

Appendix 1 release

30 May 2021



Cooks Global Foods Limited

This document covers Cooks Global Food Limited's unaudited financial results for the year ended 31 March 2021

A: (CGF) : Cooks Global Foods Limited			
Results for announcement to the market			
Reporting Period		12 months ended 31 March 2021	
Previous Reporting Period		12 months ended 31 March 2020	
		Amount (\$NZ'000)	Percentage change
Revenue from continuing ordinary activities		\$3,066	-26.8%
Loss from continuing activities after tax attributable to security holders		-\$3,650	-1.5%
Loss from discontinued activities after tax attributable to security holders		-\$161	14.7%
Net loss attributable to security holders		-\$3,811	26.8%
Interim Dividend		Amount per security	Imputed amount per security
No interim dividend has been declared for this reporting period.		\$0.0000	\$0.00000
CGF has no dividend reinvestment plan currently in operation.			
Record Date		N/A	
Dividend Payment Date		N/A	
Comments:			
Refer to commentary in attached release.			

B: Cooks Global Foods Limited **Preliminary announcement for the year ended 31 March 2021**

Preliminary unaudited full year report on consolidated results (including the results for the previous corresponding year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on **unaudited** financial statements.

The accounting policies used in the preparation of these financial statements are consistent with those used in the interim financial statements for the six months ended 30 September 2020 and in the audited financial statements for the year ended 31 March 2020.

The Listed Issuer has a formally constituted Audit & Risk Committee of the Board of Directors.

C: Consolidated Statement of Financial Performance

	Unaudited Mar-21 \$NZ '000	Up / Down %	Audited. Mar-20 \$NZ '000
Revenue	3,066	-26.8%	4,190
Cost of sales	(925)	-595.3%	(133)
Gross profit	2,141	-47.2%	4,057
Operating expenses and staff costs	(4,328)	-5.5%	(4,104)
Impairment of intangible assets	-		-

Other income	0	-100.0%	12
Operating profit/(loss) before depreciation and amortisation	(2,187)	-6148.4%	(35)
Depreciation and amortisation	(568)	-203.9%	(187)
Operating profit/(loss)	(2,755)	-1141.1%	(222)
Share of net loss of associates accounted for using the equity method	-	100.0%	(168)
Impairment of investment of associates	-	100.0%	(2,520)
Finance costs	(895)	-30.3%	(687)
Loss before income tax	(3,650)	-1.5%	(3,597)
Income tax benefit/(expense)	-	100.0%	7
Net loss for the year from continuing operations	(3,650)	-1.7%	(3,590)
Net loss for the year from discontinued operations	(161)	89.9%	(1,593)
Net loss for the year	(3,811)	26.5%	(5,183)
Earnings Per Share (Cents per share):	(0.63)		(1.06)

D: Consolidated Statement of Financial Position

	Unaudited Mar-21 \$NZ '000	Up / Down %	Audited Mar-20 \$NZ '000
Assets			
Cash and cash equivalents	1,492		255
Trade and other receivables	5,328		951
Inventories	19		53
Other current assets	284		608
Current tax assets	-		-
Assets classified as held-for-sale	25		422
Property, plant and equipment	198		145
Deferred tax assets	-		-
Investment in Associates	(0)		-
Right-of-use assets	991		2,468
Lease receivables	18,666		18,323
Other non-current assets	15		15
Total tangible assets	27,018	16.3%	23,240
Goodwill	6,238		0
Intangible assets	12,202	329.7%	2,840
Total assets	45,458	74.3%	26,080
Liabilities			
Trade and other payables	13,612		5,399
Bank overdraft	0		0
Lease liabilities	19,809		20,870
Borrowings and other liabilities	7,833		5,522
Deferred tax liabilities	-		-
Total liabilities	41,253	29.8%	31,791
Net (liabilities)/assets	4,204	-173.6%	(5,711)
Equity			
Share capital	52,121		45,549
Accumulated losses	(57,569)		(53,758)
Foreign currency translation reserve	(546)		150
Share based equity reserve	10,251		2,401
Total equity attributable to equity holders of the Company	4,257	-175.2%	(5,658)
Non-controlling interests	(53)		(53)
Total equity	4,204	-173.6%	(5,711)
Net tangible assets per share	Cents (2.27)		Cents (1.75)

E: Statement of Changes in Equity

	Unaudited Mar-21 \$NZ '000	Up / Down %	Audited Mar-20 \$NZ '000
Loss for the period	(3,811)	26.8%	(5,208)

Net increase in issued share capital
 Foreign currency translation reserve
 Non-controlling interests
Movements in equity for the period
Equity at start of the period
 Share based payment reserve
Equity at end of the period

6,572		3,032
(696)		(99)
-		25
2,064	191.8%	(2,250)
(5,711)		(3,699)
7,850		238
4,204	-173.6%	(5,711)

F: Consolidated Statement of Cash Flows

Loss for the period

Add/(Less):

Depreciation & amortisation

Impairment of intangibles

Share of losses of associates

Net movements in working capital

Net cash flow from operating activities

Net cash flow from investing activities

Net cash flow from financing activities

Net (decrease)/increase in cash held

Opening bank balance

Closing bank balance

Made up as follows:

Cash and cash equivalents

Bank overdraft

Unaudited		Audited
Mar-21	Up / Down	Mar-20
\$NZ '000	%	\$NZ '000
(3,811)	26.5%	(5,183)
568		760
-		2,520
-		168
4,458		1,928
1,215	-529.5%	193
(1,445)	-1542.0%	(88)
1,465	-1124.5%	(143)
1,237	-2731.9%	(47)
255		302
1,492	-485.2%	255
1,492		255
0		0
1,492	-485.1%	255

G: Material Acquisition of Subsidiaries

(a) Name of associate entity

(b) Percentage of ownership held

(c) Contribution to consolidated loss for the period

(d) Date from which such contribution has been calculated

(e) Contribution to consolidated profit/(loss) for the previous corresponding period

(f) Date from which such contribution has been calculated

(g) Date of disposal

Triple Two Coffee

100.00%

-\$1,739

31/03/2021

N/A

19/06/2020

N/A

H: Material Disposal of Subsidiaries

(a) Name of associate entity

(b) Percentage of ownership held

(c) Contribution to consolidated profit for the period

(d) Date from which such contribution has been calculated

(e) Contribution to consolidated profit/(loss) for the previous corresponding period

(f) Date from which such contribution has been calculated

(g) Date of disposal

Scarborough Fair

100.00%

\$38

31/03/2021

N/A

N/A

24/07/2020

I: Material Investment in Associate

J: Issued and Quoted Securities at End of Current Period

Category of Securities Issued	Number	Quoted
ORDINARY SHARES:		
Total number of shares in issue	627,833,832	627,833,832
Issued during the current period	101,853,883	-

K: Comments by Directors

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current full year or half year

Refer to Commentary.

- (b) Significant trends or events since the end of the current full year or half year

Refer to Commentary.

- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed: N/A

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- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

Impairment of Assets
Amortisation of Intangibles
Discontinued Operations

NZ IFRS 16 "Leases"

a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is:

- a change in future lease payments arising from a change in an index or rate;
- a change in the estimate of the amount expected to be payable under a residual value guarantee;
- changes in assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised; or
- any other change in the future lease payments or the lease term due to a lease modification that's not accounted for as a separate lease.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal or termination options. The assessment of whether the Group is reasonably certain to exercise such options impact the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, or the right-of-use asset in the case of a sublease. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Where the lease is classified as an operating lease, the Group recognises the lease payments from the operating lease as income on a straight-line basis.

Where the lease is classified as a finance lease, the Group recognises the assets held under a finance lease in its statement of financial position and present them as a lease receivable at an amount equal to the net investment in the lease. The net investment in the lease is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or in the case of a sublease, if the interest rate implicit in the sublease cannot be readily determined, the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease). The lease receivable is subsequently increased by the interest income on the lease receivable and decreased by lease payment received. It is remeasured when there is a lease modification that is not accounted for as a separate lease.

NZ IFRS 15 "Revenue from Contracts with Customers"

Revenue arises mainly from the sale of food and beverage products from our artisan style coffee stores that the Group owns directly and from franchise and royalty arrangements that it has in place with franchise holders.

Under NZ IFRS 15 Revenue from Contracts with Customers, revenue is recognised either at a point in time or over time, or when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

Royalty income from Franchise or Master Franchise Agreements (MFAs)

The Group recognises royalty revenue derived from its Franchises and MFAs at a point in time, based on sales by Franchisees that are reported back to Company on a monthly basis for sales that occurred in that month.

Incentives from Suppliers

The Group recognises incentives from suppliers derived from its Franchises at a point in time, based on purchases by Franchisees that are reported back to Company on a monthly basis for purchases that occurred in that month.

Franchise fees

The Group recognises revenue derived from its Country & Regional franchise operations on a straight-line basis over a period of time that the franchise agreement is in place, which is generally 10 years. This is the period of time over which the performance obligation is satisfied. Payment is received upfront upon signing the franchise contract.

The transaction price includes a variable price consideration for the possible transfer of franchise rights. This is unknown until and if the transaction is completed. Given the high uncertainty of this transfer, the transaction price for franchise contract is not adjusted for these transferred franchise rights. Revenue from the sale off individual café franchises is recognised over time.

The Group recognises Franchise Fees derives from the franchise agreement entered by Triple Two Coffee at the point in time when the franchised store is open for trading with the exception for Territory Fee. This is on the basis that Triple Two Coffee has satisfied all its performance obligations specified in its agreements for the Franchise Fees. Payment is received upfront upon signing the franchise contract.

The Group recognises the Territory Fee over a period of time that the franchise agreement is in place, which is generally 10 years. This is the period of time over which the performance obligation is satisfied. Payment is received upfront upon signing the franchise contract.

Sale of Beverages

The Group is in the business of providing artisan style coffee solutions to its customers and franchisees. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer or franchisee at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer.

Management has determined the performance obligation to deliver the food & proprietary products is completed when control of goods passes to customer, revenue is recognised at this time.

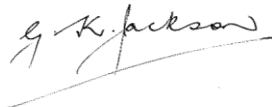
Other revenue

Other revenue includes services to independent franchisees or other third parties received by the Group. Other revenues are recognised when reliable estimates of the amounts due to the Group are deemed to be highly probable.

- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

Refer to Commentary.

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31/05/2021

(signed by) Authorised Officer of Listed Issuer

(date)