



FUEL FOR THE HUMAN ENGINE

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BURGERFUEL WORLDWIDE LIMITED HALF YEAR REPORT

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

COMPANY DIRECTORY

Registered Office

Grant Thornton New Zealand Limited
152 Fanshawe Street
Auckland

Company Number

1947191

Date of Incorporation

14 June 2007

Directors

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

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

Bankers

ASB Bank Limited
CBA Bank Limited (Australia)
Bank of America Merrill Lynch

Solicitors

Kensington Swan
Wiggin and Dana LLP
MST Lawyers
Anthony Harper
Jones Fee

Business Headquarters

66 Surrey Crescent
Grey Lynn
Auckland

Auditor

Staples Rodway
Level 9, Tower Centre
45 Queen Street
Auckland



BURGERFUEL WORLDWIDE LIMITED HALF YEAR REPORT

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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CHAIRMAN AND CHIEF EXECUTIVE'S REVIEW

FOR THE 6 MONTH PERIOD ENDED 30 SEPTEMBER 2015

OVERVIEW

The Directors of BurgerFuel Worldwide (BFW) are pleased to report unaudited results for the 6 months to September 2015.

Group Operating Revenue increased by 13% to \$9.7M with BurgerFuel Total System Sales up 21% to a record \$46.7M for the 6 month period. System sales growth continues and we are pleased to advise that BurgerFuel rolling weekly system sales are now around \$1.8M per week.

Net loss after tax in the period was (\$487,535) which is in line with Directors' expectations and our earlier market guidance.

We had previously advised the need for considerable investment this year in order to support a growing Australian business and our market entry into the US. Whilst our overall organisational capabilities have already been expanded, we do expect to continue this investment for the remainder of the financial year.

Entering the US market has considerable regulatory and legal requirements, all of which have been a series of challenges and learning curves, with relative costs associated. We are of the view that most of these hurdles have now been overcome allowing management to focus on the location of our first US store. In June we announced our partnership with OhCal Foods LLC who are Subway®'s largest Development Agents with 2,100 restaurants in their portfolio. OhCal Foods LLC brings considerable operating experience, local talent and market intelligence to our venture. This has seen the commencement of a new phase of our market entry and a focus on particular market segments, as well as desired locations. Acquiring retail sites requires a diligent and considered approach in order to ensure a successful launch and a sustainable business. The US retail market has entered a phase of high demand in select areas and we have had to come to grips with the realities of securing good locations in markets where high key money considerations are now a reality.

Our Group Operating Revenue increased by 13% on the same period last year. This revenue is largely comprised of long term recurring royalties & sales. The 21% increase in BurgerFuel Total System Sales for the period is made up of both new and existing stores' sales growth.

We have added 9 new restaurants between 1 April and 30 September 2015. Most of these were within New Zealand as well as some abroad. We continue to receive strong customer support throughout regional New Zealand where expansion will continue by way of new outlets in both the North and South Island. The total number of BurgerFuel restaurants operating as at 30 September 2015 was 81.

BFW RESULTS (UNAUDITED) FOR THE PERIOD

1 APRIL TO 30 SEPTEMBER 2015

| | 30 September 2015 | 30 September 2014 |
|-----------------------|----------------------|----------------------|
| | \$000 | \$000 |
| Operating Revenue* | 9,678 | 8,553 |
| Operating Expenses** | (10,166) | (8,215) |
| Net Profit Before Tax | (488) | 338 |
| Net Profit After Tax | (488) | 213 |

* Revenue includes; Operating revenue & interest income.

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

THE YEAR SO FAR

Since ratifying the OhCal Foods deal in June, the Company has completed many projects and recruited new talent that will assist our US market entry, which has taken longer than we would have hoped, but is now clearly coming into view.

This year remains a year of increasing our capabilities to support a growing global business. Many projects have been completed and many more are underway that will improve our recruitment, training, restaurant construction, customer experience and store operating costs. Our industry is labour intensive and we are making significant investments in our ability to rapidly train and develop future talent.

Earlier this year we opened several new sites in Australia under franchise and in this financial year we have added another in Brisbane. As we previously advised, Australia will be a slow but steady road to growth. We have had mixed success there to date, but the numbers do give us confidence that over time BurgerFuel can command a strong position there. Throughout the remainder of FY16 we will be consolidating and strengthening our performance in both New South Wales and Queensland. Other states will be looked at in the following year.

TOTAL SYSTEM SALES UP 21% TO \$46.7M

AUSTRALASIAN REGION

Sales across New Zealand (46 restaurants) & Australia (where 7 BurgerFuel restaurants now operate) have increased by 20%. For yet another year we have experienced strong sales growth in New Zealand. This growth has come from both new and existing restaurants.

The category in NZ continues to develop with new and one-off local competition emerging, as well as major chains either discounting or modifying their customer offer to present a more gourmet product, both efforts attempting to attract new customers. BurgerFuel New Zealand has run some high quality limited time offers this year. Specials such as the pulled lamb "Lamberjack" burger and more recently we brought back an old favourite "Santa Boars" which now features free range pork. Our ethos of continual



improvement ensures that we are always seeking to provide higher quality ingredients and menu enhancements, always delivering better quality “Fuel for the Human Engine.”

More restaurants are planned for New Zealand in both the North and South Islands. Our Invercargill restaurant opened on the 30th of November, now giving the Deep South a chance to experience the Fuel. The South Island has received BurgerFuel extremely well and we are positive we can continue to expand our footprint there, based on our NZ brand position.

MIDDLE EASTERN REGION

Sales across the Middle East are essentially flat with some decline in certain areas attributed only to a decline in the general region’s numbers, due to safety concerns. There are now 28 BurgerFuel restaurants operating in the region.

The majority of BurgerFuel restaurants are trading in relatively safe parts of the Middle East however with escalating tensions within the region and the new travel warnings that are being issued throughout the world we are cautious about the overall performance in this region. We expect the region will face a challenging operating environment as tourists and businesses exercise caution in their activities. Whilst some sales growth has occurred from new and existing stores, we are planning for a flat rest of year, given the above mentioned tensions that are now escalating in many parts of the Middle East.

Saudi Arabia and Egypt have the potential to add many more restaurants in the years to come. However once again, overall Middle East conditions will affect confidence to develop in both countries. Egypt is still regarded as unsafe and accordingly store turnovers there remain relatively low, although they are growing.

Kuwait remains a very vulnerable market following the ISIL bombing of the Shia Mosque in June this year. We see little future in this country so long as regional terrorism and instability continues.

Our UAE Licensee has also encountered regional unrest, although not to the same extent as other Middle Eastern countries. Traveller numbers are down and tension around the region is affecting all businesses in Dubai. That said, BurgerFuel’s performance, although slightly down, continues to perform well. We are pushing for consolidation in the UAE wherever we believe lower volume stores should be relocated.

Some development locations such as Downtown Dubai are failing to attract people. The Boulevard dining and entertainment district has been empty since its opening; accordingly our licensees in the UAE have now closed that store. We encourage the consolidation of any low performing stores if the precincts cannot attract diners. In the Middle East it’s very much a case of trial and error, based on the high number of emerging and developing precincts all competing with each other. We take the view that

it’s always better to re-locate stores if the surrounding areas do not develop as first envisaged.

UAE has implemented our Online Ordering platform with the added benefit of home delivery. This new channel has been well received by customers. The launch has exceeded expectations and it continues to grow in orders and online payments.

In summary, due only to the developing unrest in all parts of the Middle East we are uncertain about what volumes we can expect there in the next 12 months. That said, we are confident that the Middle East will remain a steady contributor for BurgerFuel, even if sales there are affected by a reduced number of travellers and customers around the region.

GROUP OUTLOOK

BFW continues to be well set up for continued growth both in our existing and new markets. Project investment and the investment in new roles will ensure that we can support increased efficiency, growth in existing marketplaces and the establishment of a new beachhead in the US.

Preparations for entry into the US are now being accelerated. Entry into the US is clearly no easy task, but the size of the prize represents an enormous opportunity for our future and we feel is well worth the investment to date.

SUMMARY

As always BurgerFuel HQ is an extremely busy place. The Company is now well structured to support and grow the existing marketplaces whilst preparing to open up a new frontier in the large yet competitive country of the US. Our existing marketplaces will continue their organic growth and we have higher expectations of Australia and our entry into the US over the next few years.

The Directors remain very positive about BurgerFuel’s future and have management focused on opening in the US as well as continued expansion in other markets.

We remain confident in the investment programme and preparations for future growth.

The Group has no debt and as at 30 September 2015 had cash reserves of \$5.8M.

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

We wish all our shareholders, staff, franchisees, suppliers and of course our valued customers, a safe and Merry Christmas and a prosperous New Year.

Best regards

Peter Brook
Chairman

Josef Roberts
Group CEO

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

| | | Group | Group | Group |
|--|------|---------------|--------------|--------------|
| | | 30 Sep 2015 | 30 Sep 2014 | 31 Mar 2015 |
| | | 6 months | 6 months | 12 months |
| | Note | \$'000 | \$'000 | \$'000 |
| Revenue | | 9,566 | 8,401 | 18,414 |
| Operating expenses | | (9,821) | (8,017) | (17,349) |
| Earnings before interest, taxation, depreciation and amortisation | | (255) | 384 | 1,065 |
| Depreciation | 5 | 323 | 169 | 465 |
| Amortisation | 5 | 20 | 20 | 44 |
| | | 343 | 189 | 509 |
| Earnings before interest and taxation | | (598) | 195 | 556 |
| Interest income | | 112 | 152 | 264 |
| Interest expense | | (2) | (9) | (3) |
| | | 110 | 143 | 261 |
| Earnings before taxation | | (488) | 338 | 817 |
| Income tax expense | | - | 125 | 285 |
| Net surplus attributable to shareholders | | (488) | 213 | 532 |
| Other comprehensive income: | | | | |
| Movement in foreign currency translation reserve | | 77 | 43 | 55 |
| Total comprehensive income | | (411) | 256 | 587 |
| Basic Net Earnings per Share (cents) | | (0.81) | 0.36 | 0.89 |
| Diluted Earnings per Share (cents) | | (0.81) | 0.36 | 0.89 |
| Net Tangible Assets per Share (cents) | | 20.9 | 22.4 | 21.8 |


The attached notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

| | Group 30 Sep 2015 6 months Note \$'000 | Group 30 Sep 2014 6 months \$'000 | Group 31 Mar 2015 12 months \$'000 |
|--------------------------------|--|--|---|
| Shareholders' Equity | | | |
| Share capital | 16,034 | 16,034 | 16,034 |
| Retained earnings | (2,112) | (1,943) | (1,624) |
| IPO capital costs | (223) | (223) | (223) |
| Other reserves | (250) | (339) | (327) |
| | 13,449 | 13,529 | 13,860 |
| Current assets | | | |
| Cash and cash equivalents | 5,799 | 8,226 | 7,721 |
| Trade and other receivables | 3,472 | 3,886 | 2,744 |
| Income tax receivable | - | - | - |
| Inventories | 1,526 | 640 | 1,256 |
| Loans | 23 | 23 | 46 |
| | 10,820 | 12,775 | 11,767 |
| Non-current assets | | | |
| Property, plant and equipment | 3,062 | 2,384 | 2,969 |
| Loans | 46 | 92 | 46 |
| Deferred tax asset | 82 | 51 | 82 |
| Intangible assets | 970 | 159 | 864 |
| | 4,160 | 2,686 | 3,961 |
| Total assets | 14,980 | 15,461 | 15,728 |
| Current liabilities | | | |
| Trade and other payables | 1,100 | 1,242 | 1,402 |
| Tax payable | 26 | 388 | 160 |
| Provisions | 405 | 302 | 273 |
| | 1,531 | 1,932 | 1,835 |
| Non-current liabilities | | | |
| Provisions | - | - | 33 |
| | - | - | 33 |
| Total liabilities | 1,531 | 1,932 | 1,868 |
| Net assets | 13,449 | 13,529 | 13,860 |

For and on behalf of the board on 11th December 2015


Director


Director

The attached notes form part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

GROUP - September 2015

| | Share capital \$'000 | Foreign currency translation reserve \$'000 | IPO capital costs \$'000 | Share option reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|-------------------------|--|-----------------------------|--------------------------------|-----------------------------|------------------------|
| Balance as at 1 April 2015 | 16,034 | (332) | (223) | 5 | (1,624) | 13,860 |
| Foreign currency translation reserve recognised in statement of comprehensive income | - | 77 | - | - | - | 77 |
| Net surplus for the period ended 30 September 2015 | - | - | - | - | (488) | (488) |
| Balance as at 30 September 2015 | 16,034 | (255) | (223) | 5 | (2,112) | 13,449 |

GROUP - September 2014

| | Share capital \$'000 | Foreign currency translation reserve \$'000 | IPO capital costs \$'000 | Share option reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|-------------------------|--|-----------------------------|--------------------------------|-----------------------------|------------------------|
| Balance as at 1 April 2014 | 16,034 | (387) | (223) | 5 | (2,156) | 13,273 |
| Foreign currency translation reserve recognised in statement of comprehensive income | - | 43 | - | - | - | 43 |
| Net surplus for the period ended 30 September 2014 | - | - | - | - | 213 | 213 |
| Balance as at 30 September 2014 | 16,034 | (344) | (223) | 5 | (1,943) | 13,529 |

GROUP - March 2015

| | Share capital \$'000 | Foreign currency translation reserve \$'000 | IPO capital costs \$'000 | Share option reserve \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|-------------------------|--|-----------------------------|--------------------------------|-----------------------------|------------------------|
| Balance as at 1 April 2014 | 16,034 | (387) | (223) | 5 | (2,156) | 13,273 |
| Issue of ordinary shares | - | - | - | - | - | - |
| Share issue costs | - | - | - | - | - | - |
| Foreign currency translation reserve recognised in statement of comprehensive income | - | 55 | - | - | - | 55 |
| Net surplus for the period ended 31 March 2015 | - | - | - | - | 532 | 532 |
| Balance as at 31 March 2015 | 16,034 | (332) | (223) | 5 | (1,624) | 13,860 |

The attached notes form part of these financial statements

STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

| | Group | Group | Group |
|--|----------------|----------------|----------------|
| | 30 Sep 2015 | 30 Sep 2014 | 31 Mar 2015 |
| Note | 6 months | 6 months | 12 months |
| | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| <i>Cash was provided from</i> | | | |
| Receipts from customers | 8,966 | 8,651 | 19,063 |
| Interest received | 112 | 152 | 264 |
| Taxes received | - | - | 55 |
| | 9,078 | 8,803 | 19,382 |
| <i>Cash was applied to</i> | | | |
| Operating expenses | (10,613) | (8,184) | (17,633) |
| Interest paid | (2) | (9) | (3) |
| Taxes paid | (125) | (47) | (59) |
| | (10,740) | (8,240) | (17,695) |
| Net cash flow provided from (applied to) operating activities | (1,662) | 563 | 1,687 |
| 6 | | | |
| Cash flows from investing activities | | | |
| <i>Cash was provided from</i> | | | |
| Advances from franchisees | 23 | 23 | 46 |
| Sale of fixed assets | 68 | 9 | 21 |
| | 91 | 32 | 67 |
| <i>Cash was applied to</i> | | | |
| Acquisition of intangible assets | (126) | (16) | (42) |
| Acquisition of property, plant & equipment | (468) | (1,047) | (1,709) |
| Acquisition of subsidiary | - | - | (933) |
| | (594) | (1,063) | (2,684) |
| Net cash flow (applied to) investing activities | (503) | (1,031) | (2,617) |
| Cash flows from financing activities | | | |
| <i>Cash was provided from</i> | | | |
| Issue of shares | - | - | - |
| <i>Cash was applied to</i> | | | |
| Share issues costs | - | - | - |
| Net cash flow provided from financing activities | - | - | - |
| Net movement in cash and cash equivalents | (2,165) | (468) | (930) |
| Net foreign exchange differences | 243 | 128 | 85 |
| Opening cash and cash equivalents | 7,721 | 8,566 | 8,566 |
| Closing cash and cash equivalents | 5,799 | 8,226 | 7,721 |

The attached notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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 2 of the financial statements.

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

2) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements for the six months ended 30 September 2015 have been prepared in accordance with NZ IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with NZ IFRS.

2.2) BASIS OF PREPARATION

2.2.1) REPORTING ENTITY

The consolidated financial statements for the Group are for the economic entity comprising Burger Fuel Worldwide Limited and its subsidiaries;

Burger Fuel (Dubai) NZ Limited
Burger Fuel (ME) DMCC
Burger Fuel International Limited
Burger Fuel (Australia) Pty Limited
Burger Fuel (Australia) No2 Pty Limited
Burger Fuel International Management Limited
Burger Fuel Limited
BurgerFuel Henderson Limited
Burger Fuel Pty Limited
(formerly Kincro Holdings Pty Limited)
Burger Fuel Australia Pty Limited
Burger Fuel (USA) Inc.
Burger Fuel (USA) Management Inc.
Burger Fuel (USA) Franchising Inc.
BF Hollywood LLC
BF California One LLC
BF California Two LLC
BF Lease Company Limited
BF Lease Company No 1 Limited
BF Lease Company No 2 Limited

BF Lease Company No 3 Limited
BF Lease Company No 4 Limited
BF Lease Company No 5 Limited
BF Lease Company No 6 Limited
BF Lease Company No 7 Limited
BF Lease Company No 8 Limited
BF Lease Company No 9 Limited
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BF Lease Company No 47 Limited
BF Lease Company No 48 Limited
BF Lease Company No 49 Limited
BF Lease Company No 50 Limited

3) ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2015, as described in the annual financial statements.

3.1) INCOME TAXES

Preparation of the financial statements requires management to make estimates as to, amongst other things, the amount of tax that will ultimately be

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

3) INCOME TAXES (CONTINUED)

payable, the availability of losses to be carried forward and the amount of foreign tax credits it will receive. Actual results may differ from these estimates as a result of reassessment by management or taxation authorities.

4) RESULTS OF SUBSIDIARIES

Burger Fuel Worldwide Limited owns 100% of the shares in Burger Fuel Limited, BF Lease Company Limited, BF Lease Company No 1 Limited, BF Lease Company No 2 Limited, BF Lease Company No 3 Limited, BF Lease Company No 4 Limited, BF Lease Company No 5 Limited, BF Lease Company No 6 Limited, BF Lease Company No 7 Limited, BF Lease Company No 8 Limited, BF Lease Company No 9 Limited, BF Lease Company No 10 Limited, BF Lease Company No 11 Limited, BF Lease Company No 12 Limited, BF Lease Company No 13 Limited, BF Lease Company No 14 Limited, BF Lease Company No 15 Limited, BF Lease Company No 16 Limited, BF Lease Company No 17 Limited, BF Lease Company No 18 Limited, BF Lease Company No 19 Limited, BF Lease Company No 20 Limited, BF Lease Company No 21 Limited, BF Lease Company No 22 Limited, BF Lease Company No 23 Limited, BF Lease Company No 24 Limited, BF Lease Company No 25 Limited, BF Lease Company No 26 Limited, BF Lease Company No 27 Limited, BF Lease Company No 28 Limited, BF Lease Company

No 29 Limited, BF Lease Company No 30 Limited, BF Lease Company No 31 Limited, BF Lease Company No 32 Limited, BF Lease Company No 33 Limited, BF Lease Company No 34 Limited, BF Lease Company No 35 Limited, BF Lease Company No 36 Limited, BF Lease Company No 37 Limited, BF Lease Company No 38 Limited, BF Lease Company No 39 Limited, BF Lease Company No 40 Limited, BF Lease Company No 41 Limited, BF Lease Company No 42 Limited, BF Lease Company No 43 Limited, BF Lease Company No 44 Limited, BF Lease Company No 45 Limited, BF Lease Company No 46 Limited, BF Lease Company No 47 Limited, BF Lease Company No 48 Limited, BF Lease Company No 49 Limited, BF Lease Company No 50 Limited, Burger Fuel Pty Limited (formerly Kincro Holdings Pty Limited), Burger Fuel Australia Pty Limited, Burger Fuel (USA) Inc., Burger Fuel (USA) Management Inc., Burger Fuel (USA) Franchising Inc., BF Hollywood LLC, BF California One LLC, BF California Two LLC, Burger Fuel International Limited and Burger Fuel International Management Limited.

Burger Fuel Limited owns 100% of the shares in BurgerFuel Henderson Limited.

Burger Fuel Limited is the main trading entity and franchisor in New Zealand and Burger Fuel International Limited owns all intellectual property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

5) SEGMENT INFORMATION

Geographical Segments

The Group operates in three geographical segments - New Zealand, Australia and the Middle East. All the segments operations are made up 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.

| September 2015 | New Zealand | Australia | Middle East | Consolidated |
|----------------------------|--------------------|------------------|--------------------|---------------------|
| | 6 months | 6 months | 6 months | 6 months |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | |
| Sales | 3,902 | 170 | 668 | 4,740 |
| Royalties | 1,561 | 139 | 810 | 2,510 |
| Franchising fees | 137 | 36 | - | 173 |
| Advertising fees | 1,269 | 101 | 159 | 1,529 |
| Foreign exchange gain | 107 | 71 | - | 178 |
| Sundry income | 406 | 9 | 21 | 436 |
| Interest income | 108 | 1 | 3 | 112 |
| Total Revenue | 7,490 | 527 | 1,661 | 9,678 |
| Interest Expense | - | 2 | - | 2 |
| Depreciation | 299 | 14 | 10 | 323 |
| Amortisation | 20 | - | - | 20 |
| Segment Result | (571) | 49 | 34 | (488) |
| Income Tax Expense | - | - | - | - |
| Segment Assets | 13,060 | 1,013 | 907 | 14,980 |
| Segment Liabilities | 429 | 949 | 153 | 1,531 |

| September 2014 | New Zealand | Australia | Middle East | Consolidated |
|-----------------------|--------------------|------------------|--------------------|---------------------|
| | 6 months | 6 months | 6 months | 6 months |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | |
| Sales | 2,924 | 122 | 1,155 | 4,201 |
| Royalties | 1,425 | 23 | 660 | 2,108 |
| Franchising fees | 175 | - | - | 175 |
| Advertising fees | 1,170 | 9 | 124 | 1,303 |
| Foreign exchange gain | 58 | 28 | - | 86 |
| Sundry income | 513 | 22 | (7) | 528 |
| Interest income | 144 | 1 | 7 | 152 |
| Total Revenue | 6,409 | 205 | 1,939 | 8,553 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

5) SEGMENT INFORMATION (CONTINUED)

Geographical Segments (Continued)

| September 2014 (continued) | New Zealand | Australia | Middle East | Consolidated |
|----------------------------|---------------|--------------|-------------|---------------|
| | 6 months | 6 months | 6 months | 6 months |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest Expense | 3 | 6 | - | 9 |
| Depreciation | 169 | - | - | 169 |
| Amortisation | 20 | - | - | 20 |
| Segment Result | 445 | (134) | 27 | 338 |
| Income Tax Expense | 125 | - | - | 125 |
| Segment Assets | 14,050 | 657 | 754 | 15,461 |
| Segment Liabilities | 1,206 | 573 | 153 | 1,932 |

| March 2015 | New Zealand | Australia | Middle East | Consolidated |
|------------------------------|---------------|-------------|--------------|---------------|
| | 12 months | 12 months | 12 months | 12 months |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | |
| Sales | 6,669 | 564 | 2,199 | 9,432 |
| Royalties | 2,875 | 117 | 1,470 | 4,462 |
| Franchising fees | 537 | 114 | 92 | 743 |
| Training fees | 105 | 5 | - | 110 |
| Construction management fees | 30 | 27 | - | 57 |
| Advertising fees | 2,357 | 75 | 282 | 2,714 |
| Foreign exchange gain | 82 | (50) | - | 32 |
| Sundry income | 897 | - | (33) | 864 |
| Interest income | 253 | 1 | 10 | 264 |
| Total Revenue | 13,805 | 853 | 4,020 | 18,678 |
| Interest Expense | 3 | - | - | 3 |
| Depreciation | 461 | 4 | - | 465 |
| Amortisation | 43 | - | - | 44 |
| Segment Result | 823 | (62) | 56 | 817 |
| Income Tax Expense | 285 | - | - | 285 |
| Segment Assets | 14,009 | 913 | 806 | 15,728 |
| Segment Liabilities | 826 | 884 | 158 | 1,868 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

6) NET CASH FLOWS PROVIDED FROM (APPLIED TO) OPERATING ACTIVITIES

| | Group | Group | Group |
|---|----------------|--------------|--------------|
| | 30 Sep 2015 | 30 Sep 2014 | 31 Mar 2015 |
| Note | 6 months | 6 months | 12 months |
| | \$'000 | \$'000 | \$'000 |
| Net surplus after tax | (488) | 213 | 532 |
| Add: Non-cash items | | | |
| Amortisation | 20 | 20 | 44 |
| Capital Gain | (2) | (3) | - |
| Depreciation | 323 | 169 | 465 |
| Loss on sale of property, plant and equipment | - | - | 2 |
| Deferred tax asset | - | - | 31 |
| Unrealised exchange loss / (gain) | (178) | (86) | (31) |
| | 163 | 100 | 511 |
| Add: Items classified as investing or financing activities | | | |
| Gain on sale of assets | - | - | (6) |
| Add: Working capital movements | | | |
| (Increase) / decrease in trade and other receivables | (728) | (93) | 709 |
| (Increase) / decrease in inventories | (271) | 9 | (607) |
| Increase / (decrease) in taxation payable | (133) | 77 | 195 |
| (Increase) / decrease in accounts payable and accruals | (205) | 257 | 353 |
| | (1,337) | 250 | 650 |
| Net cash flows provided from (applied to) operating activities | (1,662) | 563 | 1,687 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

7) ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT, AND EQUIPMENT

During the six months to 30 September 2015, the Group acquired assets with a total cost of \$468,085 (2014: \$1,046,874). The Group also disposed of assets with a net book value of \$73,594 (2014: \$5,047).

8) RELATED PARTY TRANSACTIONS

Interests of Directors in Certain Transactions

Certain Directors have relevant interests in a number of companies with which Burger Fuel Worldwide Ltd has transactions in the normal course of business. A number of Burger Fuel Worldwides Ltd's Directors are also non-executive Directors of other companies. Any transactions undertaken with these entities have been entered into on an arms-length commercial basis.

Transactions with Related Parties

The following are related entities to the Group:

| September 2015 (6 months) | Relationship | Nature of transaction | Value of transactions during the period | Closing Balance Receivable/(Payable) as at 30 Sep 2015 |
|--------------------------------------|---------------------|----------------------------------|--|---|
| | | | \$'000 | \$'000 |
| Redmond Enterprises Limited | Common Directorship | Consultancy | 250 | - |
| Burger Fuel International Limited | Subsidiary | Advance | - | 85 |
| Burger Fuel Limited | Subsidiary | Advance | - | 6,245 |
| 66 Surrey Limited | Common Directorship | Head office rental | 176 | - |
| BurgerFuel Henderson Limited | Subsidiary | Advance | - | 800 |
| September 2014 (6 months) | Relationship | Nature of transaction | Value of transactions during the period | Closing Balance Receivable/(Payable) as at 30 Sep 2014 |
| | | | \$'000 | \$'000 |
| Redmond Enterprises Limited | Common Directorship | Consultancy | 150 | - |
| Burger Fuel Limited | Subsidiary | Advance | 1,000 | 5,020 |
| 66 Surrey Limited | Common Directorship | Head office rental | 148 | - |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

8) RELATED PARTY TRANSACTIONS (CONTINUED)

| March 2015 (Full Year) | Relationship | Nature of transaction | Value of transactions during the period \$'000 | Closing Balance Receivable/(Payable) as at 31 Mar 2015 \$'000 |
|---------------------------------|---------------------|------------------------------|---|--|
| Redmond Enterprises Limited | Common Directorship | Consultancy Expenses Paid | 300 | - |
| Trumpeter Consulting Limited | Common Directorship | Directors Fees | 50 | - |
| Peter Brook | Common Directorship | Directors Fees | 60 | - |
| 66 Surrey Limited | Common Directorship | Head office rental | 319 | - |

All of the above are related parties of the Group. Other than the entities listed above, there are no additional related parties with whom material transactions have taken place.

9) CONTINGENCIES

There were no contingent liabilities as at 30 September 2015 (2014: Nil).

10) CAPITAL EXPENDITURE COMMITMENTS

There was no capital expenditure commitment as at 30 September 2015 (2014: Nil).

11) SUBSEQUENT EVENTS

There have been no material events subsequent to September 2015 (2014: Nil).



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