	300	0.0%
	2,586	**59,633,550**	**100.0%**

Spread of Security Holders

Shareholding Size	Number of Holders	Total Shares Held	%
1 - 99	6	227	0.0%
100 - 199	40	5,318	0.0%
200 - 499	175	61,924	0.1%
500 - 999	161	106,617	0.2%
1,000 - 1,999	1,402	1,544,448	2.6%
2,000 - 4,999	519	1,310,380	2.2%
5,000 - 9,999	152	857,703	1.4%
10,000 - 49,999	114	1,828,341	3.1%
50,000 - 99,999	8	511,572	0.9%
100,000 - 499,999	5	1,616,921	2.7%
500,000 - 999,999	0	0	0.0%
1,000,000 - 99,999,999	4	51,790,099	86.8%
	2,586	**59,633,550**	**100%**

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 MARCH 2017

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 31 March 2017, there were five 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 2017

Directors & Officers Board & Audit Committee Attendance Record

Directors	Board Meetings	Audit Committee Meetings
Peter Brook (Chair)	6	3
Josef Roberts	6	3
Chris Mason	5	-
Alan Dunn	6	3
John Pfannenbecker	2	-
Officers		
Tyrone Foley (Chief Operating Officer)	5	3
Mark Piet (Chief Financial Officer / Company Secretary)	6	3

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.

Peter Brook, the Chairman, receives an annual fee of $70,000 and Alan Dunn the independent, non-executive Director receives 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 2017

Registered Office
Grant Thornton New Zealand Limited
152 Fanshawe Street
Auckland 1011

Company Number
1947191

Date of Incorporation
14 June 2007

Directors
Peter Brook - Chairman (Independent)
Alan Dunn (Independent)
John Pfannenbecker (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 1011

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

Citrin Cooperman
529 Fifth Avenue
New York, NY 10017
USA

Bankers
ASB Bank Limited (NZ)
CBA Bank Limited (Australia)
Emirates NBD (UAE)
Bank of America Merrill Lynch (USA)
Huntington Bank USA

Business Headquarters
66 Surrey Crescent
Grey Lynn
Auckland 1021

Auditor
Staples Rodway Auckland
Level 9, Tower Centre
45 Queen Street
Auckland 1010

Solicitors
Kensington Swan
18 Viaduct Harbour Avenue, Auckland 1011

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

Wiggin and Dana LLP, Two Liberty Place,
50 S. 16th Street, Suite 2925, Philadelphia,
PA 19102, USA

Fragomen, Delrey, Bernsen & Loewy LLP,
18401 Von Karman Ave, Suite 255, Irvine,
CA 92612, USA

Fee Langstone, Level 13,
51 Shortland Street, Auckland 1011

Anthony Harper, Level 8, Chorus House,
66 Wyndham Street, Auckland 1011.

Norris Echetebu Law, Level 2,
91 St Georges Bay Road, Suite 8, Parnell, Auckland 1052

Missingham Law, P.O Box796,
Shortland Street Mail Centre, Auckland 1140

Buddle Findlay, 83 Victoria Street, PO Box 322,
Christchurch 8140