BURGERFUEL®

ENGINEERING THE ULTIMATE BURGER

BURGERFUEL WORLDWIDE LIMITED
ANNUAL REPORT 2010

BurgerFuel Mission Bay - Auckland

CONTENTS

ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2010

We are pleased to present the third annual report for Burger Fuel Worldwide Limited ("BFW") for the year ended 31 March 2010.

As advised on 14 June 2010 the Group has reported an audited loss of ($552,983) for the year ended 31 March 2010.

This compares with a loss of ($710,282) for the same period last year, showing a 22% improvement of $157,299.

The group loss for the period has arisen due to the establishment of the business in the Middle East, further investment within the New Zealand and Australian operations and on-going development and refinement of the BurgerFuel concept, for scalable international expansion. All of these areas required significant investment.

PREVIOUS YEARS REPORTED RESULTS COMPARISON:

2010	2009	2008
(552,983)	(710,282)	(2,149,000)

Total (unaudited) system sales up 15.5% to $29,945,024

Despite battling a globally weak economy, the financial year 2010 saw a significant advance for BFW in its first international markets outside of Australasia. The first store was opened in Saudi Arabia where initial trading performance has been exceptional.

In addition sales continued to grow in both NZ and Australia.

BFW's royalty earnings correlate directly to growth in BurgerFuel system sales.

BFW RESULTS FOR THE YEAR ENDED 31 MARCH 2010

	Year End 2010
	$(000's)
Total Revenue	8,722
Total Expenses	(9,275)
Loss	(553)

NEW ZEALAND

BurgerFuel NZ system sales up 12.7%

BurgerFuel NZ (unaudited) system sales for the period are up 12.7% to $26,811,451.

Given the intensity of the recession and uncertainty within the NZ economy during the past year, management focus was on consolidation of the existing NZ system. Accordingly, only one additional store (Mission Bay Auckland) was opened in the financial year to 31 March 2010. This brought store numbers in NZ to 27.

AUSTRALIA (REPORTED IN NZ$)

BurgerFuel Australia system sales up 7.7%

BurgerFuel Australia (unaudited) system sales for the period 1 April 2009 to 31 March 2010 are up 7.7% to $2,306,584.

The board's view on Australia remains the same as the previous year in that no further expansion will occur there at this stage. There were no new stores opened in Australia within the period. There is a continuing trend of rising operational costs there, which is affecting the decision to further expand. The Directors remain of the view that resource and energy is still best focused on expanding the Middle East, as well as consolidating and growing New Zealand rather than investing significantly in Australia.

INTERNATIONAL (REPORTED IN NZ$)

KINGDOM OF SAUDI ARABIA (KSA)

BurgerFuel KSA (unaudited) system sales for the 8 weeks to 31 March 2010 were $826,989.

During the year to 31 March 2010 the group opened the first store under master license in the Middle East. This new 200 seat concept store opened in the city of Dammam in KSA in mid February. The store opening turnover exceeded all expectations and the Directors see considerable potential for more stores within KSA. Further sites are now being evaluated.

DUBAI - UNITED ARAB EMIRATES

Delays were experienced in Dubai due to the general economic slowdown and continued uncertainty of that city last year. However, a prime site in Jumeirah Beach Resort (JBR) was successfully negotiated and store fit out completed. The Dubai store opened in July. This store will showcase the BurgerFuel brand in the region and is expected to generate significant international enquiry for more new territories.

BEEF EXPORT TO MIDDLE EAST

BurgerFuel is now successfully exporting all its beef as well as other BurgerFuel proprietary products from New Zealand to the Middle East. This both maintains quality and consistency and helps to promote BurgerFuel's New Zealand story, as well as providing further group revenue. Over time and as expansion in this region begins to gather pace, the Directors believe that there will be considerable revenue derived from food exports to these and other potential countries.

ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

BFW OUTLOOK

The Board of Directors have advised that the BFW strategy remains consistent. The group is focused on three main areas.

1. Continued growth of the total system sales in NZ, by way of increased store sales as well as an increased number of stores. It is anticipated that subject to the economy improving, some new stores may be opened in NZ this year.
2. Further consolidation of the two Australian stores and investigation into establishing a Master Licensee for that country.
3. Expansion in the Middle East. This includes the territories already sold: UAE, Bahrain and KSA as well as the negotiation of new Area Development Agreements in other identified countries to earn territory fees, royalties and other revenue by licensing the BurgerFuel system and exporting value added beef.

The global economic recession continued during the 2010 financial year making trading conditions difficult. However despite this, BFW has made considerable progress both locally and internationally. Sales continue to increase in NZ and Australia and the major project of opening BurgerFuel's first store in the Middle East was successfully achieved. An operating division has now been established in that region and it is the Board's view that there is considerable potential for BurgerFuel to expand in that market.

The focus remains on reducing costs where possible and maintaining sufficient cash and liquidity levels to ensure operating and expansion costs can be met.

SUMMARY

In the financial year to 31 March 2010 the company has borne significant costs associated with the establishment in the Middle East and achieving the first store opening in Saudi Arabia. It is also important to note that there was no significant revenue booked from new store opening fees or new territory fees.

The board confirmed its strategy of continued development and investment, as outlined in the prospectus to ensure brand growth both in NZ and internationally and so that BFW can reach profitability as soon as possible.

BFW has now demonstrated its ability to export its concept to a foreign market in the Middle East and gain immediate acceptance and success in that market. By exporting intellectual property and value added beef and other products the company has now established an international revenue stream. This was always the vision of the company and its intention is to continue to develop this revenue considerably over the coming years.

As at 31 March 2010 BFW's net asset position was $3,268,136 which included cash reserves of $1,158,746. The group has no material debt.

Peter Brook
Chairman

Josef Roberts
CEO - Australasia

Chris Mason
CEO International Business

SPECIAL EDITION

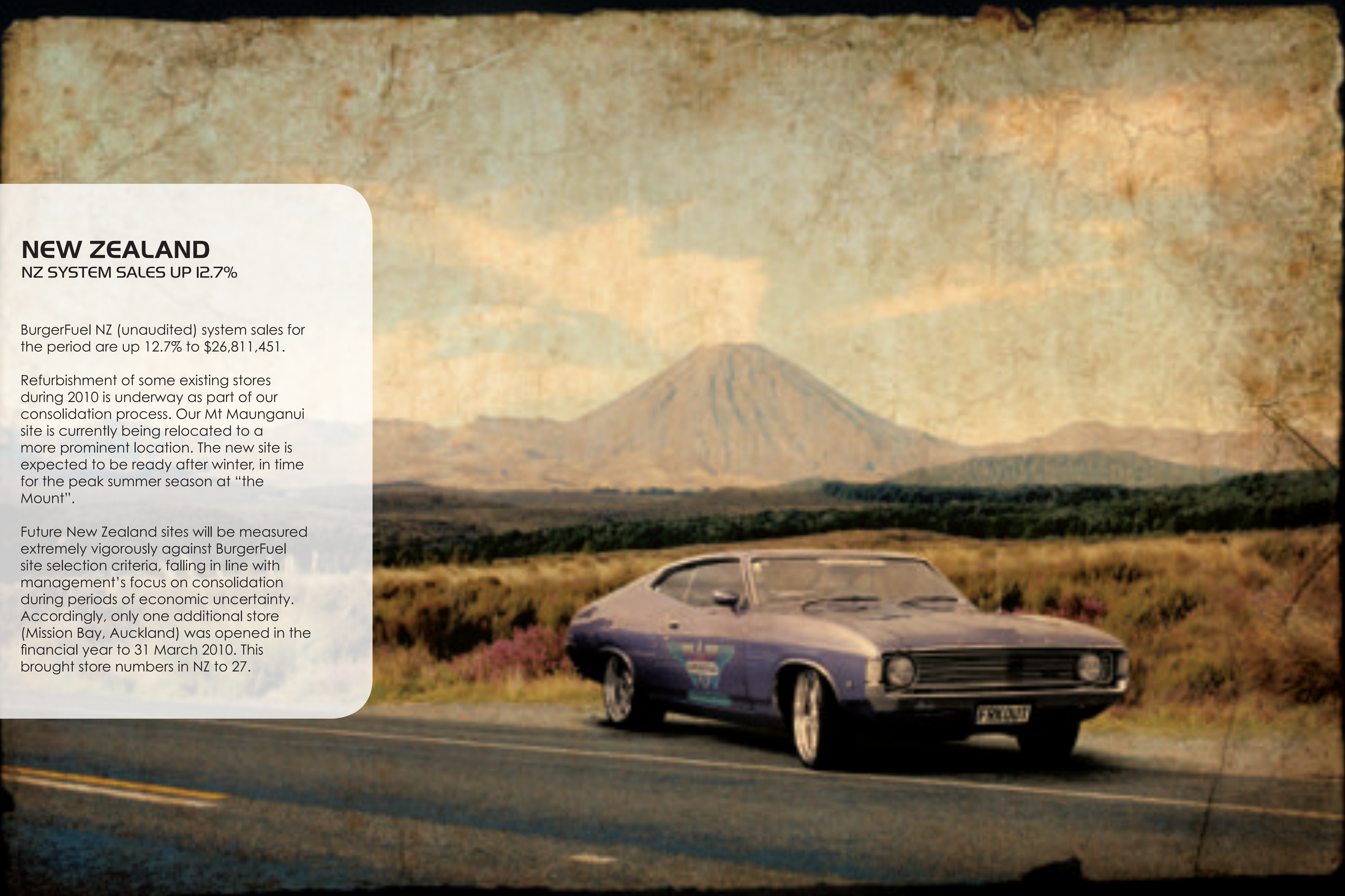
HEAVY METAL HINDU

TANDOORI CHICKEN BREAST
SLICED BANANA, CINNAMON AND COCONUT YOGHURT,
SALAD, RELISH AND AIOLI ON A LARGE BUN

TOTAL SYSTEM SALES UP 15.5%

TOTAL SYSTEM SALES GROWTH

Total System Sales represent total till sales figures across the counter for all franchised 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.



NEW ZEALAND

NZ SYSTEM SALES UP 12.7%

BurgerFuel NZ (unaudited) system sales for the period are up 12.7% to $26,811,451.

Refurbishment of some existing stores during 2010 is underway as part of our consolidation process. Our Mt Maunganui site is currently being relocated to a more prominent location. The new site is expected to be ready after winter, in time for the peak summer season at “the Mount”.

Future New Zealand sites will be measured extremely vigorously against BurgerFuel site selection criteria, falling in line with management’s focus on consolidation during periods of economic uncertainty. Accordingly, only one additional store (Mission Bay, Auckland) was opened in the financial year to 31 March 2010. This brought store numbers in NZ to 27.

AUSTRALIA
SYSTEM SALES UP 7.7%

BurgerFuel Australia (unaudited) system sales for the period 1 April 2009 to 31 March 2010 are up 7.7% to $2,306,584 (reported in NZ$).

The board's view on Australia remains the same as the previous year in that no further expansion will occur there at this stage. There were no new stores opened in Australia within the period.

There is a continuing trend of rising operational costs there, which is affecting the decision to further expand. The Directors remain of the view that resource and energy is still best focused on expanding the Middle East, as well as consolidating and growing New Zealand rather than investing significantly in Australia.

DUBAI - UNITED ARAB EMIRATES - OPEN NOW!!

Delays were experienced in Dubai due to the general economic slowdown and continued uncertainty of that city last year. However, a prime site was eventually negotiated and our first store opened on Monday 6th July, 2010. It is situated in the heart of Jumeirah Beach Residence, a 2 million square metre beachfront community boasting 39 residential towers, 4 hotels and 4 beach clubs.

BurgerFuel's local Master Franchisee, Alphamed Group, has undertaken the development of the first store in conjunction with the BurgerFuel Worldwide GCC team and will continue to roll out more stores within the United Arab Emirates. Dubai has emerged as a global city and a business hub being described as the gateway to the Middle East.

Chris Mason, CEO – International Business is now based in Dubai overseeing the expansion in the Middle East and is excited by the business opportunities and developments in that region.

This store will showcase the BurgerFuel brand in the region and is expected to generate significant international interest for more new territories.

KINGDOM OF SAUDI ARABIA (KSA)

SYSTEM SALES (UNAUDITED) FOR THE 8 WEEKS TO 31 MARCH 2010 WERE $826,989.*

During the year to 31 March 2010 the group opened the first store under master license in the Middle East. This new 200 seat concept store opened in the city of Dammam in Saudi Arabia in mid February. The store opening turnover exceeded all expectations and the Directors see considerable potential for more stores within Saudi Arabia. Meanwhile, further sites are being evaluated in light of the success of the first store.

The store is achieving near cult status as an entertainment hub in the traditional Arab state where alcohol is forbidden. Despite temperatures of up to 50 degrees Celsius, the store recently hosted a popular FIFA World Cup lounge for football fans watching the All Whites unbeaten run (among other national teams, of course).

*Reported in NZ$

THE WAGYU BURGER

The Wagyu with Cheese launched in New Zealand in 2009, up against a myriad of premium beef competitors. The burger beat all others in a blind taste test conducted by the national newspaper - The New Zealand Herald.

Legend has it that the Wagyu farmers devoted extraordinary care and attention to the rearing of this unusual breed of cattle, focusing on the quality rather than the quantity of their beef. Before the beef is made into the delicious pattie we see today, these imperial cattle were well known for being massaged, fed on beer and then sold at fine dining restaurants around the world.

It has been a popular example of one of the many brand extensions developed in the BurgerFuel ideas kitchen. The Wagyu with Cheese has since 'graduated', now a permanent menu item available in Australia and New Zealand, further reinforcing the premium aspect of the brand's food offering.

BEEF EXPORT TO MIDDLE EAST

BurgerFuel is now successfully exporting all its beef as well as other key BurgerFuel proprietary ingredients, such as our NZ Vegetarian Society approved vege patties direct to the GCC. This in itself creates a uniquely high quality product with comments from locals that there is nothing like the BurgerFuel concept. This both maintains quality and consistency and helps to promote BurgerFuel's New Zealand origin and story, as well as providing further group revenue.

Over time and as expansion in this region begins to gather pace, the Directors believe that there will be considerable revenue derived from food exports to these and other potential countries. Using our own beef not only ensures that we are delivering the best possible burgers, but that we are also exporting value added New Zealand beef, which is a contribution to the New Zealand economy as well.

How much more Kiwi can you get?

SHAREHOLDER INFORMATION

Remuneration of Directors

	2010 12 Months $	2009 12 Months $
Peter Brook	60,000	52,500
Emmet Hobbs	-	33,333
Carl Howard-Smith	-	33,333
Christopher Mason	200,000	200,000
Josef Roberts	120,000	120,000
Alan Dunn	50,000	68,475

Remuneration of Employees (Excluding Executive Directors)

	2010 12 Months Number of	2009 12 Months Employees
$100,000 - $110,000	-	-
$130,000 - $140,000	1	2

Statement of Directors and Officers Interests

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

	Beneficially held at 31/3/10	Non-beneficially held at 31/3/10	Beneficially held at 31/3/09	Non-beneficially held at 31/3/09
Peter Brook	152,500	-	52,500	-
Christopher Mason	22,018,132	-	22,018,132	-
Josef Roberts	24,725,532	-	24,771,682	-
Alan Dunn	132,500	-	-	-
Paul Devereux (Officer)	105,000	-	105,000	-
Andrew Kingstone (Officer)	25,500	-	2,500	-
Alexis Lam (Officer)	18,000	-	18,000	-

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 14 June 2010 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	%
JCR Capital Limited & 730 Trustee Company Limited	21,982,632	41.31%
Christopher Mason and Christopher Mills	22,018,132	41.40%
CMJR Trustee Limited	2,742,900	5.15%

The total number of voting securities of the Company on issue at 31 March 2010 was 53,210,000 fully paid ordinary shares.

SHAREHOLDER INFORMATION (CONTINUED)

Twenty Largest Security Holders as at 31st May 2010

Shareholder	Number of Shares	%
Christopher Mason and Christopher Mills	22,018,132	41.40%
JCR Capital Limited and 730 Trustee Company Limited	21,982,632	41.31%
CMJR Trustee Limited	2,742,900	5.15%
Peter Brook	152,500	0.29%
Trumpeter Consulting Limited	132,500	0.25%
Grant Samuel & Associates Limited	100,000	0.19%
Ginostra Capital Pty Limited	100,000	0.19%
Michael Daniel, Nigel Burton & Michael Benjamin	85,000	0.16%
Private Nominees Limited	77,500	0.15%
James Louis Knill	70,011	0.13%
Dex Management Limited	67,500	0.13%
Roy Sunde	40,000	0.08%
Motu Trustee Pty Limited	35,000	0.07%
Beverly Dorman, Carl Howard-Smith & Pamela Howard-Smith	32,500	0.06%
Emmet Hobbs	32,500	0.06%
John Mandeno & Lynette Dunn	30,000	0.06%
Joseph Mason	29,500	0.06%
Simon Wagg	27,000	0.05%
Chris Mills	26,000	0.05%
Andrew Kingstone	25,500	0.05%
	47,806,675	**89.85%**

Domicile of Security Holdings

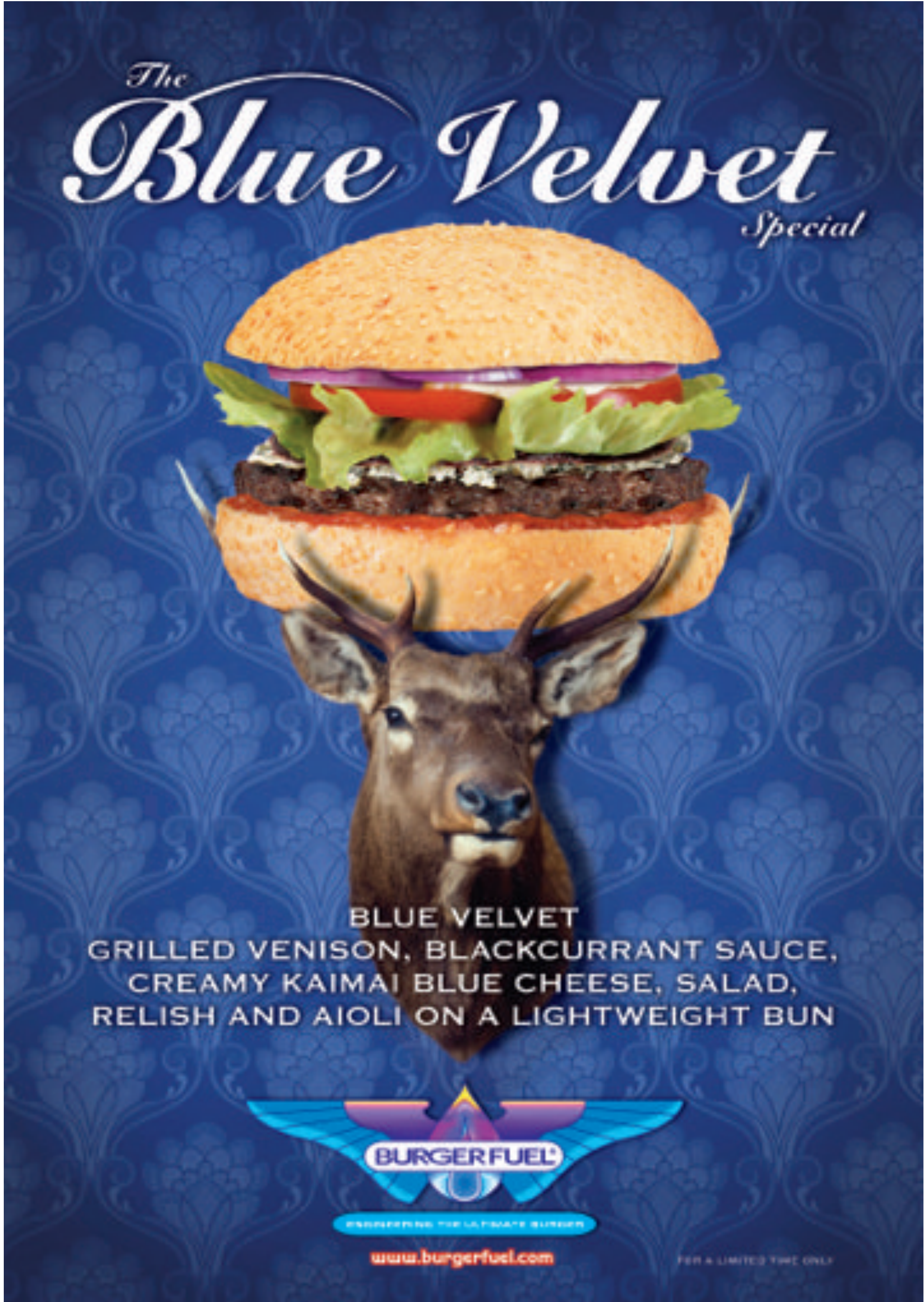
	Number of Holders	Number of Shares	%
New Zealand	2,521	52,743,428	99.13%
Australia	59	264,361	0.50%
Canada	2	2,000	0.00%
China	1	3,000	0.01%
Korea	1	2,000	0.00%
Germany	1	3,000	0.01%
Hong Kong	3	4,500	0.01%
Italy	1	1,000	0.00%
Singapore	1	2,000	0.00%
Switzerland	1	70,011	0.13%
Taiwan	1	1,000	0.00%
United States of America	11	28,100	0.05%
United Kingdom	17	85,600	0.16%
	2,620	**53,210,000**	**100%**

SHAREHOLDER INFORMATION (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

Spread of Security Holders

Shareholding Size	Number of Holders	Total Shares Held	%
1 – 1,999	1763	1,801,450	3.39%
2,000 – 4,999	565	1,362,190	2.56%
5,000 – 9,999	174	935,756	1.76%
10,000 – 49,999	107	1,581,929	2.97%
50,000 – 99,999	4	300,011	0.56%
100,000 – 499,999	4	485,000	0.91%
1,000,000 – 9,999,999	3	46,743,664	87.85%
	2,620	**53,210,000**	**100.00%**



CORPORATE GOVERNANCE

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

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

The Board monitors financial results and compares them to annual plans and forecasts 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 2 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 29 June 2010, there were 4 Directors, a Company Secretary and a Chief Financial Officer. The Chairman of the Board and the Chairman of the Audit Committee are non-executive and independent of the role of the Chief Executive Officers.

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 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 over viewing 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 (CONTINUED)

Directors & Officers Board & Audit Committee Attendance Record

Director	Board Meetings	Audit Committee Meetings
Peter Brook (Chair)	7	5
Josef Roberts	7	5
Chris Mason	3	2
Alan Dunn	7	5
Officer		
Paul Devereux (Company Secretary)	7	5
Andrew Kingstone (Chief Financial Officer)	7	5

Constitution

A full copy of the Company's constitution is available on the Company's internet 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 two CEO's who are Executive Directors, the Company Secretary and the CFO.

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

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.

PETER BROOK

BCom, ACA, CFIP

CHAIRMAN
MEMBER - BFW AUDIT COMITTEE

Formerly Managing Director of Merril Lynch (NZ) Ltd.

Other Directorships: ING Property Trust Managment Ltd, ING Medical Properties Ltd, Trust Investments Management Ltd and a number of private company directorships in New Zealand.

Trustee of the Melanesian Mission Trust Board.

CHRIS MASON

CEO INTERNATIONAL BUSINESS

Chris is the founder of BugerFuel and is the CEO of International markets.

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

ALAN DUNN

INDEPENDENT DIRECTOR
CHAIRMAN - BFW AUDIT COMITTEE

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

Other Directorships: Greenstone Energy and a number of directorships of private companies.

JOSEF ROBERTS

CEO AUSTRALASIA

Josef is the Australasian CEO and actively manages all operational aspects of the business in Australasia.

Former CEO and Founder of Red Bull Australasia.

Other Directorships: A number of directorships of private companies.

PAUL DEVEREUX

BCom, LLB, FCIS, MNZIM

COMPANY SECRETARY

BurgerFuel Corporate Counsel since 2003.

Vice-President of Chartered Secretaries New Zealand. Formerly Executive Director, Company Secretary and Corporate Counsel for Red Bull Australia Pty Ltd and prior to that General Manager and corporate lawyer for Red Bull New Zealand.

In addition he works in private legal practice.

ANDREW KINGSTONE

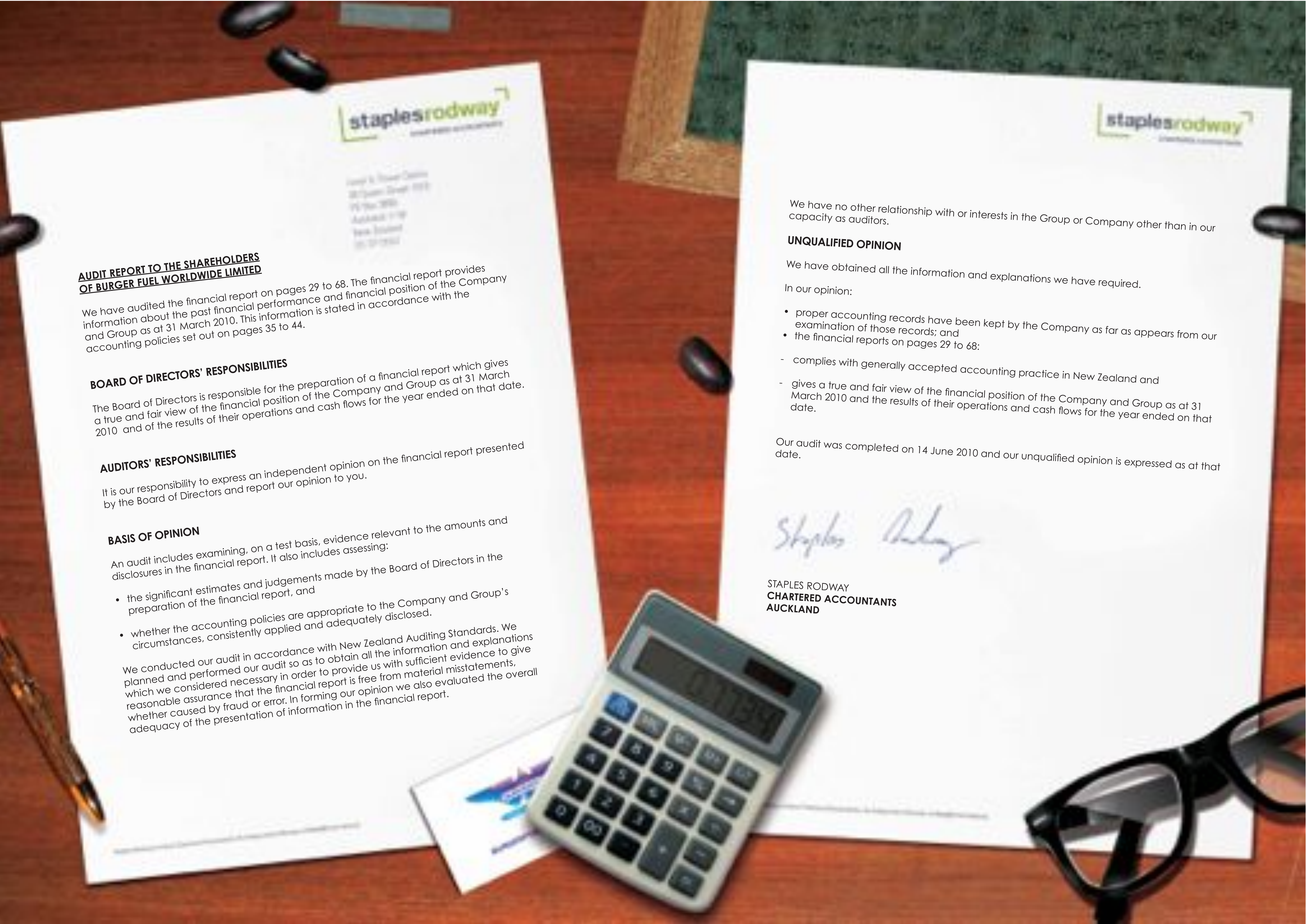
BBS, CA

CHIEF FINANCIAL OFFICER

Committee Member of the CFO Special Interests Group - NZ Institute of Chartered Accountants.

Prior to joining BugerFuel, Andrew was Chief Financial Officer for Transfield Services - Infrastructure.

In addition to this he held a range of senior financial positions in the UK and New Zealand.



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AUDIT REPORT TO THE SHAREHOLDERS OF BURGER FUEL WORLDWIDE LIMITED

We have audited the financial report on pages 29 to 68. The financial report provides information about the past financial performance and financial position of the Company and Group as at 31 March 2010. This information is stated in accordance with the accounting policies set out on pages 35 to 44.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is responsible for the preparation of a financial report which gives a true and fair view of the financial position of the Company and Group as at 31 March 2010 and of the results of their operations and cash flows for the year ended on that date.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the Board of Directors and report our opinion to you.

BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Board of Directors in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Company and Group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

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We have no other relationship with or interests in the Group or Company other than in our capacity as auditors.

UNQUALIFIED OPINION

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

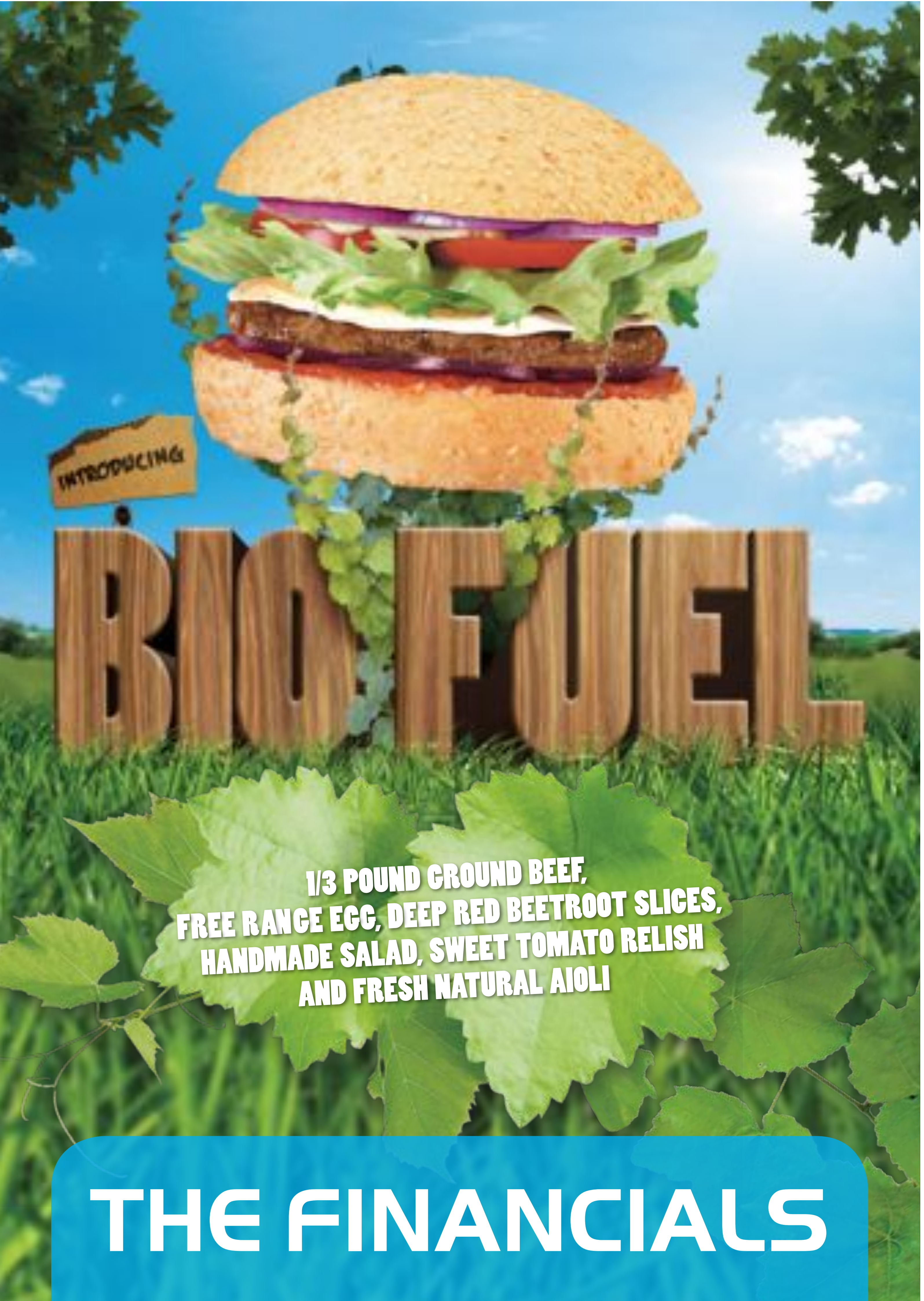
In our opinion:

- proper accounting records have been kept by the Company as far as appears from our examination of those records; and
- the financial reports on pages 29 to 68:

- complies with generally accepted accounting practice in New Zealand and
- gives a true and fair view of the financial position of the Company and Group as at 31 March 2010 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 14 June 2010 and our unqualified opinion is expressed as at that date.

STAPLES RODWAY
CHARTERED ACCOUNTANTS
AUCKLAND



BURGER FUEL WORLDWIDE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

		Group		Parent	
		2010	2009	2010	2009
		12 Months	12 Months	12 Months	12 Months
	Note	$	$	$	$
Revenue	5	8,657,717	7,316,030	-	48,935
Operating Expenses	6	(8,968,061)	(7,889,678)	(2,871,473)	(938,353)
Loss before interest, taxation, depreciation and amortisation		**(310,344)**	**(573,648)**	**(2,871,473)**	**(889,418)**
Depreciation	11	247,877	233,539	-	-
Amortisation	14	45,477	49,108	-	-
		293,354	282,647	-	-
Loss before interest and taxation		**(603,698)**	**(856,295)**	**(2,871,473)**	**(889,418)**
Interest Income	25	65,256	166,171	802,632	823,508
Interest Expense		(14,415)	(20,158)	-	(673)
		50,841	146,013	802,632	822,835
Loss before taxation		**(552,857)**	**(710,282)**	**(2,068,841)**	**(66,583)**
Income Tax Expense	7	126	-	-	-
Net loss attributable to shareholders		**(552,983)**	**(710,282)**	**(2,068,841)**	**(66,583)**
Other comprehensive income:					
Movement in Foreign Currency Translation Reserve		**(118,322)**	**(47,671)**	**-**	**-**
Total comprehensive income		**(671,305)**	**(757,953)**	**(2,068,841)**	**(66,583)**
Basic Net Earnings per Share (cents)		**(1.04)**	**(1.34)**	**(3.89)**	**(0.13)**
Diluted Earnings per Share (cents)		**(1.04)**	**(1.34)**	**(3.89)**	**(0.13)**
Net Tangible Assets per Share (cents)		**5.83**	**6.94**	**12.59**	**15.65**

The attached notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

		Group		Parent	
		2010	2009	2010	2009
	Note	$	$	$	$
Shareholders' Equity					
Contributed equity	18	8,063,002	8,000,002	8,063,002	8,000,002
Accumulated losses	19	(4,581,943)	(4,028,960)	(1,780,216)	288,625
IPO capital costs	18	(223,432)	(223,432)	-	-
Other reserves	20	10,509	128,831	5,269	5,269
		3,268,136	**3,876,441**	**6,288,055**	**8,293,896**
Current assets					
Cash and cash equivalents	17	1,158,746	1,517,069	371,312	1,085,810
Trade and other receivables	9	1,190,421	1,030,802	5,804	53,418
Inventories	10	189,844	151,721	-	-
Loans	13	82,747	90,557	-	-
		2,621,758	2,790,149	377,116	1,139,228
Non-current assets					
Property, plant and equipment	11	993,298	1,195,933	-	-
Investment in subsidiaries	12	-	-	2	2
Loans	13	776,049	685,634	6,088,486	7,332,215
Intangible assets	14	169,377	196,341	-	-
		1,938,724	2,077,908	6,088,488	7,332,217
Total assets		**4,560,482**	**4,868,057**	**6,465,604**	**8,471,445**
Current liabilities					
Trade and other payables	15	905,253	634,975	-	-
Current tax payable		-	-	177,549	177,549
Lease Liabilities	23	33,111	36,184	-	-
Provisions	16	125,285	34,422	-	-
		1,063,649	705,581	177,549	177,549
Non-current liabilities					
Lease liabilities	23	68,136	101,252	-	-
Provisions	16	160,561	184,783	-	-
		228,697	286,035	-	-
Total liabilities		**1,292,346**	**991,616**	**177,549**	**177,549**
Net assets		**3,268,136**	**3,876,441**	**6,288,055**	**8,293,896**

For and on behalf of the board who approved these financial statements for issue on 14 June 2010

Director **Director** **Director**

The attached notes form part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

GROUP

2010

	Share capital	Foreign currency translation reserve	Merger reserve	IPO capital costs	Share option reserve	Retained earnings	**Total equity**
	$	$	$	$	$	$	**$**
Balance as at 1 April 2009	8,000,002	(61,237)	184,799	(223,432)	5,269	(4,028,960)	**3,876,441**
Issue of ordinary shares	63,000						**63,000**
Foreign currency translation reserve recognised in statement of comprehensive income	-	(118,322)	-	-	-	-	**(118,322)**
Net loss for the year ended 31 March 2010	-	-	-	-	-	(552,983)	**(552,983)**
Balance as at 31 March 2010	**8,063,002**	**(179,559)**	**184,799**	**(223,432)**	**5,269**	**(4,581,943)**	**3,268,136**

2009

	Share capital	Foreign currency translation reserve	Merger reserve	IPO capital costs	Share option reserve	Retained earnings	**Total equity**
	$	$	$	$	$	$	**$**
Balance as at 1 April 2008	8,000,002	(13,566)	184,799	(223,432)	5,269	(3,318,678)	**4,634,394**
Foreign currency translation reserve recognised in statement of comprehensive income	-	(47,671)	-	-	-	-	**(47,671)**
Net loss for the year ended 31 March 2009	-	-	-	-	-	(710,282)	**(710,282)**
Balance as at 31 March 2009	**8,000,002**	**(61,237)**	**184,799**	**(223,432)**	**5,269**	**(4,028,960)**	**3,876,441**

The attached notes form part of these financial statements

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

PARENT

2010

	Share capital $	Foreign currency translation reserve $	Merger reserve $	IPO capital costs $	Share option reserve $	Retained earnings $	**Total equity $**
Balance as at 1 April 2009	8,000,002	-	-	-	5,269	288,625	**8,293,896**
Issue of ordinary shares	63,000						**63,000**
Net loss for the year ended 31 March 2010	-	-	-	-	-	(2,068,841)	**(2,068,841)**
Balance as at 31 March 2010	**8,063,002**	**-**	**-**	**-**	**5,269**	**(1,780,216)**	**6,288,055**

2009

	Share capital $	Foreign currency translation reserve $	Merger reserve $	IPO capital costs $	Share option reserve $	Retained earnings $	**Total equity $**
Balance as at 1 April 2008	8,000,002	-	-	-	5,269	355,208	**8,360,479**
Issue of ordinary shares	-	-	-	-	-	-	**-**
Net loss for the year ended 31 March 2009	-	-	-	-	-	(66,583)	**(66,583)**
Balance as at 31 March 2009	**8,000,002**	**-**	**-**	**-**	**5,269**	**288,625**	**8,293,896**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Group 2010 12 Months $	Group 2009 12 Months $	Parent 2010 12 Months $	Parent 2009 12 Months $
Cash flows from operating activities					
Cash was provided from					
Receipts from customers		8,348,927	7,320,744	10,766	38,169
Interest received		65,257	166,171	802,632	823,508
Taxes received		-	118,687	36,848	1,796
		8,414,184	7,605,602	850,245	863,473
Cash was applied to					
Operating expenses		(8,481,558)	(8,689,664)	(808,472)	(538,353)
Interest paid		(14,415)	(20,158)	-	(673)
Taxes paid		(1,867)	-	-	-
		(8,497,840)	(8,709,822)	(808,472)	(539,026)
Net cash flows provided from / (applied to) operating activities	27	**(83,656)**	**(1,104,220)**	**41,773**	**324,447**
Cash flows from investing activities					
Cash was provided from					
Foreign exchange gains		-	19,787	-	-
Sale of fixed assets		47,135	-	-	-
		47,135	19,787	-	-
Cash was applied to					
Advances to franchisees		(99,498)	(133,783)	-	-
Advances to shareholders		-	-	-	-
Acquisition of intangible assets	14	(18,513)	(125,927)	-	-
Acquisition of property, plant & equipment	11	(89,743)	(561,388)	-	-
		(207,754)	(821,098)	-	-
Net cash flow applied to investing activities		**(160,619)**	**(801,311)**	**-**	**-**
Cash flows from financing activities					
Cash was provided from					
Cash Proceeds from issue of shares		-	-	-	-
Loans from related parties		-	299,682	-	-
		-	299,682	-	-
Cash was applied to					
Loans to related parties		(64,113)	-	(756,271)	(2,036,277)
Repayment of finance leases		(36,184)	(31,981)	-	-
		(100,297)	(31,981)	(756,271)	(2,036,277)
Net cash flow provided from/ (applied to) financing activities		**(100,297)**	**267,701**	**(756,271)**	**(2,036,277)**

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

		Group		Parent	
		2010	2009	2010	2009
		12 Months	12 Months	12 Months	12 Months
	Note	$	$	$	$
Net movement in cash and cash equivalents		**(344,572)**	**(1,637,830)**	**(714,498)**	**(1,711,830)**
Net foreign exchange differences		**(13,751)**	**-**	**-**	**-**
Opening cash and cash equivalents		1,517,069	3,154,899	1,085,810	2,797,640
Closing cash and cash equivalents		**1,158,746**	**1,517,069**	**371,312**	**1,085,810**

The attached notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1) REPORTING ENTITIES AND STATUTORY BASE

Burger Fuel Worldwide Limited is a public company registered under the Companies Act 1993 and is listed with the New Zealand Alternative Stock Exchange on the NZAX. The company is an issuer in terms of the Financial Reporting Act 1993, the Securities Act 1978, and the Securities Markets Act 1988.

The financial statements presented are those of Burger Fuel Worldwide Limited (the 'Company' or the 'Parent Company') and its wholly owned subsidiaries Burger Fuel International Limited, Burger Fuel Limited and Burger Fuel Five Cross Roads Limited (the 'Group' or 'Burger Fuel'). Burger Fuel Australia Pty Limited is a wholly owned subsidiary of Burger Fuel (Australia) Pty Limited, which is a wholly owned subsidiary of Burger Fuel International Limited.

Burger Fuel operates as a franchisor of gourmet burger restaurants and is a 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 Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Standards, as appropriate for profit-oriented entities. The Company is a profit-oriented entity. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act. The financial statements of the Group also comply with International Financial Reporting Standards ("IFRS").

The Company was incorporated on 14 June 2007; the financial statements cover the year from 1 April 2009 to 31 March 2010, with a prior period comparison of 1 April 2008 to 31 March 2009. The Company incorporated Burger Fuel Five Cross Roads Limited on 2 March 2009 as the operating entity of the Five Cross Roads store in Hamilton.

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 in the Annual Report on page 3.

Basis of Measurement

The financial statements have been prepared on the basis of historical cost with the exception of financial instruments through profit or loss which are measured at fair value.

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 principle areas of judgment in preparing these financial statements are set out below:

Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company and Group for similar financial instruments.

2) BASIS OF PREPARATION (CONTINUED)

Use of Estimates and Judgements (Continued)

Valuation of Financial Assets
Management performs an assessment of the carrying value of financial assets at least annually. In assessing whether there has been impairment, consideration is given to the financial performance of the investee and other factors impacting management's expectation of recovering the value of the investment. This assessment also requires management to make judgements about the expected future performance and cash flows of the investee, and an appropriate discount rate, in order to determine the fair value of investments based on discounted expected cash flows of investees.

Accounting for Property, Plant and Equipment and Finite-life Intangible Assets
In accounting for the creation of items of property, plant and equipment and finite-life intangible assets, judgements must be made about whether costs incurred relate to bringing an asset to working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset, or whether they should be expensed as incurred. In capitalising costs for internally constructed assets, judgements must be made about the likelihood of project success. Such judgements can be difficult where the project involves the application of unproven technology.

The determination of the appropriate useful life for a particular asset requires management to make judgements about, among other factors, the expected period of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances, and the likelihood of either the Company and Group ceasing to use the asset in its business operations.

Assessing whether an asset is impaired may involve estimating the future cash flows the asset is expected to generate. This will in turn involve a number of assumptions, including rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate for valuing future cash flows.

Allowance for Doubtful Debts
The Group maintains an allowance for estimated losses expected to arise from customers being unable to make required payments. This allowance takes into account known commercial factors impacting specific customer accounts, as well as the overall profile of the Company and Group's debtors' portfolio. In assessing the allowance, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general, macroeconomic trends, are taken into account.

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. Actual results may differ from these estimates as a result of reassessment by management or taxation authorities.

3) SPECIFIC ACCOUNTING POLICIES

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

a) Basis of Consolidation

Subsidiaries
Subsidiaries are entities controlled, directly or indirectly, by companies in the Group. Control exists when any of the companies in the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences.

In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised profits and losses arising within the consolidated entity are eliminated in full.

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

a) Basis of Consolidation (continued)

The acquisition of the subsidiaries was accounted for using the pooling of interests method. The pooling of interests method of accounting involves allocating the cost of the business combination to the transfer of shares of Burger Fuel Limited and Burger Fuel International Limited owned by the JCR Investment Trust and the Mason Family Trust in exchange for shares in Burger Fuel Worldwide Limited which owns Burger Fuel Limited and Burger Fuel International Limited.

b) Revenue Recognition

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

Franchise Fees
Franchise fees 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 agreement.

Training Fees
Training fee income is recognised when the outcome of the transaction involving the rendering of services can be reliably estimated.

Advertising Income
Advertising income is recognised when the outcome of the transaction involving the rendering of services can be reliably estimated.

Construction Management Fees
Construction management fees are recognised when the outcome of the transaction involving the rendering of services can be reliably estimated.

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

Other Income
All other income is recognised when significant risks and rewards have been transferred to 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 stated at cost less allowances for impairment. An estimate is made for impairment based on a review of all outstanding amounts at period end. 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 the Statement of Comprehensive Income.

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.

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Financial instruments are classified in one of the following categories at initial recognition: Financial Assets at Fair Value through Profit or Loss, Available for Sale Financial Assets, Loans and Receivables, Held to Maturity, Financial Liabilities at Fair Value through Profit or Loss and Other Financial Liabilities.

Where Burger Fuel has assets and liabilities with offsetting market risk, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies a bid/offer spread adjustment to the net open position as appropriate.

If changes in these assumptions to a reasonably possible alternative would result in a significantly different fair value this has been disclosed with a range of possibilities.

Financial Assets at Fair Value through Profit or Loss

Assets in this category are either held for trading or are managed with other assets and liabilities and are accounted for and evaluated on a fair value basis. Fair value reporting of these assets and liabilities reflects Burger Fuel's risk management process, which includes utilising natural offsets where possible and managing overall risks of the portfolio on a trading basis.

Available for Sale Financial Assets

Assets in this category include:

Due from Subsidiaries and Franchisees
This includes all amounts due from Subsidiaries and Franchisees.

Other assets
Other assets include the accrual of fees receivable.

BURGER FUEL WORLDWIDE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments (continued)

Held to Maturity Investments

Assets in this category are measured at amortised cost. The Company and Group have not classified any assets as Held to Maturity at 31 March 2010 or 31 March 2009.

Financial Liabilities at Fair Value through Profit or Loss

Liabilities in this category are either held for trading or are managed with other assets and liabilities which are accounted for and evaluated on a fair value basis. Fair value reporting of these assets and liabilities reflects Burger Fuel's risk management process, which includes utilising natural offsets where possible and managing the overall risks of the portfolio on a trading basis.

Other Financial Liabilities

This category includes all financial liabilities other than those at fair value through profit or loss. Liabilities in this category are measured at amortised cost and include:

Due to Subsidiaries
This includes all amounts due to Subsidiaries.

Other Liabilities
These are recorded at amortised cost. They represent liabilities for goods and services provided to Burger Fuel prior to the end of the financial year that are unpaid and arise when Burger Fuel becomes obliged to make future payments. These amounts are unsecured.

Loans and borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

f) Investments

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

g) Share Capital

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

Repurchase of share capital
When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, it is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity.

h) Other Reserves

Other reserves relate to retained earnings brought in prior to the acquisition of Burger Fuel by the original shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

i) Finance Income and Expense

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

Once the recorded value of a financial asset has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount. The Group recognises interest revenue on an accruals basis when the services are rendered using the effective interest rate method.

j) 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 or loss as incurred.

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

Motor Vehicles	18% - 36% diminishing value
Leasehold Improvements	9% - 26.4% diminishing value
Property, Plant and Equipment	9.6% - 60% diminishing value

The depreciation expense calculated on a diminishing value basis would not be materially different from the expense as calculated using the rates as allowed by the Income Tax Act 2007.

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.

k) Leased Assets

Operating and Financing Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are stated initially at an amount equal to the present value of the future minimum lease payments, and are depreciated as described above. Leases that are not finance leases are classified as operating leases. Operating lease payments are recognised as an expense in the periods the amounts are payable in the Statement of Comprehensive Income.

BURGER FUEL WORLDWIDE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

l) Intangible Assets

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

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

m) 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.

Share options gifted

The fair value of options gifted to employees, excluding the impact of any non-market vesting conditions such as profitability or sales growth targets, is recognised as an employee expense, with a corresponding increase in equity over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance is fulfilled, ending on the date on which the relevant employees become entitled to the award.

Fair value

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

n) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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 Statement of Financial Position 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 sheet 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.

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

o) Impairment of non-financial assets

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

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

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

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

p) Goods and Services Tax (GST)

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

q) Foreign Currency

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

Foreign operations
The assets and liabilities of foreign operations arising on acquisition are translated to New Zealand dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to New Zealand dollars at average exchange rates.

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

r) Cash Flow Statement

Basis of Preparation: The Statement of Cash Flows has been prepared using the direct approach modified by netting of certain items as disclosed below.

Cash and Cash Equivalents: Cash and cash equivalents reflect the balance of cash and liquid assets used in day-to-day cash management of the entity.

BURGER FUEL WORLDWIDE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

3) SPECIFIC ACCOUNTING POLICIES (CONTINUED)

r) Cash Flow Statement (continued)

Netting of Cash Flows: Certain cash flows have been netted in order to provide more meaningful disclosure, as many of the cash flows are received and disbursed on behalf of customers and reflect the activities of the customer rather than those of the entity.

(i) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

(ii) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, investments and loans and advances. Investments can include securities not falling within the definition of cash.

(iii) Financing activities are those activities, which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

(iv) Operating activities are the principle revenue-producing activities of the entity and other events that are not investing or financing activities.

s) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Burger Fuel 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 comprise convertible notes and share options granted to employees.

t) Segment Reporting

A segment is a distinguishable component of the Burger Fuel Group that is engaged in providing related products and services, which is subject to risks and rewards that are different to those of other segments.

The Group operates in three geographical segments – New Zealand, Australia and the Middle East.

4) NEW STANDARDS ADOPTED AND INTERPRETATIONS NOT YET ADOPTED

Standards and Interpretations effective in the current period.

Those with disclosure impact

The impact of the adoption of the following Standard and Amendments has been to expand the disclosures provided in these financial statements:

- NZ IAS 1 Presentation of Financial Statements; This has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
- NZ IAS 8 replaces NZ IAS 14, 'Segment Reporting'. NZ IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief Worldwide Board. The adoption of NZ IFRS 8 has not resulted in any change to reportable segments. There has been no impact on the measurement of the Group's assests and liabilities.
- NZ IFRS 7, 'Financial Instruments, Disclosures' (amendment). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

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

The following new standards and amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009, but are either not currently relevant for the Group or do not result in material accounting and/or disclosure changes:
a. NZ IAS 23 (amendment), Borrowing costs
b. NZ IFRS 2 (amendment), Share-based payment
c. NZ IAS 32 (amendment), Financial Instruments: Disclosure and presentation
d. NZ IFRIC 13, Customer loyalty programmes
e. NZ IFRIC 15, Agreements for the construction of real estate
f. NZ IFRIC 16, Hedges of a net investment in a foreign operation
g. NZ IAS 39 (amendment), Financial Instruments: Recognition and measurement

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

Amendments to Standards
- NZ IAS 39 Financial Instruments amendments effective for annual periods beginning on or after 1 July 2009
- NZ IFRS 9 Disclosure ofFinancial Instruments, effective for annual periods beginning on or after 1 January 2013
- NZ IAS 32 Financial Instruments, effective for annual periods beginning on or after 1 January 2010
- NZ IFRS 3 Business Combinations, effective for annual periods beginning on or after 1 July 2009
- NZ IAS 7 Cash flow Statements, effective for annual periods beginning on or after 1 January 2010
- NZ IAS 17 Leases, effective for annual periods beginning on or after 1 January 2010
- NZ IAS 27 Consolidated and Separate Financial Statements (revised 2008) effective for annual periods beginning on or after 1 July 2009
- NZ IAS 24 Related Party Disclosures (revised 2009), effective for annual periods beginning on or after 1 January 2011

New Interpretations
- NZ IFRIC 14 Amendment to prepayments of a minimum funding requirement effective for annual period beginning on or after 1 January 2011.
- NZ IFRIC 16 Hedge of a Net Investments in Foreign Operations, effective for annual periods beginning on or after 1 October 2009.
- NZ IFRIC 17 Distribution of Non Cash Assets to owners, effective for annual periods beginning on or after 1 July 2009
- NZ IFRIC 18 Transfers of Assets from Customers, effective for annual periods beginning on or after 1 July 2009
- NZ IFRIC 19 Extinguishing liabilities with Equity Instruments effective for annual periods beginning on or after 1 July 2010

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Group.

5) REVENUE

	Group		Parent	
	2010	2009	2010	2009
	12 Months	12 Months	12 Months	12 Months
	$	$	$	$
Sales	5,496,971	4,006,440	-	-
Franchising Fees	-	645,350	-	-
Training Fees	54,177	60,000	-	-
Royalties	1,516,270	1,383,318	-	-
Advertising Fees	1,050,462	937,203	-	-
Construction Management Fees	15,000	31,667	-	-
Foreign Exchange Gains	126,350	88,513	-	-
Other income	398,486	163,539	-	48,935
	8,657,717	**7,316,030**	**-**	**48,935**

6) EXPENSES

	Group		Parent	
	2010	2009	2010	2009
	12 Months	12 Months	12 Months	12 Months
	$	$	$	$
Operating expenses include:				
Cost of sales	2,903,415	2,042,702	-	-
Rental and operating lease costs	476,721	575,159	-	-
Allowance for impairment	-	-	-	-
Loss on disposal of property	19,145	18,407	-	-
Directors' fees	51,102	144,039	-	-
Wages and salaries	2,285,127	2,060,898	-	-
Key management personnel costs:				
- Salary and other short-term benefits	783,253	646,380	-	-
Auditors remuneration – Audit Services – Staples Rodway:				
- Audit of financial statements	30,085	40,773	-	-
- Other services	-	-	-	-
Donations	-	210	-	-
Other operating expenses	2,419,213	2,361,110	2,871,473	938,353
	8,968,061	**7,889,678**	**2,871,473**	**938,353**

The above key management personnel costs include remuneration of the Chief Executive and the members of the executive team.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

7) INCOME TAX

	Group		Parent	
	2010	2009	2010	2009
	12 Months	12 Months	12 Months	12 Months
	$	$	$	$
Loss before income tax expense	(552,857)	(710,282)	(2,068,841)	(66,583)
Tax effect of amounts which are not deductible in calculating taxable income:				
Amortisation of intangible assets	15,120	27,073	-	-
50% entertainment	14,225	14,590	-	-
Share options	-	-	-	-
Make good provision	88,364	1,147	-	-
Loan Provision	-	-	2,000,000	400,000
Holiday pay not paid out within 63 days	7,736	24,453	-	-
Other	(57,647)	-	-	538,027
	67,798	67,263	2,000,000	938,027
Taxable profit / (loss)	(485,059)	(643,019)	(68,841)	871,444
Subvention Payments Received / (Paid)	-	-	-	(871,444)
Prima Facie Taxation @ 30% (2009: 30%)	-	-	-	-
Tax losses for which no deferred income tax was recognised	(485,059)	(643,019)	(68,841)	-
Total income tax expense per statement of comprehensive income	126	-	-	-
Taxation expense is represented by:				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
	-	-	-	-

The Group has unrecognised losses of approximately $2,267,630 available to be carried forward and to be offset against taxable income in the future (2009: $1,782,571). The tax effect of these losses is $680,289 (2009: $534,771). The ability to carry forward these losses is contingent upon continuing to meet the requirement of the Income Tax Act 2007.

The Group has also not recognised a deferred tax asset of $99,210 (2009 $204,612) with respect to other timing differences. This has not been recognised as it is not probable that future taxable profit will be available to allow all or part of the asset to be utilised.

The weighted average tax rate of the Company and Group is effectively 30.0% based on operating in New Zealand and Australia.

BURGER FUEL WORLDWIDE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

8) IMPUTATION CREDITS

	Group		Parent	
	2010	2009	2010	2009
	12 Months	12 Months	12 Months	12 Months
	$	$	$	$
Opening Balance	58,934	81,312	42,652	44,448
Add				
Resident Withholding Tax	7,473	43,229	5,804	42,652
Imputation Credits Attached to Dividends Received	-	-	-	-
	7,473	43,229	5,804	42,652
Deduct				
Income Tax Refund Received	(46,238)	65,607	(42,652)	44,448
	(46,238)	65,607	(42,652)	44,448
Closing Balance	**20,169**	**58,934**	**5,804**	**42,652**

9) TRADE AND OTHER RECEIVABLES

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Trade receivables	959,256	852,348	-	10,766
Less allowance for impairment of trade receivables	-	-	-	-
Prepayments	123,384	47,853	-	-
Income tax receivable	7,745	47,223	5,804	42,652
GST receivable	42,539	668	-	-
Sundry receivables	57,497	82,710	-	-
	1,190,421	**1,030,802**	**5,804**	**53,418**

Receivables denominated in currencies other than the functional currency comprise 4.5% of the trade receivables (2009: 23.6%).

10) INVENTORIES

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Raw materials	**189,844**	**151,721**	**-**	**-**

II) PROPERTY, PLANT & EQUIPMENT

2010

Group	Motor vehicles $	Office Equipment $	Furniture and Fittings $	IT $
Cost				
Balance 1 April 2009	355,666	25,813	394,427	176,904
Acquisitions	30,420	-	19,143	42,666
Disposals	(61,846)	-	(4,470)	-
Foreign exchange movement	(43)	(11)	(1,225)	(2,007)
Cost at 31 March 2010	**324,197**	**25,802**	**407,875**	**217,563**
Depreciation and impairment losses				
Balance 1 April 2009	182,252	19,246	128,162	127,125
Depreciation for the year	42,923	2,106	59,458	46,055
Disposals	(86)	-	(2,450)	-
Effects of movements in foreign exchange rates	(174)	(39)	(4,000)	(2,260)
Balance 31 March 2010	**224,915**	**21,313**	**181,170**	**170,920**
Net Book Value				
Balance 1 April 2009	173,414	6,567	266,265	49,779
Depreciation charge	(42,923)	(2,106)	(59,458)	(46,055)
Additions	30,420	-	19,143	42,666
Disposals	(61,846)	-	(4,470)	-
Foreign exchange movement	217	28	5,225	253
Net Book Value at 31 March 2010	**99,282**	**4,489**	**226,705**	**46,643**

	Kitchen Equipment $	Leasehold Imprs $	Total $
Cost			
Balance 1 April 2009	326,606	664,860	**1,944,276**
Acquisitions	4,792	(7,278)	**89,743**
Disposals	-	-	**(66,316)**
Foreign exchange movement	(683)	(6,246)	**(10,215)**
Cost at 31 March 2010	**330,715**	**651,336**	**1,957,488**
Depreciation and impairment losses			
Balance 1 April 2009	122,329	169,229	**748,343**
Depreciation for the year	41,119	56,216	**247,877**
Disposals	-	-	**(2,536)**
Effects of movements in foreign exchange rates	(5,891)	(17,130)	**(29,494)**
Balance 31 March 2010	**157,557**	**208,315**	**964,190**
Net Book Value			
Balance 1 April 2009	204,277	495,631	**1,195,933**
Depreciation charge	(41,119)	(56,216)	**(247,877)**
Additions	4,792	(7,278)	**89,743**
Disposals	-	-	**(66,316)**
Foreign exchange movement	5,208	10,884	**21,815**
Net Book Value at 31 March 2010	**173,158**	**443,021**	**993,298**

II) PROPERTY, PLANT & EQUIPMENT (CONTINUED)

2009

Group	Motor vehicles $	Office Equipment $	Furniture and Fittings $	IT $
Cost				
Balance 1 April 2008	285,091	25,712	250,837	126,463
Acquisitions	70,167	-	148,324	49,990
Disposals	-	-	(11,603)	(599)
Foreign exchange movement	408	101	6,869	1,050
Cost at 31 March 2009	**355,666**	**25,813**	**394,427**	**176,904**
Depreciation and impairment losses				
Balance 1 April 2008	109,895	15,756	86,852	95,527
Depreciation for the year	70,383	3,439	40,323	31,120
Disposals	-	-	-	-
Effects of movements in foreign exchange rates	1,974	51	987	478
Balance 31 March 2009	**182,252**	**19,246**	**128,162**	**127,125**
Net Book Value				
Balance 1 April 2008	175,196	9,956	163,985	30,936
Depreciation charge	(70,383)	(3,439)	(40,323)	(31,120)
Additions	70,167	-	148,324	49,990
Disposals	-	-	(11,603)	(599)
Foreign exchange movement	(1,566)	50	5,882	572
Net Book Value at 31 March 2009	**173,414**	**6,567**	**266,265**	**49,779**

	Kitchen Equipment $	Leasehold Imprs $	Total $
Cost			
Balance 1 April 2008	231,352	456,939	**1,376,394**
Acquisitions	85,792	207,115	**561,388**
Disposals	-	(10,262)	**(22,464)**
Foreign exchange movement	9,462	11,068	**28,958**
Cost at 31 March 2009	**326,606**	**664,860**	**1,944,276**
Depreciation an impairment losses			
Balance 1 April 2009	83,035	119,892	**510,957**
Depreciation for the year	39,529	48,745	**233,539**
Disposals	-	-	**-**
Effects of movemets in foreign exchange rates	(235)	592	**3,847**
Balance 31 March 2010	**122,329**	**169,229**	**748,343**
Net Book Value			
Balance 1 April 2008	148,317	337,047	**865,437**
Depreciation charge	(39,529)	(48,745)	**(233,539)**
Additions	85,792	207,115	**561,388**
Disposals	-	(10,262)	**(22,464)**
Foreign exchange movement	9,697	10,476	**25,111**
Net Book Value at 31 March 2009	**204,277**	**495,631**	**1,195,933**

Leased motor vehicles

Motor vehicles are leased under a number of finance leases. At 31 March 2010 the net carrying amount of leased equipment included within Motor Vehicles was $57,259 (2009: $88,288).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

12) INVESTMENT IN SUBSIDIARIES

The Parent company's investment in the subsidiaries comprises shares at cost.

Subsidiary Companies	Country of Incorporation	Interest Held 2010	Interest Held 2009
Burger Fuel Limited	New Zealand	100%	100%
Burger Fuel International Limited	New Zealand	100%	100%
Burger Fuel Five Cross Roads Limited	New Zealand	100%	100%
Burger Fuel (Australia) Pty Limited	New Zealand	100%	100%
Burger Fuel Australia Pty Limited	Australia	100%	100%

The principal activities of the subsidiaries are:
Burger Fuel Limited – Franchise systems – gourmet burger restaurants.
Burger Fuel International Limited – Holds patents, trademarks and licences. Owns the Burger Fuel Australia operation.
Burger Fuel Five Cross Roads Limited – Trading operation of the Five Cross Roads store in Hamilton, New Zealand.
Burger Fuel (Australia) Pty Limited – Non Trading.
Burger Fuel Australia Pty Limited – Franchise systems – gourmet burger restaurants in Australia.

13) LOANS

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Loan to Harakoa Pty Limited	299,640	339,639	-	-
Loan to Pari Mutuel Limited	173,969	194,980	-	-
Loan to Fuel Race Team Limited	228,964	140,288	-	-
Loan to Xotic Burgers Limited	83,144	-	-	-
Loan to Burger Fuel Limited	-	-	7,830,673	7,589,215
Loan to Burger Fuel International Limited	-	-	657,813	143,000
Loan from Morgan Monrad Limited	-	(31,111)	-	-
Loan to Janeron Limited	27,183	38,000	-	-
Loan to VLJK Limited	71,896	94,395	-	-
Loan to Bosniakiwi Limited	55,000	-	-	-
	939,796	776,191	8,488,486	7,732,215
Provision against intercompany loans	81,000	-	(2,400,000)	(400,000)
Total loans	**858,796**	**776,191**	**6,088,486**	**7,332,215**
Current	82,747	90,557	-	-
Non-current	776,049	685,634	6,088,486	7,332,215
	858,796	**776,191**	**6,088,486**	**7,332,215**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

13) LOANS (CONTINUED)

Loan to Hakaroa Pty Limited
Harakoa Pty Limited is a registered Australian company. The loan is secured by way of a guarantee by Jack Ngawiki Tuhi and Hetty Jane McLennan and is subject to an interest rate of 10% p.a. if requested (as at balance date interest had not been requested) by the sole discretion of the franchisor and subject to certain terms and conditions of the franchise agreement. The loan is repayable on demand.

Loan to Pari Mutuel Limited
This is an advance to assist in setting up a franchise in July 2004. The loan is unsecured, has an interest rate of 10% p.a., and subject to certain terms and conditions of the franchise agreement. The loan is repayable in equal instalments over the remaining term of the franchise agreement and is repayable on demand.

Loan to Fuel Race Team Limited
The loan is unsecured, has an interest rate of 10% pa and subject to certain terms and conditions of the franchise agreement. The loan is repayable over the term of the franchise agreement and is repayable on demand.

Loan to Xotic Burgers Limited
This was an advance to assist in further development of the franchsiee and this store. The loan is unsecured, has an interest rate of 5% pa and subject to certain terms and conditions of the franchise agreement. The loan is repayable over the term of the franchise agreement and is repayable on demand.

Loan to Burger Fuel Limited
Burger Fuel Limited is a subsidiary company. The loan is unsecured and repayable on demand. Interest on this advance is fixed at 10% p.a.

Loan to Burger Fuel International Limited
Burger Fuel International Limited is a subsidiary company. The loan is unsecured and repayable on demand. Interest on this advance is fixed at 10% p.a.

Loan from Morgan Monrad Limited
The funds were received from the above franchisee prior to the year end for a deposit on a potential site in the Cuba Street mall. This has since been refunded given a suitable site could not be located.

Loan to Janeron Limited
The loan is unsecured, has an interest rate of 5% pa and subject to certain terms and conditions of the franchise agreement. The loan is repayable over the term of the franchise agreement and is repayable on demand.

Loan to VLJK Limited
The loan is unsecured, has an interest rate of 8.5% pa and subject to certain terms and conditions of the franchise agreement. The loan is repayable over the term of the franchise agreement and is repayable on demand.

Provision against Intercompany Advance – Burger Fuel Limited to Burger Fuel Australia Pty Limited
A provision has been made against the loan from Burger Fuel Limited to Burger Fuel Australia Pty Limited for $2,400,000. While the intention is to repay the loan once the Australian operation returns a profit, a further provision is necessary in light of the Australian entities trading results during the year.

Loan to Bosniakiwi Limited
The loan is unsecured, has an interest rate of 8.5% pa and subject to certain terms and conditions of the franchise agreement. The loan is repayable over the term of the franchise agreement and is repayable on demand. A provision has also been made in respect of this for $30,000 due to a dispute with the franchisee over terms of the loan provided for the fit out of the store.

14) INTANGIBLE ASSETS

2010

Group	Key Money	Domain Name	Patent	Trademarks	Total
	$	$	$	$	$
Cost					
Balance 1 April 2009	67,500	8,994	20,776	202,196	299,466
Acquisitions	-	1,971	-	16,542	18,513
Balance at 31 March 2010	**67,500**	**10,965**	**20,776**	**218,738**	**317,979**
Amortisation					
Balance 1 April 2009	19,488	6,742	12,074	64,821	103,125
Current year amortisation	15,121	2,390	2,078	25,888	45,477
Balance 31 March 2010	**34,609**	**9,132**	**14,152**	**90,709**	**148,602**
Net book value					
Balance 1 April 2009	48,012	2,252	8,702	137,375	196,341
Additions	-	1,971	-	16,542	18,513
Amortisation	(15,121)	(2,390)	(2,078)	(25,888)	(45,477)
Net Book Value at 31 March 2010	**32,891**	**1,833**	**6,624**	**128,029**	**169,377**

2009

Group	Key Money	Domain Name	Patent	Trademarks	Total
	$	$	$	$	$
Cost					
Balance 1 April 2008	-	6,972	20,776	145,791	173,539
Acquisitions	67,500	2,022	-	56,405	125,927
Balance at 31 March 2009	**67,500**	**8,994**	**20,776**	**202,196**	**299,466**
Amortisation					
Balance 1 April 2008	-	4,527	9,996	39,494	54,017
Current year amortisation	19,488	2,215	2,078	25,327	49,108
Balance 31 March 2009	**19,488**	**6,742**	**12,074**	**64,821**	**103,125**
Net book value					
Balance 1 April 2008	-	2,445	10,780	106,297	119,522
Additions	67,500	2,022	-	56,405	125,927
Amortisation	(19,488)	(2,215)	(2,078)	(25,327)	(49,108)
Net Book Value at 31 March 2009	**48,012**	**2,252**	**8,702**	**137,375**	**196,341**

BURGER FUEL WORLDWIDE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

15) TRADE AND OTHER PAYABLES

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Trade payables	796,487	535,632	-	-
Payroll liabilities	18,147	17,400	-	-
Accrued expenses	90,619	81,943	-	-
	905,253	**634,975**	**-**	**-**

Payables denominated in currencies other than the functional currency comprise 24.8% of the trade payables (2009: 30.1%).

16) PROVISIONS

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Store Closure Provision				
Opening balance	34,422	36,730	-	-
Provisions made during the year	91,070	6,672	-	-
Provisions used during the year	-	(3,809)	-	-
Provisions reversed during the year	(207)	(5,171)	-	-
	125,285	**34,422**	**-**	**-**
Holiday Pay Provision				
Opening balance	184,783	136,940	-	-
Provisions made during the year	(1,465)	123,175	-	-
Provisions used during the year	(22,757)	(73,565)	-	-
Provisions reversed during the year	-	(1,767)	-	-
	160,561	**184,783**	**-**	**-**
Total provisions	**285,846**	**219,205**	**-**	**-**
Non-current	160,561	184,783	-	-
Current	125,285	34,422	-	-
Total provisions	**285,846**	**219,205**	**-**	**-**

Store Closure Provision
This is the make good provision that is set aside to cover the costs of returning premises that are occupied by Burger Fuel back to their original condition, after taking into account the natural wear and tear of these premises. Included in this amount is $81,876 being a provision against leasehold improvements made in the Kings Cross Store.

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.

17) CASH AND CASH EQUIVALENTS

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Cash at bank	673,847	791,923	28,010	569
Cash on deposit	484,899	725,146	343,302	1,085,241
	1,158,746	**1,517,069**	**371,312**	**1,085,810**

18) CONTRIBUTED EQUITY

	Number of Shares		Share Capital	
	2010	2009	2010	2009
			$	$
Opening ordinary shares on issue	53,000,000	53,000,000	8,000,002	8,000,002
Shares issued 21 October 2009	210,000	-	63,000	-
Authorised Ordinary shares on issue at 31 March 2010	**53,210,000**	**53,000,000**	**8,063,002**	**8,000,002**
Less: IPO Capital Costs			(223,432)	(223,432)
Contributed Equity			**7,839,570**	**7,776,570**

Burger Fuel Worldwide Limited was listed on the New Zealand Alternative Stock Exchange on the 27 July 2007. The Company has 53,210,000 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. The Company has issued options as per Note 21.

19) RETAINED EARNINGS

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Retained Earnings/(Accumulated Losses)				
Opening balance	(4,028,960)	(3,318,678)	288,625	355,208
Pre-acquisition reserve	-	-	-	-
Net deficit for the year	(552,983)	(710,282)	(2,068,841)	(66,583)
Closing balance	**(4,581,943)**	**(4,028,960)**	**(1,780,216)**	**288,625**

20) OTHER RESERVES

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Foreign Currency Translation Reserve				
Opening Balance	(61,237)	(13,566)	-	-
Movements	(118,322)	(47,671)	-	-
Closing balance	**(179,559)**	**(61,237)**	**-**	**-**
Other Reserves				
Opening Balance	184,799	184,799	-	-
Movements	-	-	-	-
Closing balance	**184,799**	**184,799**	**-**	**-**
Share Option Reserve				
Opening Balance	5,269	5,269	5,269	5,269
Movements	-	-	-	-
Closing balance	**5,269**	**5,269**	**5,269**	**5,269**
Total Reserves	**10,509**	**128,831**	**5,269**	**5,269**

Nature and purpose of reserves

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

Other Reserves
The other reserves consists of retained earnings prior to the acquisition of Burger Fuel Worldwide Limited.

Share Option Reserve
This reserve takes into account the fair value of share options that have been issued to staff of the Group, but lapsed during the year.

21) SHARE OPTIONS

Options to Shareholders
The shares issued under the Initial Public Offering and those transferred by the Founding Shareholders, were issued together with 1,600,000 Options to subscribe for further ordinary shares in the Company. Investors received one Option for every five shares acquired. Holders of the Options are entitled to subscribe for one fully paid ordinary share for every one Option held, on payment of the exercise price of $1.00 per share subscribed for. No payment is required to be made in respect of the Option unless an Option is exercised.

On 27 July 2007, 1,600,000 options were allotted, and on 20 November 2007 another 200,000 were issued (of which 188,487 have been allotted) and were able to be exercised during a one month period that started on 27 January 2009 and ended one month later. The options lapsed in the prior period without being exercised.

21) SHARE OPTIONS (CONTINUED)

Options to Staff

Each staff member that received gifted shares on the floating of the Company, were also gifted options at the same time on the basis of one Option for every five shares that were gifted. Staff are defined to include Independent Directors, Company Secretary, Existing Franchisees, Burger Fuel Worldwide Employees and System Staff.

The Company had no legal or constructive obligation to repurchase or settle the options in cash, hence they lapsed at 26 February 2009.

2010

	Number	Expiry date	Exercise price $	Fair value at balance date $
Options to Shareholders				
Allotted during the year	-	26 / 2 / 09	1.00	-
Options to Staff				
Allotted during the year	-	26 / 2 / 09	1.00	-
Outstanding at 31 March 2010	-			-

22) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Significant accounting policies

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

Categories of financial instruments

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Financial assets				
Loans and receivables (including cash and cash equivalents)	3,157,833	3,228,986	8,859,798	8,828,791
Financial liabilities				
Trade Payables	796,487	535,632	-	-

22) 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 Company and Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company and Group seek to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The Company and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures are analysed by sensitivity analysis. There has not been significant change to Burger Fuel's exposure to market risks or the manner in which it manages and measures the risk, other than the opening of a USD account in April 2009 for the receipt of USD royalties and franchise fees expected for the Middle East.

Foreign currency risk management
The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

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

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit where the NZ$ strengthens 10% against the relevant currency.

	10 % strengthening		10 % weakening	
	2010	2009	2010	2009
	$	$	$	$
Profit or (loss)	8,121	6,240	(8,933)	(6,864)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

22) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet 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.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's operating result for the year ended 31 March 2010 would decrease/increase by $1,013 (2009: $1,374). This is attributable to the Group's exposure to interest rates on its variable rate borrowings on finance leases.

Credit Risk

Credit risk is the risk that the counter party to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. The Company and Group have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, 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. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually.

Financial Instruments that potentially subject the Group to concentrations of credit risk consist principally of cash, trade debtors, franchisee loans and advances. The carrying amount of financial assets represents the Group's maximum credit exposure; however the Company and Group consider the risk of non-recovery of these accounts to be relatively low.

The Company and Group do not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Counterparties are defined as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 15% of gross monetary assets at any time during the year ended 31 March 2010 or 31 March 2009. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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

	Group		Parent	
	2010	2009	2010	2009
	$	$	$	$
Cash and Bank Balances	1,158,746	1,517,069	371,312	1,085,810
Loans, Advances and Receivables	939,796	776,191	6,088,486	7,332,215

Maximum exposures are net of any recognised provisions.

Cash
The Company and Group places all cash deposits with ANZ National Bank Limited and ASB Limited in New Zealand and the ANZ Bank Limited in Australia.

Receivables
The Company and 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.

BURGER FUEL WORLDWIDE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

22) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that the value of the Company and Group's assets and liabilities will fluctuate due to changes in market interest rates. Both the Company and the Group are exposed to interest rate risk primarily through its cash balances and advances.

There are no contractual rights in respect of interest rate re-pricing on its assets and liabilities that expose either the Company or the Group to any material risk

Interest rate risk profile

GROUP

2010

	Weighted average effective interest rate %	Variable interest rate %	Less than 1 year	Non interest bearing	Total
			$	$	$
Financial assets					
Cash and cash equivalent	0.64%	-	1,158,746	-	1,158,746
Loans to franchisees	8.90%	-	402,933	-	402,933
Loans to franchisees	-	-	453,719	453,719	453,719
Trade receivables	-	-	1,016,753	1,016,753	1,016,753
			3,032,151	**1,470,472**	**3,032,151**
Financial Liabilities					
Finance leases	12.25 - 13.81%	-	101,247	-	101,247
Trade payables	-	-	796,487	796,487	796,487
			897,734	**796,487**	**897,734**

2009

	Weighted average effective interest rate %	Variable interest rate %	Less than 1 year	Non interest bearing	Total
			$	$	$
Financial assets					
Cash and cash equivalent	1.66%	-	1,517,069	-	1,517,069
Loans to franchisees	8.90%	-	777,912	-	777,912
Trade receivables	-	-	935,058	935,058	935,058
			3,230,039	**935,058**	**3,230,039**
Financial Liabilities					
Finance leases	12.25 - 13.81%	-	137,436	-	137,436
Trade payables	-	-	535,632	535,632	535,632
			673,068	**535,632**	**673,068**

22) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Interest Rate Risk (Continued)

Interest rate risk profile (Continued)

PARENT

2010

	Weighted average effective interest rate %	Variable interest rate %	Less than 1 year $	Non interest bearing $	Total $
Financial assets					
Cash and cash equivalent	4.00%	-	371,312	-	371,312
Related party receivables	10.00%	-	6,088,486	-	6,088,486
			6,459,798	**-**	**6,459,798**

2009

	Weighted average effective interest rate %	Variable interest rate %	Less than 1 year $	Non interest bearing $	Total $
Financial assets					
Cash and cash equivalent	3.15%	-	1,085,810	-	1,085,810
Related party receivables	10.00%	-	7,332,215	-	7,332,215
			8,418,025	**-**	**8,418,025**

Liquidity Risk

Liquidity risk is the risk that the Company and Group will encounter difficulty in raising funds at short notice to meet commitments associated with financial instruments. The Company and Group maintains sufficient funds and facilities 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, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Capital management
The Company and Group's capital includes share capital, reserves and retained earnings. The Company and Group is not subject to any externally imposed capital requirements, other than those imposed by the bank for financing. Policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in the management of capital during the period.

Fair Values
The carrying amount of cash and advances reflect their true values. There are no off Statement of Financial Position financial instruments, to which the Company or Group is a party, in place at balance date.

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

(a) Cash, Bank Balances and Trade Creditors
The carrying amounts of these balances are equivalent to their fair value.

(b) Receivables
Each loan has particular circumstances that determine its fair value. The carrying amounts of the loans net of allowances best represent their fair value. All current assets are expected to be settled in the next 6-12 months and non-current assets are expected to be settled within the next 12-24 months.

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

BURGER FUEL WORLDWIDE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

22) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity Risk (continued)

Classification and fair values

GROUP

2010

	Designated at fair value $	Loans & receivables $	Other amortised cost $	Total carrying amount $	Fair value $
Assets					
Advances	-	776,049	-	776,049	776,049
Total non-current assets	**-**	**776,049**	**-**	**776,049**	**776,049**
Trade receivables	-	1,016,753	-	1,016,753	1,016,753
Cash and cash equivalents	1,158,746	-	-	1,158,746	1,158,746
Advances	-	82,747	-	82,747	82,747
Total current assets	**1,158,746**	**1,099,500**	**-**	**2,258,246**	**2,258,246**
Total assets	**1,158,746**	**1,875,549**	**-**	**3,034,295**	**3,034,295**
Liabilities					
Finance leases	-	68,136	-	68,136	68,136
Total non-current liabilities	**-**	**68,136**	**-**	**68,136**	**68,136**
Trade payables	796,487	-	-	796,487	796,487
Finance leases	-	33,111	-	33,111	33,111
Total current liabilities	**796,487**	**33,111**	**-**	**829,598**	**829,598**
Total liabilities	**796,487**	**101,247**	**-**	**897,734**	**897,734**

2009

	Designated at fair value $	Loans & receivables $	Other amortised cost $	Total carrying amount $	Fair value $
Assets					
Advances	-	685,634	-	685,634	685,634
Total non-current assets	**-**	**685,634**	**-**	**685,634**	**685,634**
Trade receivables	-	935,058	-	935,058	935,058
Cash and cash equivalents	1,517,069	-	-	1,517,069	1,517,069
Advances	-	90,557	-	90,557	90,557
Total current assets	**1,517,069**	**1,025,615**	**-**	**2,542,684**	**2,542,684**
Total assets	**1,517,069**	**1,711,249**	**-**	**3,228,318**	**3,228,318**
Liabilities					
Finance leases	-	101,252	-	101,252	101,252
Total non-current liabilities	**-**	**101,252**	**-**	**101,252**	**101,252**
Trade payables	535,632	-	-	535,632	535,632
Finance Leases	-	36,184	-	36,184	36,184
Total current liabilities	**535,632**	**36,184**	**-**	**571,816**	**571,816**
Total liabilities	**535,632**	**137,436**	**-**	**673,068**	**673,086**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity Risk (continued)

Classification and fair values (continued)

PARENT

2010

	Designated at fair value	Loans & receivables	Other amortised cost	Total carrying amount	Fair value
	$	$	$	$	$
Assets					
Advances	-	6,088,486	-	6,088,486	6,088,486
Total non-current assets	**-**	**6,088,486**	**-**	**6,088,486**	**6,088,486**
Other investments	2	-	-	2	2
Cash and cash equivalents	371,312	-	-	371,312	371,312
Total current assets	**371,314**	**-**	**-**	**371,314**	**371,314**
Total assets	**371,314**	**6,088,486**	**-**	**6,459,800**	**6,459,800**

2009

	Designated at fair value	Loans & receivables	Other amortised cost	Total carrying amount	Fair value
	$	$	$	$	$
Assets					
Advances	-	7,332,215	-	7,332,215	7,332,215
Total non-current assets	**-**	**7,332,215**	**-**	**7,332,215**	**7,332,215**
Other investments	2	-	-	2	2
Trade receivables	-	10,766	-	10,766	10,766
Cash and cash equivalents	1,085,810	-	-	1,085,810	1,085,810
Total current assets	**1,085,812**	**10,766**	**-**	**1,096,578**	**1,096,578**
Total assets	**1,085,812**	**7,342,981**	**-**	**8,428,793**	**8,428,793**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

23) COMMITMENTS

Lease Commitments

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

Group	2010 Total future minimum payments	2009 Total future minimum payments
	$	$
Less than one year	1,458,653	1,372,725
Between one and five years	4,127,890	3,916,519
More than five years	401,691	789,959
	5,988,234	**6,079,203**

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Burger Fuel holds the head lease over all of its Franchisee sites with the exception of Takapuna, and in turn licenses each of these sites to its Franchisees under the same terms and conditions.

Finance leases relate to motor vehicles and are payable as follows:

Group	2010			2009		
	Total future minimum payments	Interest	Principal	Total future minimum payments	Interest	Principal
	$	$	$	$	$	$
Less than one year	43,678	10,567	33,111	51,181	14,997	36,184
Between one and five years	70,743	2,607	68,136	114,427	13,175	101,252
More than five years	-	-	-	-	-	-
	114,421	**13,174**	**101,247**	**165,608**	**28,172**	**137,436**

Capital Commitments

At 31 March 2010, capital expenditure amounting to $Nil (2009:Nil) had been committed under contractual arrangements with substantially all payments due within one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23) COMMITMENTS (CONTINUED)

Indemnity / Guarantees
Burger Fuel has term deposits in place to cover certain commitments the banks have provided:

Group	2010 Total future minimum payments $	2009 Total future minimum payments $
Lease of premises at Bayfair Shopping Centre	-	17,977
Datacom – Burger Fuel Five Cross Roads Limited	7,500	7,500
Datacom – Burger Fuel Limited	40,000	50,000
NZX Bond	15,000	15,000
Bond for Newtown Premises	25,740	31,158
Bond for Kings Cross Premises	31,000	37,283
Bond for Shell Card	2,000	2,421
	121,240	**161,339**

24) CONTINGENCIES

There were no contingent liabilities at balance date. (2009:NIL)

25) RELATED PARTY TRANSACTIONS

Interests of Directors in Certain Transactions
Certain Directors have relevant interests in a number of companies with which Burger Fuel has transactions in the normal course of business. A number of Burger Fuel'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:

	Relationship	Nature of transaction	2010 Value of transactions during the year	Closing Balance Receivable/ (Payable) As at 31 March 2010	2009 Value of transactions during the year	Closing Balance Receivable/ (Payable) As at 31 March 2009
			$	$	$	$
RHH Limited	Common Directorship	Advance	-	-	-	-
JCR Capital Limited	Common Directorship	Advance	-	-	-	-
Jocargl Holdings Limited	Common Directorship	Lease of Head Office	86,332	-	205,000	-
Redmond Enterprises	Common Directorship	Consultancy	120,000	-	120,000	-
Redmond Enterprises	Common Directorship	Marketing Consultant	-	-	-	-
Redmond Enterprises	Common Directorship	IT Consultant	55,000	-	44,583	-
Burger Fuel International Limited	Subsidiary	Advance	514,813	657,813	143,000	143,000
Burger Fuel Limited	Subsidiary	Advance	430,000	5,884,531	1,199,019	6,491,375
Burger Fuel Limited	Subsidiary	Interest Received	394,078	1,883,138	694,257	1,097,840
Peter C Brook	Director	Aquisition of Shares	30,000	-	-	-
Alan M Dunn	Director	Aquisition of Shares	30,000	-	-	-
Andrew P Kingstone	Officer	Aquisition of Shares	3,000	-	-	-

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.

BURGER FUEL WORLDWIDE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

25) RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Compensation
Key management includes directors and members of the executive team. The compensation paid or payable to key management for their services is shown below.

	2010 12 Months $	2009 12 Months $
Salaries and other short term employee benefits	720,253	646,380
Termination benefit	-	-
Post-employment benefit	-	-
Other long-term benefits	-	-
Share based payment	63,000	-
	783,253	646,380

26) EARNINGS PER SHARE

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

	2010 12 Months $	2009 12 Months $
Loss attributable to the owners of the Company	(552,983)	(710,282)
Weighted average number of ordinary shares on issue	53,105,000	53,000,000
Basic earnings per share (cents)	(1.04)	(1.34)
Diluted earnings per share (cents)	(1.04)	(1.34)

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.

27) RECONCILIATION OF NET LOSS AFTER TAXATION TO NET CASH FLOWS APPLIED TO OPERATING ACTIVITIES

	Group		Parent	
	2010	2009	2010	2009
	12 Months	12 Months	12 Months	12 Months
Net deficit after tax	(552,983)	(710,282)	(2,068,841)	(66,583)
Add: Non-cash items				
Amortisation	45,477	49,108	-	-
Depreciation	247,877	233,539	-	-
Issue of options	-	-	-	-
Issue of shares	63,000	-	63,000	-
Loss on sale of property, plant and equipment	19,145	18,407	-	-
Unrealised exchange loss /(gain)	(126,350)	(88,513)	-	-
Loan Provision	-	-	2,000,000	400,000
	249,149	212,541	2,063,000	400,000
Add: Working capital movements				
(Increase) in trade and other receivables	(157,226)	(522,505)	47,614	(8,970)
(Increase) in inventories	(38,123)	(60,981)	-	-
Increase / (decrease) in taxation payable	(1,741)	118,687	-	-
Increase in accounts payable and accruals	417,268	(141,680)	-	-
	220,178	(606,479)	47,614	(8,970)
Net cash flows provided from / (applied to) operating activities	**(83,656)**	**(1,104,220)**	**41,773**	**324,447**

28) SEGMENT REPORTING

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.

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

28) SEGMENT REPORTING (CONTINUED)

2010	New Zealand	Australia	Middle East	Consolidated
	12 Months	12 Months	12 Months	12 Months
	$	$	$	$
Revenue				
Sales	3,986,664	1,141,762	368,545	5,496,971
Royalties	1,399,208	76,908	40,154	1,516,270
Franchising fees	-	-	-	-
Training fees	-	-	54,177	54,177
Construction management fees	15,000	-	-	15,000
Advertising fees	999,476	50,986	-	1,050,462
Foreign exchange gain	-	161,428	(35,078)	126,350
Sundry income	247,112	240	151,135	398,486
Interest income	38,353	26,901	2	65,256
Total Revenue	**6,685,813**	**1,458,225**	**578,935**	**8,722,973**
Interest Expense	**14,998**	**(583)**	**-**	**14,415**
Depreciation	**182,438**	**65,439**	**-**	**247,877**
Segment Result	**(221,454)**	**37,842**	**(369,245)**	**(552,857)**
Segment Assets	**2,922,550**	**907,573**	**730,359**	**4,560,482**
Segment Liabilities	**(389,876)**	**614,735**	**1,067,487**	**1,292,346**

2009	New Zealand	Australia	Middle East	Consolidated
	12 Months	12 Months	12 Months	12 Months
	$	$	$	$
Revenue				
Sales	2,958,475	1,047,965	-	4,006,440
Royalties	1,313,960	69,358	-	1,383,318
Franchising fees	135,000	-	510,350	645,350
Training fees	60,000	-	-	60,000
Construction management fees	31,667	-	-	31,667
Advertising fees	891,053	46,150	-	937,203
Foreign exchange gain	-	88,513	-	88,513
Sundry income	163,255	284	-	163,539
Interest income	159,004	7,167	-	166,171
Total Revenue	**5,712,414**	**1,259,437**	**510,350**	**7,482,201**
Interest Expense	**(187,311)**	**207,469**	**-**	**20,158**
Depreciation	**149,616**	**83,923**	**-**	**233,539**
Segment Result	**(694,258)**	**(294,290)**	**278,266**	**(710,282)**
Segment Assets	**3,721,196**	**934,597**	**212,264**	**4,868,057**
Segment Liabilities	**(1,349,958)**	**2,180,065**	**161,509**	**991,616**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

29) SUBSEQUENT EVENTS

There have been no events subsequent to balance date (2009:NIL)

30) ACQUISITION OF SUBSIDIARIES

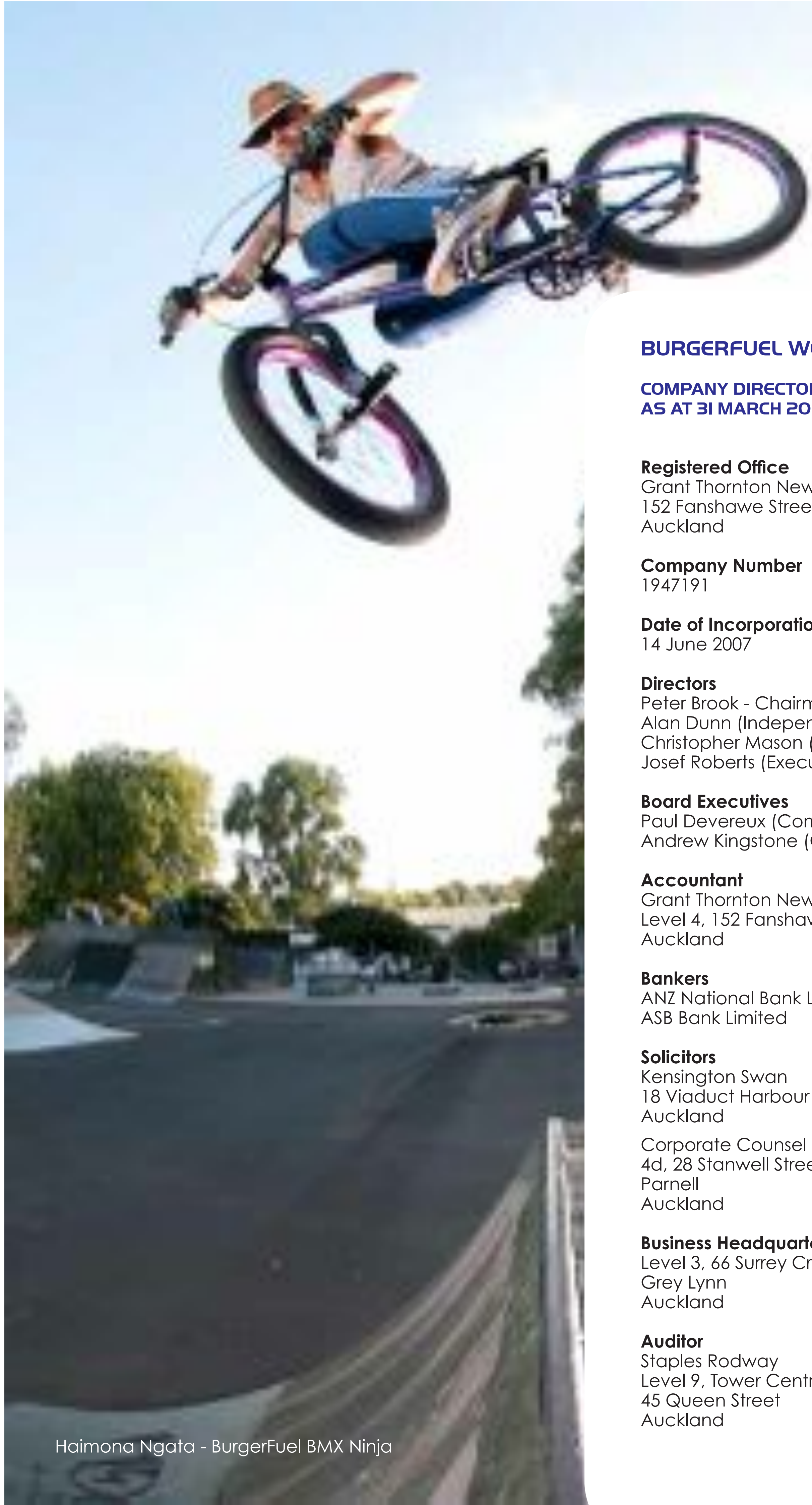
2010

There was no acquisition of subsidiaries during the 2010 finance year.

2009

On the 2nd March 2009, the Company acquired the share capital of the Burger Fuel Five Cross Roads Limited. The share capital has been acquired by Burger Fuel Worldwide Limited with the deemed consideration for this acquisition being $297,914. The Net assets of the company at this time were off set with a loan from Burger Fuel Limited to cover this acquisition. The assets and liabilities as of 2nd March 2009 arising from the acquisition are as follows:

	Acquiree's carrying amount
	$
Inventories	11,689
Property, plant and equipment	289,968
Trade and other payables	(3,743)
Term Loans	(297,914)
Net Assets	-
This is represented by:	
Issue of ordinary shares	1,000
Unpaid Capital	(1,000)
	-



Haimona Ngata - BurgerFuel BMX Ninja

BURGERFUEL WORLDWIDE LIMITED

COMPANY DIRECTORY
AS AT 31 MARCH 2010

Registered Office
Grant Thornton New Zealand Limited
152 Fanshawe Street
Auckland

Company Number
1947191

Date of Incorporation
14 June 2007

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

Board Executives
Paul Devereux (Company Secretary)
Andrew Kingstone (Chief Financial Officer)

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

Bankers
ANZ National Bank Limited
ASB Bank Limited

Solicitors
Kensington Swan
18 Viaduct Harbour Avenue
Auckland

Corporate Counsel Ltd
4d, 28 Stanwell Street
Parnell
Auckland

Business Headquarters
Level 3, 66 Surrey Crescent
Grey Lynn
Auckland

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

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