



# BURGER FUEL GROUP LIMITED

ANNUAL REPORT 2022





WINNER WINNER // FRIED CHICKEN

# TABLE OF CONTENTS

---

<b>04</b>	Annual Report of the Directors
<b>06</b>	Total System Sales
<b>07</b>	Revenue and Trading History
<b>10</b>	Independent Auditor's Report
<b>17</b>	Consolidated Statement of Comprehensive Income
<b>18</b>	Consolidated Statement of Financial Position
<b>20</b>	Consolidated Statement of Changes in Equity
<b>21</b>	Consolidated Statement of Cash Flows
<b>22</b>	Notes to the Consolidated Financial Statements
<b>63</b>	Shareholder Information
<b>66</b>	Corporate Governance
<b>68</b>	Directory





# CHAIRMAN AND CHIEF EXECUTIVES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2022

## Burger Fuel Group Ltd Full Year Results for the 12 months ended 31st March 2022

### Overview - FY22

The Directors of Burger Fuel Group Limited (BFG) present the audited results for the 12 months to 31 March 2022.

**Net Profit after tax for the period was \$575,869 representing a 19.2% decrease on the previous year.**

The results reflect a second year of considerable COVID disruption including temporary store closures both during and after periods of lockdown. In addition, substantial costs associated with establishing our new brands (Winner Winner and Shake Out) were also incurred as well as exit costs associated with the termination of the Master License of the UAE and ongoing development assessment costs for that region. These and other operating costs were partly offset with some Government support received by the Group.

As at 31 March 2022 the Group had no debt, and cash reserves of \$6.8M.

BurgerFuel Group (unaudited) Total System Sales (all three brands, all regions) increased by 6.22% to \$94.2M on the same period last year. The increase in sales is mainly due to benchmarking against reduced sales in April 2020 when the total system was closed for a month due to COVID. There were also reduced sales due to COVID store closures in FY22 (August & September) but not to the same extent. We had also opened the BurgerFuel Whangarei store in March 2021, and that store continues to perform well.

Total income for the Group increased by 0.01% to \$21.0M.

As at 31 March 2022 there were 58 BurgerFuel restaurants operating in NZ and 12 operating in the Middle East excluding third party "ghost" kitchens operating in the UAE. From the 1st April 2022 the UAE now only has the World Trade Centre store in operation, taking the MENA region store count to 9 stores.

There are 3 Shake Out and 4 Winner Winner restaurants operating in NZ.

## BFG RESULTS FOR THE PERIOD 1 APRIL 2021 TO 31 March 2022

	31 March 2022	31 March 2021
	\$000	\$000
Operating Revenue*	19,275	18,654
Interest Income		
IFRS 16 non-occupied leases	1,267	1,381
COVID-19 Government wage subsidy	430	934
<b>Total Income</b>	<b>20,972</b>	<b>20,969</b>
Operating Expenses**	(17,689)	(16,941)
Depreciation Expense		
IFRS 16 occupied leases	(780)	(699)
Interest Expense		
IFRS 16 non-occupied leases	(1,267)	(1,381)
Interest Expense		
IFRS 16 occupied leases	(488)	(481)
Transfer from foreign currency reserve on windup of subsidiary	-	(131)
<b>Total Expenses</b>	<b>(20,224)</b>	<b>(19,633)</b>
Net Profit (Loss) Before Tax	748	1,336
Net Profit (Loss) After Tax***	576	713

\* Revenue includes: Operating revenue and interest income but excludes COVID related Government support.

\*\* Expenses include: Operating expenses, depreciation, amortisation and interest expense but excludes the transfer from foreign currency reserve on windup of subsidiary.

\*\*\* The New Zealand entities had taxable income and were unable to utilise the foreign tax losses. The overseas entities had minimal tax.

## THE YEAR'S RESULTS AND GROUP OUTLOOK

### New Zealand

Total systemwide sales across New Zealand (65 restaurants, all 3 brands) increased by 5.67% on the previous year.

The COVID Alert Level 4 lockdown resulted in FY22 having 35 less days of trade in the Auckland region and 14 in the rest of the country. All stores were closed between 18 August and 31 August 2021, with the Auckland stores reopening on 22 September 2021. We also had reduced store hours across the system in the tail end of FY22 due to COVID staff shortages.

Shake Out total store sales increased by 6.3% in FY22 and we expect this increase to continue into FY23 with the introduction of online delivery options now being trialled. Delivery is also now available with the Winner Winner brand.

Winner Winner total sales increased by 6.8%. Winner Winner has a larger mix of dine-in customers and the constantly changing Alert Levels had a greater

# CHAIRMAN AND CHIEF EXECUTIVES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2021

negative impact on Winner Winner, more so than our other two brands. The company owned store in Takapuna continues to remain challenging, however we remain optimistic about sales improvement in this store in FY23, providing COVID does not once again impact the Auckland region.

For the entire financial year, the two new brands represented 6.5% of total NZ sales for the group.

The establishment of new brands takes considerable time and financial investment and accordingly this investment has affected our bottom line. Unfortunately, with the ongoing impact of temporary COVID store closures and reduced hours we were unable to gain much traction with these brands in FY22. We do however believe that both brands have a future in New Zealand, however significant resources in terms of cash and management will need to continue in FY23. The future development of these brands in FY23 is very much dependant on the impact of COVID as well as general market conditions.

## The Middle East

The Middle East sales improved in FY22 with total sales up 10.0%. The drop in the Group's royalty revenue from the Middle East reflects COVID support provided to our Middle Eastern partners.

As announced on 25 March 2022 our United Arab Emirates Master License holder AKI Group, ceased operating the BurgerFuel brand in the UAE on 1 April 2022. At present we continue to operate in the UAE with a single store at the World Trade Centre in Dubai and by way of third party "ghost" kitchens. Ultimately, we anticipate the operation of BurgerFuel Middle East will occur under, a yet to be finalised Development Agent (DA) agreement. This structure effectively appoints a Master Licensee for the entire region to one company that assumes responsibility for the appointment and operations of individual stores and regional franchisees.

BFG earnings from the Middle East have been diminishing for some years, but particularly since the arrival of COVID. The Group doesn't anticipate generating any material income from the UAE region or the wider Middle East in the next couple of years, while this proposed new DA structure is embedded and tested. It should be noted that the Group incurred costs in FY22 in relation to both exiting the Master License agreement with AKI Group, as well as the ongoing assessment of this region for further growth.

BurgerFuel Saudi Arabia sales were up on FY21 even after closing two underperforming stores and the "ghost" kitchen operations. A new location was opened at Faisaliyah in December 2020 which contributed to these increased sales.

The future of the Middle East business remains uncertain. This territory will need to be completely redeveloped and although we have made an initial commitment to move forward on this, there can be no

certainty of future returns from this region for some time yet.

## Summary & Outlook

The FY22 year was another very challenging year under COVID. The hospitality sector was hit hard by the pandemic but given these circumstances we believe the Group turned in a reasonable performance, in that it was still able to maintain a profit for the year. At this stage the Group Performance over the next 12 months remains uncertain both with COVID but also with the current worsening economic conditions. Like every business in New Zealand, we are experiencing rapidly escalating cost pressures both in the supply chain, but also labour costs and shortages. We cannot see an end to this at present and believe that these increased costs are permanent and therefore will lead to increased prices as the year progresses. Price increases are set to occur right across our sector and also in the wider economy in general.

In regard to franchise opportunities in FY23, whilst we expect there to be some activity, it is unclear if the current economic conditions will yield potential suitable franchisees for new locations. Accordingly we expect growth in new stores to be modest with perhaps a few new stores across all brands occurring in FY23. On the positive side, once again the past year has confirmed BurgerFuel's robustness as a well-established brand within New Zealand and we expect to at least maintain consumer demand (sales) in FY23 despite increased prices.

BurgerFuel Group in conjunction with its advisors KPMG continue to remain open to any future strategic options that may present themselves in FY23. The Board will keep the market updated with any material developments should they occur throughout the ongoing strategic review process.

We would like to thank all shareholders, staff, franchisees, suppliers and of course our valued customers for their continued support.

Best regards,



Peter Brook  
Chairman



Josef Roberts  
Group CEO







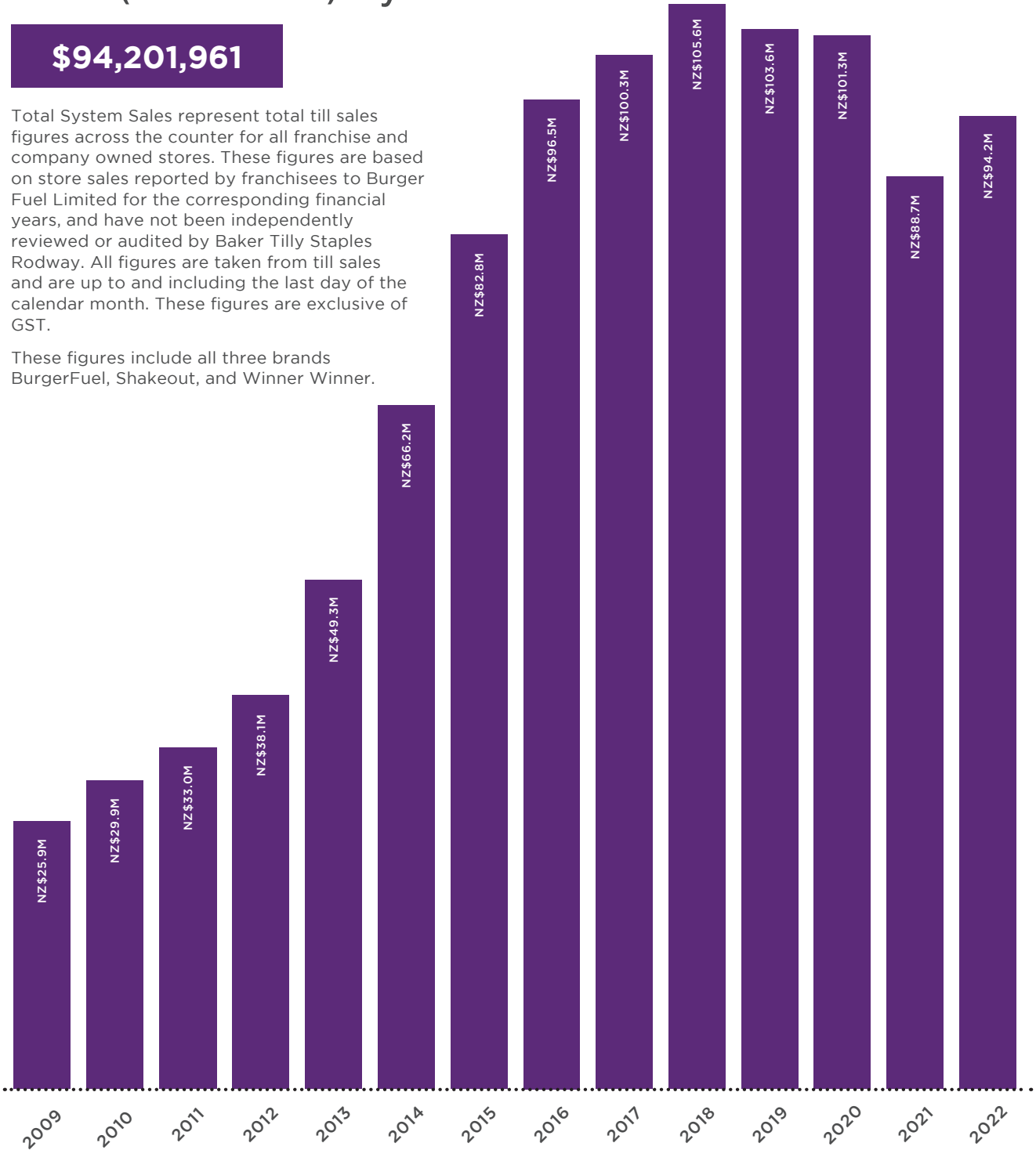
# BURGER FUEL GROUP LIMITED FY22 TOTAL SYSTEM SALES

## Total (Unaudited) System Sales

**\$94,201,961**

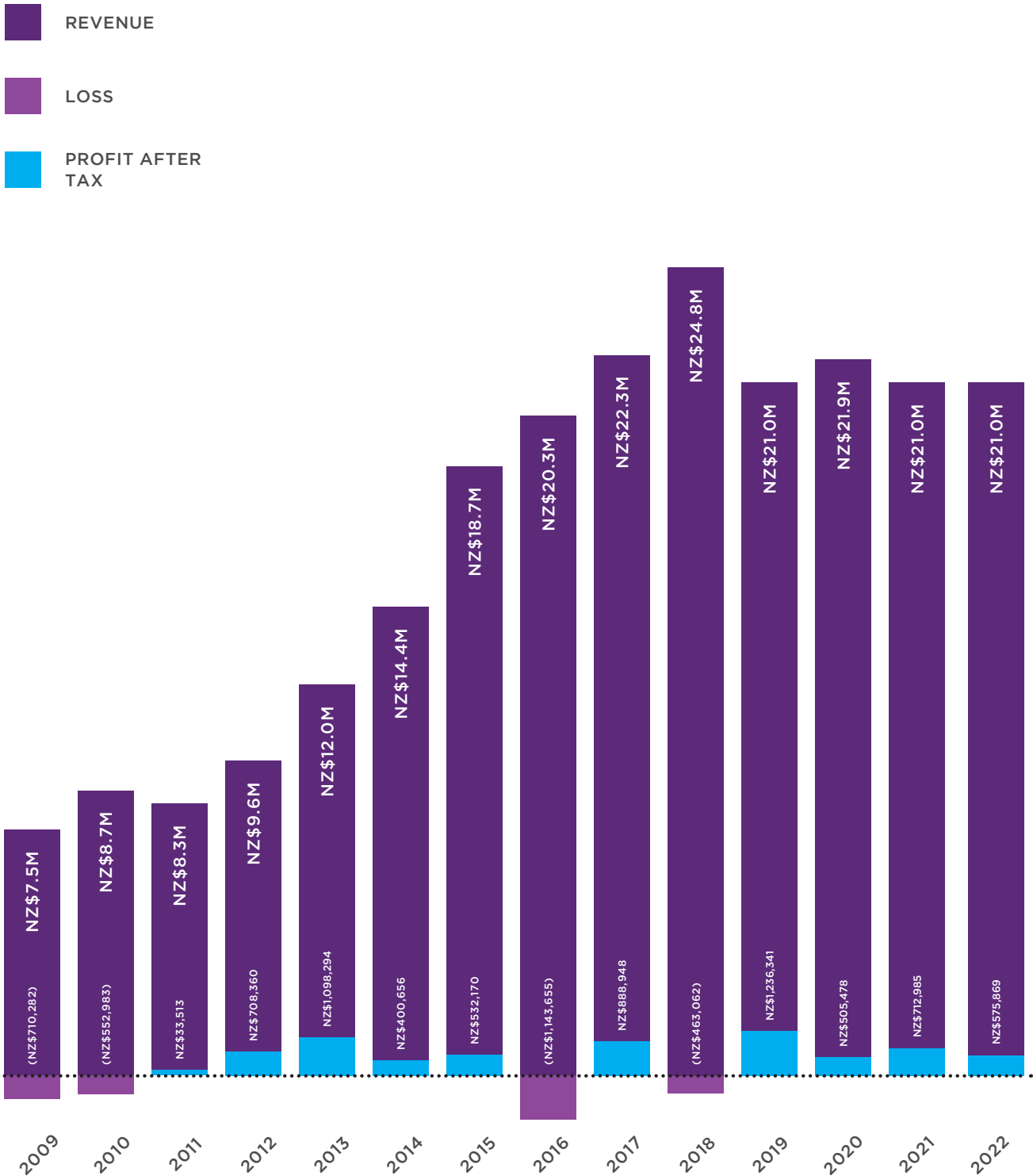
Total System Sales represent total till sales figures across the counter for all franchise and company owned stores. These figures are based on store sales reported by franchisees to Burger Fuel Limited for the corresponding financial years, and have not been independently reviewed or audited by Baker Tilly 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.

These figures include all three brands BurgerFuel, Shakeout, and Winner Winner.



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

# BURGER FUEL GROUP LIMITED FY22 REVENUE AND TRADING HISTORY



# THE BFG BOARD



**MARK PIET**  
**CHIEF FINANCIAL OFFICER**

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

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

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



**PETER BROOK**  
**CHAIRMAN**  
**MEMBER - BFG AUDIT**  
**COMMITTEE**

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



**ALAN DUNN**  
**INDEPENDENT DIRECTOR**  
**CHAIRMAN - BFG AUDIT**  
**COMMITTEE**

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





**JOSEF ROBERTS**  
**GROUP CEO**

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

Former CEO and founder of Red Bull Australasia.

**TYRONE FOLEY**  
**NON-INDEPENDENT DIRECTOR**

Tyrone was the BFG Group COO from 2011 to 2021.

He became a non-independent director in October 2021.

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



Level 9, 45 Queen Street,  
Auckland 1010  
PO Box 3899, Auckland 1140  
New Zealand

T: +64 9 309 0463  
E: auckland@bakertillysr.nz  
W: www.bakertillysr.nz

 **bakertilly**  
STAPLES RODWAY

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

### Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of Burger Fuel Group Limited and its subsidiaries ('the Group') on pages 17 to 62, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Our report is made solely to the Shareholders of the Group. Our audit work has been undertaken so that we might state to the Shareholders of the Group those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Shareholders of the Group as a body, for our audit work, for our report or for the opinions we have formed.

#### **Basis for Opinion**

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

Other than in our capacity as auditor, our firm carries out other assignments for Burger Fuel Group Limited and its subsidiaries in the area of taxation compliance services. The provision of these other services has not impaired our independence.





**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Leases</b></p> <p>As disclosed in Note 18 of the Group's consolidated financial statements, the Group has lease liabilities of \$28.2m (2021: \$31.4m), right-of-use assets of \$7.7m (2021: \$8.4m) and lease receivables of \$19.7m (2021: \$22.5m).</p> <p>Lease liabilities, right-of-use assets and lease receivables were significant to our audit due to the size of the assets and liabilities and the subjectivity, complexity and uncertainty inherent in the application of NZ IFRS 16 Leases and the assumptions required by Management for the calculations of the lease balances.</p> <p>These calculations require estimates regarding the lease term and the discount rate. As well, Management has exercised their judgement in determining the recoverability of the lease receivables for the sublease arrangements.</p>	<p>Our audit procedures, among others, included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the Group's internal controls relevant to the accounting estimates used to determine the expected term of the Group's leases and applicable incremental borrowing rates.</li> <li>• Evaluating Management's process relating to the identification, recording, recognition and measurement of leases within the scope of NZ IFRS 16 Leases.</li> <li>• Evaluating Management's judgements made in applying allowable practical expedients against the requirements of NZ IFRS 16.</li> <li>• Assessing the completeness of identified lease contracts by checking that all leased facilities were included in the calculation.</li> <li>• For new leases: <ul style="list-style-type: none"> <li>• Agreeing key inputs in the lease calculation to the underlying lease agreements;</li> <li>• Recalculating the lease liability, right-of-use asset and lease receivable based on the key inputs and compared our recalculations to the balances recorded by the Group; and</li> <li>• Checking the appropriateness of the classification of the lease liability and lease receivable between current and non-current based on the remaining term of the lease.</li> </ul> </li> <li>• For a sample of existing leases, evaluating Management's calculations for the subsequent measurement of the leases, including lease modifications and rent revisions.</li> </ul>



**Key Audit Matter**

**How our audit addressed the key audit matter**

- Evaluating Management's estimates regarding terms of the leases and Management's consideration of options to extend or terminate the leases.
- Evaluating Management's assessment of the incremental borrowing rates applied to individual leases or portfolios of leases.
- Evaluating the inputs and any underlying assumptions with a view to identifying Management bias.
- Evaluating Management's assessment of any indicators of impairment for the right of use assets in accordance with NZ IAS 36 Impairment of Assets.
- Evaluating the recoverability of the lease receivable based on Management's assessment of impairment using the expected credit loss model in accordance with NZ IFRS 9 Financial Instruments.
- Evaluating the disclosures (including the accounting policies and accounting estimates) related to leases which are included in the Group's consolidated financial statements.



**Key Audit Matter**

**Impairment assessment of Goodwill**

As disclosed in Note 13 of the Group's consolidated financial statements, the Group has goodwill of \$1.4m (2021: \$1.4m), allocated across two (2021: two) cash-generating units ('CGUs').

Goodwill was significant to our audit due to the size of the assets and the subjectivity, complexity and uncertainty inherent in the measurement of the recoverable amount of these CGUs for the purpose of the required annual impairment test. The measurement of a CGU's recoverable amount includes the assessment and calculation of its 'value in-use' or its fair value less costs to sell.

The annual impairment test involves complex and subjective estimates and judgements by Management on the future performance of the CGUs, discount rates applied to the future cash flow forecasts and future market and economic conditions.

**How our audit addressed the key audit matter**

Our audit procedures, among others, included:

- Evaluating Management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how the CGUs are monitored and reported.
- Challenging Management's assumptions and estimates used to determine the recoverable value of its goodwill, including those relating to forecasted revenue, cost, capital expenditure and discount rates, by adjusting for future events and corroborating the key market related assumptions to external data (including the consideration of the impact of the COVID-19 pandemic, current adverse macro and micro economic conditions and adverse global events).
- Procedures included:
  - Evaluating the logic of the value-in-use calculations supporting Management's annual impairment test and testing the accuracy of these calculations;
  - Evaluating Management's process regarding the preparation and review of forecasts;
  - Comparing forecasts to Board approved forecasts;
  - Evaluating the historical accuracy of the Group's forecasting to actual historical performance;
  - Challenging and evaluating the forecast growth assumptions;
  - Evaluating the inputs to the calculation of the discount rates applied;
  - Engaging our own internal valuation experts to evaluate the reasonability of Management's discount rate;
  - Evaluating the forecasts, inputs and any underlying assumptions with a view to identifying Management bias;
  - Evaluating Management's sensitivity analysis for reasonably possible changes in key assumptions; and
  - Performing our own sensitivity analyses for reasonably possible changes in key assumptions, the two main assumptions being: the discount rate and forecast growth assumptions.
- Evaluating the related disclosures (including the accounting policies and accounting estimates) about goodwill, and the risks attached to them which are included in the Group's consolidated financial statements.



### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2022 (but does not include the consolidated financial statements and our auditor's report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent fairly the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **Matters Relating to the Electronic Presentation of the Audited Consolidated Financial Statements**

This audit report relates to the consolidated financial statements of Burger Fuel Group and its subsidiaries for the year ended 31 March 2022 included on Burger Fuel Limited's website. The Directors of Burger Fuel Limited are responsible for the maintenance and integrity of Burger Fuel Limited's website. We have not been engaged to report on the integrity of Burger Fuel Limited's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 23 June 2022 to confirm the information included in the audited consolidated financial statements presented on this website.

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

The engagement partner on the audit resulting in this independent auditor's report is N S de Frere.

*Baker Tilly Staples Rodway*



**WINNER WINNER // FEED FOUR**



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Note	\$	\$
Revenue	4	19,251,105	18,615,623
COVID-19 Government wage subsidy		430,292	934,020
Operating Expenses	5	(17,079,428)	(16,322,939)
Transfer from Foreign currency reserve on windup of subsidiary	5	-	(130,882)
<b>Profit before Interest, Taxation, Depreciation and Amortisation</b>		<b>2,601,969</b>	<b>3,095,822</b>
Depreciation on Property, Plant and Equipment	10	(470,161)	(477,008)
Depreciation on Right of Use Assets	18	(779,953)	(698,813)
Amortisation	13	(139,442)	(142,067)
		(1,389,556)	(1,317,888)
<b>Profit before Interest and Taxation</b>		<b>1,212,413</b>	<b>1,777,934</b>
Interest Income		23,579	38,816
Interest Income leases non-occupied	18	1,266,637	1,380,726
Interest Expense		-	(86)
Interest Expense leases occupied	18	(487,846)	(480,899)
Interest Expense leases non-occupied	18	(1,266,637)	(1,380,726)
		(464,267)	(442,169)
<b>Profit before Taxation</b>		<b>748,146</b>	<b>1,335,765</b>
Income Tax Expense	6	(172,277)	(622,780)
<b>Net Profit attributable to shareholders</b>		<b>575,869</b>	<b>712,985</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement in Foreign Currency Translation Reserve	19	12,684	12,257
<b>Total comprehensive income</b>		<b>588,553</b>	<b>725,242</b>
Basic Earnings per Share (cents)	24	1.14	1.37
Diluted Earnings per Share (cents)	24	1.14	1.37

The attached notes form part of these financial statements







# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
<b>Shareholders' equity</b>	Note	\$	\$
Contributed equity	17	11,913,499	11,913,499
Accumulated losses		(691,166)	(1,267,035)
Foreign currency translation reserve	19	(285,476)	(298,160)
		<b>10,936,857</b>	<b>10,348,304</b>
<b>Current assets</b>			
Cash and cash equivalents	16	6,798,362	7,114,119
Trade and other receivables	8	1,931,950	2,076,126
Lease Receivable: non-occupied	18	1,538,383	1,553,671
Inventories	9	762,383	548,352
Loans	12	11,034	127,722
		<b>11,042,112</b>	<b>11,419,990</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	2,465,244	2,609,570
Right of use asset - leases	18	7,727,134	8,375,067
Lease receivable non-occupied	18	18,172,743	20,947,424
Deferred tax asset	6	576,743	615,988
Loans	12	63,296	109,928
Intangible assets	13	1,905,563	2,043,642
		<b>30,910,723</b>	<b>34,701,619</b>
<b>Total Assets</b>		<b>41,952,835</b>	<b>46,121,609</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,249,455	1,856,625
Contract Liability	14	234,448	283,965
Lease Liability	18	615,881	511,735
Lease Liability: non-occupied	18	1,538,383	1,553,671
Income tax payable		115,649	524,580
Provisions	15	350,337	438,163
		<b>4,104,153</b>	<b>5,168,739</b>

The attached notes form part of these financial statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
<b>Non-current liabilities</b>	Note		
Contract Liability	14	830,615	1,245,448
Lease Liability	18	7,867,267	8,371,494
Lease Liability non-occupied	18	18,172,743	20,947,424
Provisions	15	41,200	40,200
		<b>26,911,825</b>	<b>30,604,566</b>
<b>Total liabilities</b>		<b>31,015,978</b>	<b>35,773,305</b>
<b>Net assets</b>		<b>10,936,857</b>	<b>10,348,304</b>
Net tangible assets per share (\$ per share)	27	0.17	0.15

For and on behalf of the Board who approved these financial statements for issue on 23rd June 2022.

Director



Peter Brook  
Chairman

Director



Josef Roberts  
Group CEO

The attached notes form part of these financial statements







# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

## 2022

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total Equity
Note	\$	\$	\$	\$
<b>Balance as at 1 April 2021</b>	11,913,499	(298,160)	(1,267,035)	<b>10,348,304</b>
Movement in foreign currency translation reserve recognised in other comprehensive income	-	12,684	-	<b>12,684</b>
Net Profit for the year ended 31 March 2022	-	-	575,869	<b>575,869</b>
Total comprehensive income	-	12,684	575,869	<b>588,553</b>
<b>Balance as at 31 March 2022</b>	<b>11,913,499</b>	<b>(285,476)</b>	<b>(691,166)</b>	<b>10,936,857</b>

## 2021

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total Equity
Note	\$	\$	\$	\$
<b>Balance as at 1 April 2020</b>	13,594,825	(441,299)	(1,980,020)	<b>11,173,506</b>
Buy Back and cancellation of Ordinary Shares	(1,681,326)	-	-	<b>(1,681,326)</b>
Reclassification of FX translation reserve on windup of USA subsidiary	-	130,882	-	<b>130,882</b>
Movement in foreign currency translation reserve recognised in other comprehensive income	-	12,257	-	<b>12,257</b>
Net Profit for the year ended 31 March 2021	-	-	712,985	<b>712,985</b>
Total comprehensive income	-	12,257	712,985	<b>725,242</b>
<b>Balance as at 31 March 2021</b>	<b>11,913,499</b>	<b>(298,160)</b>	<b>(1,267,035)</b>	<b>10,348,304</b>

The attached notes form part of these financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
<b>Cash flows from operating activities</b>	Note	\$	\$
Receipts from customers		19,286,019	18,552,954
COVID-19 Government wage subsidy		445,301	445,133
Interest received		23,579	38,816
Goods and services tax		84,103	(79,859)
Payments to suppliers & employees		(18,502,590)	(15,587,996)
Interest Paid		-	(86)
Interest on leases		(459,677)	(452,073)
Taxes (Paid/Refund)		(541,965)	187,245
<b>Net cash flows provided from operating activities</b>	25	<b>334,770</b>	<b>3,104,134</b>
<b>Cash flows from investing activities</b>			
Repayments from suppliers & franchisee		163,320	70,816
Sale of property, plant and equipment		77,576	122,015
Acquisition of intangible assets	13	(1,364)	(7,264)
Acquisition of property, plant & equipment	10	(383,584)	(690,933)
<b>Net cash flows applied to investing activities</b>		<b>(144,052)</b>	<b>(505,366)</b>
<b>Cash flows from financing activities</b>			
Lease Liability Capital Component		(505,496)	(397,744)
Share buyback & cancellation		-	(700,000)
<b>Net cash flows applied to financing activities</b>		<b>(505,496)</b>	<b>(1,097,744)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(314,778)</b>	<b>1,501,024</b>
<b>Exchange gains / (loss) on cash and cash equivalents</b>		<b>(979)</b>	<b>42,928</b>
<b>Opening cash and cash equivalents</b>		<b>7,114,119</b>	<b>5,570,167</b>
<b>Closing cash and cash equivalents</b>	16	<b>6,798,362</b>	<b>7,114,119</b>

The attached notes form part of these financial statements







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 1) Reporting entities and statutory base

Burger Fuel Group Limited (“BFG”) is a Company registered under the Companies Act 1993 and is listed with the New Zealand Stock Exchange (NZX). The Company is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Markets Conduct Act 2013 and its financial statements comply with that Act.

The financial statements presented are those of Burger Fuel Group Limited (the ‘Group’). A list of its wholly owned subsidiaries is listed in note 11 of the financial statements.

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

## 2) Basis of preparation

### Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”), and other applicable Financial Reporting Standards as appropriate for, for-profit oriented entities. For the purposes of complying with NZ GAAP, the Group is a Tier 1 for-profit entity as defined in the XRB’s Accounting Standards Framework. These financial statements also comply with International Financial Reporting Standards (“IFRS”).

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

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

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

### Basis of Measurement

These financial statements have been prepared under the historical cost convention and on a going concern basis.

### Use of Estimates and Judgements

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

### IFRS16 – Expected Lease Term

The Group has estimated the lease terms for the occupied and non-occupied leases will run to their final expiry, taking into account all optional exercise periods. This is based on the fact that the Group and franchisee spends a significant amount on the store fitout, thus it is in their best interest to extend the lease term for as long as possible while the asset is generating revenue.

### Impairment of Receivables and Lease Receivables

The Group maintains an allowance for estimated losses expected to arise from customers being unable to make required payments. This allowance takes into account known commercial factors impacting specific customer accounts, as well as the overall profile of the Group’s debtors’ portfolio. In assessing the allowance, factors such as past collection history, the age of receivable balances, the level of activity in customer accounts, as well as general, macro-economic trends, are taken into account. The impairment of receivables is detailed in note 8 of the financial statements.

### Accounting for Income Tax

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

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

Refer to note 6 for additional information on accounting for income tax.

### Impairment of Goodwill

The Group reviews goodwill for impairment on an annual basis. This requires an estimation of the fair value of the cash-generating units to which the Goodwill is allocated. Estimating the fair value amount requires management to make an estimate of the expected future cash flows from the cash-generating unit in the forecasted period of 5 years and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The Group’s longer-term forecasts are subject to a higher level of uncertainty as it mostly depends on consumer spending, market conditions and level of competition. For additional information on the impairment test, reference is made to note 13.1 - Intangible Assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 2) Basis of preparation (Continued)

### COVID-19

COVID Alert Level 4 came into force at 11:59pm Tuesday 17 August 2021; Auckland moved to Alert Level 3 at 11:59pm on Tuesday 21 September 2021 with the rest of the country moving to Alert Level 3 on the 01 September 2021. The NZ BurgerFuel, Winner Winner & Shake Out stores were completely closed during Alert Level 4, thus the Group generated no royalty, advertising or sales income during this period. The NZ stores reopened in Alert Level 3 with limited services, providing click and collect, kerbside pickup and delivery services in some stores. Alert Level 2 allowed dine in service but had social distancing restrictions and at Alert Level 1 the stores are operating as normal. The Country moved to the traffic light system in December 2021, all stores could trade under the red light setting.

As per previous lockdowns CBD stores take longer to recover from the lockdown periods. Management puts this down to the delays with office workers returning to the CBDs.

Whilst the Group and franchised stores lost revenue during the lockdown, the Government wage subsidy and various rent reductions assisted with cashflow thus there was no impact on the Group's receivables at year end.

## 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) Adoption of new & revised standards and interpretations

No new standards and amendments and interpretations to existing standards came into effect during the current accounting period beginning on 1 April 2021 that materially impacted the Group's financial statements and required retrospective adjustments.

### b) Basis of Consolidation

#### Subsidiaries

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

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

### c) Revenue Recognition

Revenue arises mainly from the sale of food and beverage products from our fast-casual stores that the Group owns directly and from franchise and royalty arrangements that it has in place with franchise holders both in New Zealand and offshore.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when or as its performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, 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 contract liabilities in the statement of financial position.







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 3) Specific accounting policies (Continued)

### Sale of goods

The Group is in the business of providing fast-casual food 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 or services. 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.

### Franchise fees

The Group recognises revenue derived from its franchise operations in New Zealand and the Middle East 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, the use of the intellectual property, 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 until the Group is notified of the sale.

### Royalties from Franchises and Master Licencing Arrangements (MLAs)

The Group recognises revenue derived from its Franchises and MLAs over time, based on sales that are reported back to the Group on a monthly basis for sales that occurred in that month. Payment is received on a monthly basis.

The performance obligation, to provide access to the brand intellectual property, is satisfied over time. Royalty revenue is recognised as the underlying sales take place, in accordance with sales-based royalties.

### Training fees

The Group recognises revenue from training over time as each 12-week training course is provided to the new operators of franchises. Payment is received upfront when the new operator signs a franchise agreement.

### Advertising revenue

The Group recognises advertising revenue derived from its Franchises and MLAs over time, based on sales that are reported back to the Group on a monthly basis for sales that occurred in that month. Payment is received on a monthly basis.

The performance obligation, to provide access to the brand intellectual property and advertising services, is satisfied over time. Advertising revenue is recognised as the underlying sales take place, in accordance with sales-based royalties.

### Property management fees

The Group recognises revenue from property management services on a straight-line basis over 12 months. This reflects the period of time over which the Group provides property management services to each franchise.

### Other revenue

Other revenue includes incentives, bonuses and rebates received by the Group from its suppliers in relation to volume of goods and services that have been purchased by franchise holders. Rebate revenue is recognised when the sale of the underlying asset is completed. Other revenues are recognised when reliable estimates of the amounts due to the Group are deemed to be highly probable.

### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### Significant financing components

Using the practical expedient in NZ IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 3) Specific accounting policies (Continued)

### d) Accounts Receivable

#### Trade receivables and contract assets

The Group makes use of a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group assesses the impairment of all its trade receivables on a specific as well as a collective basis in order to determine the allowance for credit losses. The Group recognizes lifetime expected credit losses for the amount expected to result from default events over the expected life of the financial asset.

Management has assessed the information available and concluded that no provision for expected credit losses was identified.

### e) 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.

### f) Financial Instruments

#### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

All revenue and expenses relating to financial assets are presented within finance costs, finance income or other financial items.

#### Subsequent measurement of financial assets

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables are classified at amortised cost as the Group intends to hold them and collect contractual cash flows.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above.

#### Loans Receivable and Lease Receivable at amortised cost

The Group records loans receivable for loans to suppliers and employees as well as a lease receivable for leases where the Group is a lessor. The Group records these at amortised cost using the effective interest method and assesses these receivables for impairment under the expected credit loss model, using 12 months expected losses. Management have assessed each counterparty as having a low risk of





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 3) Specific accounting policies (Continued)

default and a strong capacity to meet their contractual cash flow obligations in the near term.

### Financial Liabilities

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

### g) Share Capital

#### Ordinary Shares

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

### h) Property, Plant and Equipment

#### Recognition and Measurement

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

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

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

#### Subsequent Costs

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

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

Motor Vehicles	24% - 40% diminishing value
Leasehold Improvements	9% - 40% diminishing value
Computer Hardware	16% - 75% diminishing value
Furniture & Fittings	8% - 67% diminishing value
Kitchen Equipment	8% - 67% diminishing value
Office Equipment	8% - 67% diminishing value

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

### i) Leased Assets

#### As a lessee

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Group recognises a right of use asset, representing its right to use the underlying asset and a lease liability, representing its obligation to make lease payments to the lessor.

#### Initial measurement

- Initial measurement of the right of use ('ROU') assets (occupied leases) includes the initial present value of the lease liability, the initial direct costs, prepayments made to lessor, less any lease incentives received from the lessor and restoration, removal and dismantling costs. These amounts are discounted using the interest rate implicit in the lease, or, if the interest rate implicit in the lease cannot be readily determined, the Group's incremental borrowing rate;

- Initial measurement of the lease liability (occupied) reflects the present value of lease payments over the term of the lease, including reasonably certain renewals. The lease payments are discounted using the interest rate implicit in the lease, or, if the interest rate implicit in the lease cannot be readily determined, Group's incremental borrowing rate.

#### Subsequent measurement

- ROU asset: Carried at cost less impairment and depreciation, The ROU assets are depreciated on a straight-line basis.

- Lease liability: Accrete the liability based on the effective interest method, using a discount rate determined at lease commencement (as long as a reassessment and a change in the discount rate have not occurred) and reduce the liability by payments made.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 3) Specific accounting policies (Continued)

### As a lessor

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a lease transfers substantially all of the risks and rewards incidental to the right-of-use asset, it is treated as a finance lease. These are classified as non-occupied leases in the financial statements.

The initial measurement of the present value of the lease liability is offset with a lease receivable, representing its right to receive lease payments from a sublessee.

### Initial measurement

- Initial measurement of the lease receivable (non-occupied leases) includes the initial 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 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); and
- Initial measurement of the lease liability (non-occupied) reflects the present value of lease payments over the term of the lease, including reasonably certain renewals. The lease payments are discounted using the interest rate implicit in the lease, or, if the interest rate implicit in the lease cannot be readily determined, Group's incremental borrowing rate.

### Subsequent measurement:

- Lease receivable: Accrete the receivable based on the effective interest method, using a discount rate determined at lease commencement (as long as a reassessment and a change in the discount rate have not occurred) and reduce the receivable by payments made; and
- Lease liability: Accrete the liability based on the effective interest method, using a discount rate determined at lease commencement (as long as a reassessment and a change in the discount rate have not occurred) and reduce the liability by payments made.

Variable lease payments, such as percentage rent based on turnover, not included in the measurement of lease liabilities are recognised as an expense when incurred.

### Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a right of use asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the term of the lease.

### j) Intangible Assets

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

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

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

### k) Employee Benefits

#### Short-term Benefits

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

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

The Group pays contributions to the Kiwisaver superannuation plans. The Group has no further





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 3) Specific accounting policies (Continued)

payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### l) Taxation

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

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

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

### m) Goods and Services Tax (GST) & Value Added Tax (VAT)

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

### n) Foreign Currency

#### Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currencies of the entities within the Group at exchange rates at the date of the transactions. Monetary assets and liabilities

denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in the profit or loss.

#### Foreign Operations

The assets and liabilities of foreign operations are translated to New Zealand dollars at exchange rates at the reporting date. The revenue and expenses of foreign operations are translated to New Zealand dollars at the average exchange rates for the period where this rate approximates the rate at the date of the transaction.

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

#### o) Statement of Cash Flows

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

#### p) Earnings and Net Tangible Assets Per Share

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 3) Specific accounting policies (Continued)

### q) Segment Reporting

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

The Group operates in two operating segments – these consist of the following geographical locations, New Zealand, and international markets. Previously this was reported in four geographical locations New Zealand, Australia, United States of America and the Middle East.

### r) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 13.1 for a description of impairment testing procedures

### s) Impairment Testing of Goodwill, Other Intangible Assets and Non-financial Assets

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

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

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

The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount

factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

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

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







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 4) Revenue

	2022	2021
	\$	\$
Sale of Goods	8,077,274	7,775,995
Franchising Fees	486,353	298,004
Training Fees	-	30,000
Royalties	4,978,621	4,821,681
Advertising Fees	3,507,309	3,341,022
Property Management Fees	57,000	57,000
Gain on Sale of Fixed Assets	39,277	82,510
Foreign Exchange Gains / (Losses)	(13,721)	29,725
Other Income	1,977,222	1,794,950
Rent Relief on Non-Occupied Leases	141,770	384,736
	<b>19,251,105</b>	<b>18,615,623</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 5) Expenses

	2022	2021
	\$	\$
<b>Operating expenses include:</b>		
Cost of Sales	3,496,113	3,125,746
Rental and Operating Lease Costs	-	119
Loss on Disposal of Property, Plant and Equipment	19,392	25,921
Directors' Fees (refer Note 23)	130,417	120,000
Wages and Salaries	4,661,291	4,343,558
Contributions to a defined contribution plan	115,727	102,327
<i>Key management personnel costs: (refer Note 23)</i>		
- Salary and other short-term benefits	1,667,442	2,003,316
- Contributions to a defined contribution plan	29,012	40,089
<i>Auditors' remuneration - Audit Services - Baker Tilly Staples Rodway:</i>		
- Audit of Financial Statements	102,796	92,271
- Tax and other compliance services	46,490	27,140
Other Operating Expenses	3,280,478	2,303,813
Rent Relief on Non-Occupied Leases	141,770	384,736
Write-off of uniform stock (refer Note 9)	2,539	17,934
Transfer from Foreign currency reserve on windup of subsidiary	-	130,882
Advertising Expenditure	3,385,961	3,520,969
Impairment of Goodwill	-	215,000
	<b>17,079,428</b>	<b>16,453,821</b>

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 6) Income tax

	2022	2021
	\$	\$
<b>Taxation expense is represented by:</b>		
Current Tax	133,032	549,664
Deferred Tax	39,245	73,116
	<b>172,277</b>	<b>622,780</b>
<b>Profit / (Loss) before income tax expense</b>	748,146	1,335,765
Timing differences & non-deductible expenses:		
Extraordinary costs	-	1,735,648
50% entertainment	21,859	25,688
Non-deductible expenditure	183,888	499,489
Depreciation & Amortisation	17,834	18,332
IFRS 15 Deferred revenue	(464,354)	(444,204)
IFRS 16 Leases	247,854	276,818
Accruals	(10,120)	(7,763)
Prepayments	-	2,338
Make good provision	1,000	1,000
Holiday pay not paid out within 63 days	55,626	(47,139)
Provision for Doubtful Debts	-	-
Other	18,715	(61,330)
	<b>72,302</b>	<b>1,998,877</b>
Taxable Profit / (Loss)	820,448	3,334,642
Non-taxable Middle East & US Entities Income	(22,187)	(1,283,771)
Tax Losses utilised	(152,579)	(157,303)
Net Taxable Profit	645,682	1,893,568
<b>Taxation at the company's effective tax rate</b>	180,791	530,199
Deferred tax movement P&L	39,245	73,116
Under Provision of Prior Period	(47,759)	19,465
<b>Total income tax expense per statement of comprehensive income</b>	<b>172,277</b>	<b>622,780</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 6) Income tax (Continued)

	2022	2021
<b>Reconciliation of deferred tax asset:</b>	\$	\$
<i>Deferred tax on temporary differences</i>		
Opening balance	615,988	689,104
Provision for employee benefits	15,575	(13,199)
Provisions for make good	280	280
Depreciation & amortisation	4,994	5,359
Accruals	526	(19,343)
Deferred revenue	(130,019)	(124,377)
Impact of Leases	69,399	77,509
Prepayments	-	655
	<b>576,743</b>	<b>615,988</b>
<b>Opening Balance</b>	<b>615,988</b>	<b>689,104</b>
Charged to profit or loss	(39,245)	(73,116)
<b>Closing Balance</b>	<b>576,743</b>	<b>615,988</b>

The Group has \$1,772,032 of unrecognised losses to be carried forward (2021: \$1,888,853). The potential benefit of these losses is \$531,609 (2021: \$566,656) which has not been recognised in the financial statements. The losses carried forward relate to the Australian operations and are therefore in Australian dollars.

The Group has recognised a deferred tax asset of \$576,743 (2021: \$615,988) with respect to other temporary differences. This has been recognised as it is probable that future taxable profit will be available to allow the asset to be utilised.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 7) Imputation credits

	2022	2021
	\$	\$
Opening balance	1,719,421	1,893,978
<b>Add</b>		
Tax payable	603,520	59,113
Resident withholding tax	6,402	9,347
	<u>609,922</u>	<u>68,460</u>
<b>Deduct</b>		
Income tax refund received	-	(243,017)
Closing balance	<b>2,329,343</b>	<b>1,719,421</b>

## 8) Trade and other receivables

	2022	2021
	\$	\$
Trade receivables	1,761,215	1,935,741
Allowance for impaired assets	-	-
	<u>1,761,215</u>	<u>1,935,741</u>
Prepayments	151,008	121,742
Sundry receivables	19,727	18,643
	<b>1,931,950</b>	<b>2,076,126</b>

Receivables denominated in currencies other than the presentation currency are Australian Dollars and UAE Dirhams and they comprise 33.0% of the trade receivables (2021: 26.9%) The total receivables impaired for the 2022 financial year are Nil (2021: Nil).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 9) Inventories

	2022	2021
	\$	\$
Ingredients	172,098	193,983
Finished Goods	590,285	354,369
<b>Total Inventory</b>	<b>762,383</b>	<b>548,352</b>

Finished goods includes signage, kitchen equipment, uniforms & proprietary products (BurgerFuel sauces & dry goods). During the year ended 31 March 2022, \$2,539 of obsolete uniforms were written off. (2021: \$17,934).







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 10) Property, plant & equipment

2022	Motor vehicles	Office equipment	Furniture & fittings	Computer Hardware	Kitchen Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Balance 1 April 2021	457,518	77,349	1,168,064	1,094,988	1,188,804	2,266,931	6,253,654
Additions	40,974	830	25,103	240,041	75,146	1,490	383,584
Disposals	(159,513)	-	(1,412)	(52,412)	(52,732)	(1,320)	(267,389)
<b>Cost at 31 March 2022</b>	<b>338,979</b>	<b>78,179</b>	<b>1,191,755</b>	<b>1,282,617</b>	<b>1,211,218</b>	<b>2,267,101</b>	<b>6,369,849</b>
<b>Depreciation and impairment losses</b>							
Balance 1 April 2021	376,416	57,363	743,182	924,912	510,523	1,031,688	3,644,084
Disposals	(136,872)	-	(958)	(39,677)	(31,147)	(1,044)	(209,698)
Depreciation for the year	23,046	3,439	85,375	112,023	120,763	125,515	470,161
Foreign exchange impact	51	-	-	7	-	-	58
<b>Balance 31 March 2022</b>	<b>262,641</b>	<b>60,802</b>	<b>827,599</b>	<b>997,265</b>	<b>600,139</b>	<b>1,156,159</b>	<b>3,904,605</b>
<b>Net Book Value</b>							
Balance 1 April 2021	81,102	19,986	424,882	170,076	678,281	1,235,243	2,609,570
Depreciation for the year	(23,046)	(3,439)	(85,375)	(112,023)	(120,763)	(125,515)	(470,161)
Additions	40,974	830	25,103	240,041	75,146	1,490	383,584
Disposals	(22,641)	-	(454)	(12,735)	(21,585)	(276)	(57,691)
Foreign exchange impact	(51)	-	-	(7)	-	-	(58)
<b>Net Book Value at 31 March 2022</b>	<b>76,338</b>	<b>17,377</b>	<b>364,156</b>	<b>285,352</b>	<b>611,079</b>	<b>1,110,942</b>	<b>2,465,244</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 10) Property, plant & equipment (Continued)

2021	Motor vehicles	Office equipment	Furniture & fittings	Computer Hardware	Kitchen Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Balance 1 April 2020	706,126	77,730	1,061,217	1,105,334	1,024,178	2,015,686	5,990,271
Additions	32,651	746	145,948	76,205	184,138	251,245	690,933
Disposals	(281,259)	(1,127)	(39,101)	(86,551)	(19,512)	-	(427,550)
<b>Cost at 31 March 2021</b>	<b>457,518</b>	<b>77,349</b>	<b>1,168,064</b>	<b>1,094,988</b>	<b>1,188,804</b>	<b>2,266,931</b>	<b>6,253,654</b>
<b>Depreciation and impairment losses</b>							
Balance 1 April 2020	595,878	54,499	686,329	872,906	409,346	909,296	3,528,254
Disposals	(249,707)	(768)	(31,928)	(69,887)	(9,834)	-	(362,124)
Depreciation for the year	29,367	3,632	88,781	121,825	111,011	122,392	477,008
Foreign exchange impact	878	-	-	68	-	-	946
<b>Balance 31 March 2021</b>	<b>376,416</b>	<b>57,363</b>	<b>743,182</b>	<b>924,912</b>	<b>510,523</b>	<b>1,031,688</b>	<b>3,644,084</b>
<b>Net Book Value</b>							
Balance 1 April 2020	110,248	23,231	374,888	232,428	614,832	1,106,390	2,462,017
Depreciation for the year	(29,367)	(3,632)	(88,781)	(121,825)	(111,011)	(122,392)	(477,008)
Additions	32,651	746	145,948	76,205	184,138	251,245	690,933
Disposals	(31,552)	(359)	(7,173)	(16,664)	(9,678)	-	(65,426)
Foreign exchange impact	(878)	-	-	(68)	-	-	(946)
<b>Net Book Value at 31 March 2021</b>	<b>81,102</b>	<b>19,986</b>	<b>424,882</b>	<b>170,076</b>	<b>678,281</b>	<b>1,235,243</b>	<b>2,609,570</b>

The gain on sale recorded in the Statement of Comprehensive Income was \$39,277 (2021: \$82,510), relating to the sale of nine motor vehicles.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 11) Investment in subsidiaries

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

Subsidiary Companies	Country of Incorporation	Interest Held 2022	Interest Held 2021
BF Lease Company Limited	New Zealand	100%	100%
BF Lease Company No 1 Limited	New Zealand	100%	100%
BF Lease Company No 2 Limited	New Zealand	100%	100%
BF Lease Company No 3 Limited	New Zealand	100%	100%
BF Lease Company No 4 Limited	New Zealand	100%	100%
BF Lease Company No 5 Limited	New Zealand	100%	100%
BF Lease Company No 6 Limited	New Zealand	100%	100%
BF Lease Company No 7 Limited	New Zealand	100%	100%
BF Lease Company No 8 Limited	New Zealand	100%	100%
BF Lease Company No 9 Limited	New Zealand	100%	100%
BF Lease Company No 10 Limited	New Zealand	100%	100%
BF Lease Company No 11 Limited	New Zealand	100%	100%
BF Lease Company No 12 Limited	New Zealand	100%	100%
BF Lease Company No 13 Limited	New Zealand	100%	100%
BF Lease Company No 14 Limited	New Zealand	100%	100%
BF Lease Company No 15 Limited	New Zealand	100%	100%
BF Lease Company No 16 Limited	New Zealand	100%	100%
BF Lease Company No 17 Limited	New Zealand	100%	100%
BF Lease Company No 18 Limited	New Zealand	100%	100%
BF Lease Company No 19 Limited	New Zealand	100%	100%
BF Lease Company No 20 Limited	New Zealand	100%	100%
BF Lease Company No 21 Limited	New Zealand	100%	100%
BF Lease Company No 22 Limited	New Zealand	100%	100%
BF Lease Company No 23 Limited	New Zealand	100%	100%
BF Lease Company No 24 Limited	New Zealand	100%	100%
BF Lease Company No 25 Limited	New Zealand	100%	100%
BF Lease Company No 26 Limited	New Zealand	100%	100%
BF Lease Company No 27 Limited	New Zealand	100%	100%
BF Lease Company No 28 Limited	New Zealand	100%	100%
BF Lease Company No 29 Limited	New Zealand	100%	100%
BF Lease Company No 30 Limited	New Zealand	100%	100%
BF Lease Company No 31 Limited	New Zealand	100%	100%
BF Lease Company No 32 Limited	New Zealand	100%	100%
BF Lease Company No 33 Limited	New Zealand	100%	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Subsidiary Companies	Country of Incorporation	Interest Held 2022	Interest Held 2021
BF Lease Company No 34 Limited	New Zealand	100%	100%
BF Lease Company No 35 Limited	New Zealand	100%	100%
BF Lease Company No 36 Limited	New Zealand	100%	100%
BF Lease Company No 37 Limited	New Zealand	100%	100%
BF Lease Company No 38 Limited	New Zealand	100%	100%
BF Lease Company No 39 Limited	New Zealand	100%	100%
BF Lease Company No 40 Limited	New Zealand	100%	100%
BF Lease Company No 41 Limited	New Zealand	100%	100%
BF Lease Company No 42 Limited	New Zealand	100%	100%
BF Lease Company No 43 Limited	New Zealand	100%	100%
BF Lease Company No 44 Limited	New Zealand	100%	100%
BF Lease Company No 45 Limited	New Zealand	100%	100%
BF Lease Company No 46 Limited	New Zealand	100%	100%
BF Lease Company No 47 Limited	New Zealand	100%	100%
BF Lease Company No 48 Limited	New Zealand	100%	100%
Burger Fuel Group Lease Limited <i>(formally BF Lease Company No 49 Limited)</i>	New Zealand	100%	100%
Burger Fuel Worldwide Limited <i>(formally BF Lease Company No 50 Limited)</i>	New Zealand	100%	100%
Burger Fuel (Dubai) NZ Limited	New Zealand	100%	100%
Burger Fuel (ME) DMCC	Dubai	100%	100%
Burger Fuel International Limited	New Zealand	100%	100%
Burger Fuel (Australia) Pty Limited	New Zealand	100%	100%
Burger Fuel (Australia) No2 Pty Limited	New Zealand	100%	100%
Burger Fuel International Management Limited	New Zealand	100%	100%
Burger Fuel Limited	New Zealand	100%	100%
BurgerFuel Henderson Limited	New Zealand	100%	100%
Burger Fuel Takapuna Limited	New Zealand	100%	100%
Winner Winner Limited	New Zealand	100%	100%
Shake Out Limited	New Zealand	100%	100%
Concept Brands Limited	New Zealand	100%	100%
Shake Out Newmarket Limited	New Zealand	100%	100%
Shake Out Container Limited	New Zealand	100%	100%
Burger Fuel Pty Limited	Australia	100%	100%
Burger Fuel Australia Pty Limited	Australia	100%	100%







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 11) Investment in subsidiaries (Continued)

### The principal activities of the subsidiaries are:

Burger Fuel Limited – Franchise systems – gourmet burger restaurants.

Burger Fuel International Limited – Holds patents, trademarks and licences and holds the international Master Franchise Agreements.

Burger Fuel International Management Limited – Owns the BurgerFuel Australia operation and holds the international Master Franchise Agreements.

Burger Fuel (Australia) Pty Limited – Non trading.

Burger Fuel (Australia) No2 Pty Limited – Non trading.

Burger Fuel Australia Pty Limited – Non trading.

Burger Fuel Pty Limited – Administration.

Burger Fuel (ME) DMCC – Dubai based trading company.

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

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

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

Winner Winner Limited – New Zealand based company trading as restaurant.

Shake Out Limited – New Zealand based company trading as restaurant.

Concept Brands Limited – Franchise systems – Shake Out and Winner Winner brands.

Shake Out Newmarket Limited – Non trading.

Shake Out Container Limited – New Zealand based company trading as mobile restaurant.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 12) Loans

	2022	2021
	\$	\$
<b>Loans to Third Parties</b>		
Advance to Supplier	4,830	109,650
Advance to Franchisee	69,500	128,000
<b>Total Loans</b>	<b>74,330</b>	<b>237,650</b>

### Advances to suppliers and franchisee

The advance to a supplier is to assist ilabb Limited with the stock holding of the BurgerFuel uniforms.

The loan is interest bearing at 3% (2021: 3%), secured over the uniform inventory and is repayable on demand.

The advance to a franchisee is to assist with developing the new Shake Out brand. The loan is interest bearing at 5.7% (2021: 5.7%).

These advances have been assessed by management and there is no impairment or expected credit losses.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 13) Intangible assets

2022	Key Money	Brand Assets	Goodwill	Reacquired Rights	Patent	Trade Marks	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Balance 1 April 2021	22,500	221,333	1,639,279	250,760	17,896	776,125	<b>2,927,893</b>
Disposals/adjustment *	-	-	-	-	-	(1)	<b>(1)</b>
Acquisitions	-	-	-	-	-	1,364	<b>1,364</b>
<b>Balance at 31 March 2022</b>	<b>22,500</b>	<b>221,333</b>	<b>1,639,279</b>	<b>250,760</b>	<b>17,896</b>	<b>777,488</b>	<b>2,929,256</b>
<b>Amortisation</b>							
Balance 1 April 2021	22,500	82,838	215,000	111,448	10,625	441,840	<b>884,251</b>
Adjustment *	-	-	-	-	-	-	-
Impairment **	-	-	-	-	-	-	-
Current year amortisation	-	19,141	-	27,862	1,458	90,981	<b>139,442</b>
<b>Balance 31 March 2022</b>	<b>22,500</b>	<b>101,979</b>	<b>215,000</b>	<b>139,310</b>	<b>12,083</b>	<b>532,821</b>	<b>1,023,693</b>
<b>Net Book Value</b>							
Balance 1 April 2021	-	138,495	1,424,279	139,312	7,271	334,285	<b>2,043,642</b>
Adjustment *	-	-	-	-	-	(1)	<b>(1)</b>
Impairment **	-	-	-	-	-	-	-
Additions	-	-	-	-	-	1,364	<b>1,364</b>
Amortisation	-	(19,141)	-	(27,862)	(1,458)	(90,981)	<b>(139,442)</b>
<b>Net Book Value at 31 March 2022</b>	<b>-</b>	<b>119,354</b>	<b>1,424,279</b>	<b>111,450</b>	<b>5,813</b>	<b>244,667</b>	<b>1,905,563</b>

\* Adjustment to the tax component of Winner Winner Brand asset 2022: Nil (2021: \$28,000)

\* Impairment of goodwill on the Takapuna and Henderson Burger Fuel stores 2022: Nil (2021: \$215,000)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 13) Intangible assets (Continued)

2021	Key Money	Brand Assets	Goodwill	Reacquired Rights	Patent	Trade Marks	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Balance 1 April 2020	22,500	221,333	1,639,279	250,760	17,896	768,861	<b>2,920,629</b>
Disposals/adjustment *	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	7,264	<b>7,264</b>
<b>Balance at 31 March 2021</b>	<b>22,500</b>	<b>221,333</b>	<b>1,639,279</b>	<b>250,760</b>	<b>17,896</b>	<b>776,125</b>	<b>2,927,893</b>
<b>Amortisation</b>							
Balance 1 April 2020	22,500	35,697	-	83,586	9,167	348,234	<b>499,184</b>
Adjustment *	-	28,000	-	-	-	-	<b>28,000</b>
Impairment **	-	-	215,000	-	-	-	<b>215,000</b>
Current year amortisation	-	19,141	-	27,862	1,458	93,606	<b>142,067</b>
<b>Balance 31 March 2021</b>	<b>22,500</b>	<b>82,838</b>	<b>215,000</b>	<b>111,448</b>	<b>10,625</b>	<b>441,840</b>	<b>884,251</b>
<b>Net Book Value</b>							
Balance 1 April 2020	-	185,636	1,639,279	167,174	8,729	420,627	<b>2,421,445</b>
Adjustment *	-	(28,000)	-	-	-	-	<b>(28,000)</b>
Impairment **	-	-	(215,000)	-	-	-	<b>(215,000)</b>
Additions	-	-	-	-	-	7,264	<b>7,264</b>
Amortisation	-	(19,141)	-	(27,862)	(1,458)	(93,606)	<b>(142,067)</b>
<b>Net Book Value at 31 March 2021</b>	<b>-</b>	<b>138,495</b>	<b>1,424,279</b>	<b>139,312</b>	<b>7,271</b>	<b>334,285</b>	<b>2,043,642</b>

The reacquired rights will be amortised over the life of the franchise agreement at the time of purchase being 9.5 years.







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 13.1) Impairment testing

### Impairment

The goodwill of the Takapuna and Henderson stores have been tested for impairment. Based on the impairment testing results, no impairment loss on Goodwill is recorded in the 2022 financial year (2021: \$215,000). In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount to present values. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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

	2022	2021
	\$	\$
New Zealand Retail – Henderson Store	586,427	701,427
Impairment of Henderson Goodwill	-	(115,000)
New Zealand Retail – Takapuna Store	837,852	937,852
Impairment of Takapuna Goodwill	-	(100,000)
Goodwill allocation at 31 March	1,424,279	1,424,279

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering a detailed forecast period of 5 years of expected cash flows for the units' remaining useful lives using the growth rates determined by management.

Management assessed the impact of reduced economic activity and lower revenues due to the COVID pandemic on the valuation of the Group's financial and non-financial assets (i.e. impairment assessment of cash generating units). As a result of the ongoing COVID pandemic, the Group's impairment assessments as at reporting date took into account the temporary cessation of operations, expected decline in demand and profitability.

The Group has prepared revised cash flow forecasts for the purposes of the Group's annual impairment testing of goodwill and brand. This assessment has confirmed the carrying value of goodwill and brand assets as at 31 March 2022.

The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

	Growth Rates		Discount Rates	
	2022	2021	2022	2021
New Zealand Retail – Henderson Store	2.0%	2.0%	20.9%	13.0%
New Zealand Retail – Takapuna Store	2.0%	2.0%	18.5%	13.0%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 13.2) Growth rates

The growth rates reflect the long-term average growth rates for the product line and industry of the segments (all publicly available). The Group is expecting the FY23 revenue growth rates to be 8.9% over a COVID normalised FY22 result, for the Henderson and Takapuna stores'.

## 13.3) Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit and these are pre-tax discount rates;

## 13.4) Cash flow assumptions

Management's key assumptions include uncertain profit margins due to the COVID pandemic. The Group had reduced royalty and sales income due to store closures in Alert level 4 (refer note 2). While revenue was down in FY22, reduced overheads and government assistance through the wage subsidy partially offset this lost revenue.

The forecasts assume that New Zealand will have no further restrictions placed on the business operations during the forecast period.





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 14) Trade and other payables and contract liabilities

	2022	2021
	\$	\$
Trade payables	938,630	1,649,380
Payroll liabilities	67,431	56,195
GST payable	195,832	111,728
Accrued expenses	47,562	39,322
	<b>1,249,455</b>	<b>1,856,625</b>

Payables denominated in currencies other than the presentation currency comprise 0.0% of the trade payables (2021: 0.0%).

Contract Liability	Franchise Fees	MLA	Total
Opening Balance April 2019	1,212,550	802,496	2,015,046
Franchise fees booked to Balance Sheet in FY20	235,000	-	235,000
Revenue recognised – Franchise fees	(216,808)	(59,620)	(276,428)
Historic royalties invoiced	65,000	-	65,000
<b>Balance 31 March 2020</b>	<b>1,295,742</b>	<b>742,876</b>	<b>2,038,618</b>
Franchise fees booked to Balance Sheet in FY21	49,000	-	49,000
Revenue recognised – Franchise fees	(212,742)	(280,463)	(493,205)
Historic royalties invoiced	(65,000)	-	(65,000)
<b>Balance 31 March 2021</b>	<b>1,067,000</b>	<b>462,413</b>	<b>1,529,413</b>
Franchise fee refund	(20,000)	-	(20,000)
Revenue recognised – Franchise fees	(194,600)	(249,750)	(444,350)
<b>Balance 31 March 2022</b>	<b>852,400</b>	<b>212,663</b>	<b>1,065,063</b>

The contract liability represents the remaining balance of franchise and MLA fees spread over the life of the agreement which is typically 10 & 20 years in length, respectively. The MLA for Egypt was cancelled in June 2021 generating revenue of \$221,170.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 15) Provisions

	2022	2021
	\$	\$
<b>Store Closure Provision</b>		
Opening balance	40,200	39,200
Provisions made during the year	1,000	1,000
	<b>41,200</b>	<b>40,200</b>
<b>Holiday Pay Provision</b>		
Opening balance	438,163	436,456
Provisions made during the year	265,917	355,450
Provisions used during the year	(353,743)	(353,743)
	<b>350,337</b>	<b>438,163</b>
<b>Total Provisions</b>	<b>391,537</b>	<b>478,363</b>

### Store Closure Provision

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

### Holiday Pay Provision

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

## 16) Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	1,354,160	1,417,131
Cash on deposit	5,444,202	5,696,988
	<b>6,798,362</b>	<b>7,114,119</b>

At balance date there is \$76,608 (2021: \$76,608) in restricted cash for bonds issued to the NZX and a lease guarantee bond. Refer note 21 for further information.







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 17) Contributed equity

	Number of Shares		Share Capital	
	2022	2021	2022	2021
Opening ordinary shares on issue	50,336,863	53,670,195	11,913,499	13,594,825
Share buyback and cancellation	-	(3,333,332)	-	(1,681,326)
Authorised & issued ordinary shares on issue at 31 March	<b>50,336,863</b>	<b>50,336,863</b>	<b>11,913,499</b>	<b>11,913,499</b>

Burger Fuel Group Limited was listed on the New Zealand Alternative Stock Exchange (NZAX) on the 27 July 2007. The Group migrated to the main board (NZX) on the 1st July 2019. The Company has 50,336,863 (2021: 50,336,863) authorised and fully paid ordinary shares on issue. All shares have equal voting rights and share equally in dividends and any surplus on winding up. The shares have no par value.

No Dividends were paid in the 2022 financial year (2021: NIL).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 18) Right of use assets, lease receivable and lease liabilities

In addition to the head office company owned stores & warehouse leases (Occupied leases), the Group at 31 March 2022 holds the head leases on 49 franchised Burger Fuel stores in New Zealand (Non-occupied leases). These have been sublet to the franchisees on the same terms and conditions as the head leases. These are considered finance leases and the net investment in the lease is recorded as a receivable. Expected credit losses have been reviewed and no impairments noted.

### 2022

	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Right of Use Assets</b>				
Opening balance	-	222,160	8,152,907	8,375,067
Remeasurements of ROU assets*	-	83,829	48,191	132,020
Depreciation	-	(75,176)	(704,777)	(779,953)
<b>Right of use Asset as at 31 March 2022</b>	<b>-</b>	<b>230,813</b>	<b>7,496,321</b>	<b>7,727,134</b>

\*Remeasurements of ROU assets include new vehicle leases and lease changes.

### 2021

	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Right of Use Assets</b>				
Opening balance	-	-	7,828,007	7,828,007
Remeasurements of ROU assets	-	243,934	1,001,939	1,245,873
Depreciation	-	(21,774)	(677,039)	(698,813)
<b>Right of use Asset as at 31 March 2021</b>	<b>-</b>	<b>222,160</b>	<b>8,152,907</b>	<b>8,375,067</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 18) Right of use assets, lease receivable and lease liabilities (Continued)

2022	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Lease Receivable</b>				
Opening balance	22,501,095	-	-	22,501,095
Remeasurements of existing lease receivables**	(1,308,344)	-	-	(1,308,344)
Interest income	1,266,637	-	-	1,266,637
Rent payments	(2,606,492)	-	-	(2,606,492)
Rent Relief COVID	(141,770)	-	-	(141,770)
<b>Lease Receivable as at 31 March 2022</b>	<b>19,711,126</b>	<b>-</b>	<b>-</b>	<b>19,711,126</b>

\*\* Remeasurements of existing lease receivables are lease changes and non-occupied leases exited. The group exited 4 non-occupied head leases in FY22.

2021	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Lease Receivable</b>				
Opening balance	22,757,150	-	-	22,757,150
Remeasurements of existing lease receivables	1,243,585	-	-	1,243,585
Interest income	1,380,726	-	-	1,380,726
Rent payments	(2,495,630)	-	-	(2,495,630)
Rent Relief COVID-19	(384,736)	-	-	(384,736)
<b>Lease Receivable as at 31 March 2021</b>	<b>22,501,095</b>	<b>-</b>	<b>-</b>	<b>22,501,095</b>

2022	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Lease Liability</b>				
Opening balance	(22,501,095)	(226,551)	(8,656,678)	(31,384,324)
Remeasurements of existing lease liabilities	1,308,344	(83,829)	(48,190)	1,176,325
Interest	(1,266,637)	(12,491)	(475,355)	(1,754,483)
Rent payments	2,606,492	83,866	881,307	3,571,665
Rent Relief COVID	141,770	-	54,773	196,543
<b>Lease Liability as at 31 March 2022</b>	<b>(19,711,126)</b>	<b>(239,005)</b>	<b>(8,244,143)</b>	<b>(28,194,274)</b>

2021	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Lease Liability</b>				
Opening balance	(22,757,150)	-	(8,059,353)	(30,816,503)
Remeasurements of existing lease liabilities	(1,243,585)	(243,934)	(1,001,938)	(2,489,457)
Interest	(1,380,726)	(4,205)	(476,694)	(1,861,625)
Rent payments	2,495,630	21,588	828,229	3,345,447
Rent Relief COVID-19	384,736	-	53,078	437,814
<b>Lease Liability as at 31 March 2021</b>	<b>(22,501,095)</b>	<b>(226,551)</b>	<b>(8,656,678)</b>	<b>(31,384,324)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 18) Right of use assets, lease receivable and lease liabilities (Continued)

### Maturity analysis – undiscounted

	Non-Occupied	Vehicle Leases	Occupied	Total
Less than one year	2,690,447	90,480	981,973	3,762,900
Between one and five years	10,297,864	165,985	3,849,544	14,313,393
More than five years	14,301,097	-	6,450,187	20,751,284
<b>Lease Liability as at 31 March 2022</b>	<b>27,289,408</b>	<b>256,465</b>	<b>11,281,704</b>	<b>38,827,577</b>

The cash impact of the occupied leases (rent), short term low value asset, and Motor vehicle lease payments in 2022 is \$910,399 (2021: \$902,895). This increase is mainly due to moving our fleet vehicles to a lease model, rent increases on existing sites and also includes the rent relief provided on the occupied leases due to the COVID lockdown's.

The net impact between interest and depreciation and the original expense (rent) to the Consolidated Statement of Comprehensive Income with the introduction of IFSR16 is \$357,400 (2021: \$329,895).

The group has 4 stores that have variable lease payments based on sales turnover that are not included in the measurement for lease liability above, as the base rent was not exceeded or was capped. This was Nil in 2022 (2021: Nil). The reduced turnover due to COVID impacted the turnover rent calculations.

### Contractual Lease Commitments

The lease liability under IFRS 16 takes the lease term to its expiry as it is Management's intention to use the asset's to date of final expiry. The actual legal commitment as per the legal obligations of the lease is \$5,792,104 (2021: \$6,485,484). This reduction in lease obligation is due to renewal terms in the lease agreement and limited liability clauses.

### Limited Liability No Discount FY22

Less than one year	2,251,424	80,684	652,643	2,984,751
Between one and five years	1,682,342	158,321	885,397	2,726,060
More than five years	81,293	-	-	81,293
<b>31 March 2022</b>	<b>4,015,059</b>	<b>239,005</b>	<b>1,538,041</b>	<b>5,792,104</b>

	Non-Occupied	Vehicle Leases	Occupied	Total
<b>Limited Liability No Discount FY21</b>				
Less than one year	2,491,407	57,644	702,849	3,251,900
Between one and five years	1,765,766	168,907	1,199,741	3,134,414
More than five years	24,545	-	74,625	99,170
<b>31 March 2021</b>	<b>4,281,718</b>	<b>226,551</b>	<b>1,977,215</b>	<b>6,485,484</b>

The Group holds the head lease over 60 of 65 sites in NZ. The lease on the franchised sites are then licensed to its franchisees under the same terms and conditions. At balance date, the current annual rent expense of leases under this arrangement including occupied leases, was \$3,676,886 (2021: \$3,783,261).







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 19) Foreign currency translation reserve

### Nature and Purpose of Reserves:

#### Foreign Currency Translation Reserve

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

## 20) Financial instruments and risk management

### Financial risk management objectives

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

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

### Market risk

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

### Foreign currency risk management

The Group's foreign exchange risk is limited to its Australian Dollar & UAE Dirham bank accounts and the trading of its Australian & United Arab Emirates subsidiaries. It maintains amounts in these foreign bank accounts and transfers funds when foreign exchange rates are favourable.

### Foreign currency sensitivity analysis

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 20) Financial instruments and risk management (Continued)

### GROUP

	10% Strengthening		10% Weakening	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Profit / (Loss) before tax	48	44	(53)	(48)
Equity	35	31	(35)	(31)

### Interest rate sensitivity analysis

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

If the interest rates on cash and cash equivalents had been 100 basis points higher and all other variables were held constant, the Group's operating result for the year ended 31 March 2022 would have been \$67,984 higher (2021: \$71,141 higher).

### Interest rate risk

The Group has cash flow interest rate risk from financial instruments that attract interest. Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily through its cash balances and advances.

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 20) Financial instruments and risk management (Continued)

### Interest rate risk profile

2022

	Weighted average effective interest rate %	Greater than 1 year	Less than 1 year	Non - interest bearing	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalent	0.35%	-	6,798,362	-	<b>6,798,362</b>
Advance to Supplier	3.00%	4,830	-	-	<b>4,830</b>
Advance to Franchisee	5.70%	48,835	20,665	-	<b>69,500</b>
Trade and other receivables	-	-	-	1,780,972	<b>1,780,972</b>
Lease Receivable -non occupied	6.30%	18,172,743	1,538,383	-	<b>19,711,126</b>
		<b>18,226,408</b>	<b>8,357,410</b>	<b>1,780,972</b>	<b>28,364,790</b>
<b>Financial Liabilities</b>					
Trade payables	-	-	-	1,249,455	<b>1,249,455</b>
Lease Liability – Occupied	5.90%	8,244,144	460,724	-	<b>8,704,868</b>
Lease Liability – Vehicles	4.95%	239,005	71,375	-	<b>310,380</b>
Lease Liability – Non-occupied	6.30%	18,172,743	1,538,383	-	<b>19,711,126</b>
		<b>26,655,892</b>	<b>2,070,482</b>	<b>1,249,455</b>	<b>29,975,829</b>

2021

	Weighted average effective interest rate %	Greater than 1 year	Less than 1 year	Non - interest bearing	Total
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalent	0.16%	-	7,114,119	-	<b>7,114,119</b>
Advance to Supplier	3.00%	109,650	-	-	<b>109,650</b>
Advance to Franchisee	5.70%	110,669	17,331	-	<b>128,000</b>
Trade and other receivables	-	-	-	1,954,384	<b>1,954,384</b>
Lease Receivable -non occupied	6.30%	20,947,424	1,553,671	-	<b>22,501,095</b>
		<b>21,167,743</b>	<b>8,685,121</b>	<b>1,954,384</b>	<b>31,807,248</b>
<b>Financial Liabilities</b>					
Trade payables	-	-	-	1,856,625	<b>1,856,625</b>
Lease Liability – Occupied	5.90%	8,202,588	454,090	-	<b>8,656,678</b>
Lease Liability – Vehicles	4.95%	168,907	57,644	-	<b>226,551</b>
Lease Liability – Non -occupied	6.30%	20,947,424	1,553,671	-	<b>22,501,095</b>
		<b>29,318,919</b>	<b>2,065,405</b>	<b>1,856,625</b>	<b>33,240,949</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 20) Financial instruments and risk management (Continued)

### Credit risk

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

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

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

	Group	
	2022	2021
	\$	\$
Cash and bank balances	6,798,362	7,114,119
Loans, advances and receivables	1,855,272	2,192,034

Maximum exposures are net of any recognised provisions, and at balance date no loans or advances are considered to be impaired (2021: \$Nil). No trade receivables are impaired in FY22 with no further amounts past due (2021: Nil).

### Cash

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

### Receivables

The Group has a credit policy, which is used to manage its exposure to credit risk. As part of this policy, limits on exposures have been set, lending is subject to defined criteria and loans are monitored on a regular basis. The trade receivable are payable on the 10th of the following month and loans are subject to a loan agreement which stipulates monthly repayments or payable on demand. No security is held.

### Capital management

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

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 20) Financial instruments and risk management (Continued)

### Liquidity risk

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

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. All payables are due within 6 months of balance date (2021: 6 months).

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

## 21) Commitments

### Capital Commitments

At 31 March 2022, the Group has no contractual commitments (2021: Nil).

### Indemnity / Guarantees

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

	2022	2021
	Total future minimum payments	Total future minimum payments
	\$	\$
NZX Bond	20,000	20,000
Lease guarantee bond	56,608	56,608
	<b>76,608</b>	<b>76,608</b>

## 22) Contingencies

The Group has no contingencies at balance date (2021: Nil).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 23) Related party transactions

### Transactions with Related Parties

During the year the following related party transactions took place:

Group	Relationship	Nature of transaction	2022 \$	2021 \$
SIAM Ventures Limited	KMP	Consultancy Expenses Paid	700,362	277,922
Neo Corporate Trustees Limited	KMP	Consultancy Expenses Paid	-	389,090
Peter Brook	Director	Directors Fees	70,000	70,000
Trumpeter Consulting Limited	Director	Directors Fees	50,000	50,000
Tyrone Foley	Director	Directors Fees	10,417	-
Neo Corporate Trustees Limited	KMP	Head Office Rental	519,893	499,093
Trumpeter Consulting Limited	Director	Consultancy Expenses Paid	5,478	18,000
Tyrone Foley	Director	Consultancy Expenses Paid	33,406	-

The Burger Fuel Group Limited Chief Executive Officer is the sole director of SIAM Ventures Limited and Neo Corporate Trustees Limited. The head office rental is the premises at 66 Surrey Crescent, Grey Lynn, Auckland and the SIAM Ventures Limited consultancy fee relates to the remuneration of the CEO. The above remuneration excludes reimbursements of costs incurred on behalf of the Group.

### Key Management Compensation

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

	2022 \$	2021 \$
Salaries and other short-term employee benefits	1,667,442	2,003,316
KiwiSaver Employer Contribution	29,012	40,089
	<b>1,696,454</b>	<b>2,043,405</b>





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 24) Earnings per share

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

	2022	2021
	\$	\$
Surplus / (Deficit) attributable to the owners of the Group	575,869	712,985
Weighted average number of ordinary shares on issue	50,336,863	52,008,095
Basic earnings / (loss) per share (cents)	1.14	1.37
Diluted earnings / (loss) per share (cents)	1.14	1.37

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

## 25) Reconciliation of net surplus / (deficit) after taxation to net cash flows provided from operating activities

	2022	2021
	\$	\$
Net surplus after tax	575,869	712,985
<b>Add: Non-cash items</b>		
Amortisation	139,442	142,067
Depreciation	470,161	477,008
Depreciation on ROU asset	779,953	698,813
Deferred tax asset	39,245	101,116
Transfer from Foreign currency reserve on windup of subsidiary	-	130,882
Loss on disposal of property, plant and equipment	19,392	25,921
Unrealised exchange loss / (gain)	13,721	(29,725)
Impairment of Goodwill	-	215,000
Cancellation of shares USA settlement	-	(981,327)
Lease Liability component of rent relief	(26,604)	(24,253)
	<b>1,435,310</b>	<b>755,502</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 25) Reconciliation of net surplus / (deficit) after taxation to net cash flows provided from operating activities (Continued)

	2022	2021
<b>Add: Items classified as investing or financing activities</b>		
Gain on sale of assets	(39,277)	(82,510)
<b>Add: Working capital movements</b>		
(Increase) / decrease in trade and other receivables	144,176	1,113,208
(Increase) / decrease in inventories	(214,031)	16,865
(Decrease) / increase in taxation payable	(408,931)	708,906
Increase / (decrease) in accounts payable and accruals, provisions and contract liability	(1,158,346)	(120,822)
	(1,637,132)	1,718,157
<b>Net cash flows provided from operating activities</b>	<b>334,770</b>	<b>3,104,134</b>

## 26) Segment reporting

### Operating Segments

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

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





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 26) Segment reporting (Continued)

2022	New Zealand	International	Consolidated
	\$	\$	\$
<b>Revenue</b>			
Sales	8,035,134	42,140	<b>8,077,274</b>
Royalties	4,933,041	45,580	<b>4,978,621</b>
Franchising fees	236,599	249,754	<b>486,353</b>
Training fees	-	-	-
Property management fees	57,000	-	<b>57,000</b>
Advertising fees	3,507,309	-	<b>3,507,309</b>
Foreign exchange gain	(2,749)	(10,972)	<b>(13,721)</b>
Sundry income	2,016,172	327	<b>2,016,499</b>
Rent Relief on Non-Occupied Leases	141,770	-	<b>141,770</b>
Interest received	23,553	26	<b>23,579</b>
Interest Leases	1,266,637	-	<b>1,266,637</b>
COVID-19 Government wage subsidy	430,292	-	<b>430,292</b>
<b>Total Revenue</b>	<b>20,644,758</b>	<b>326,855</b>	<b>20,971,613</b>
Interest Expense	-	-	-
Interest Expense Leases Occupied	487,846	-	<b>487,846</b>
Interest Expense Leases non occupied	1,266,637	-	<b>1,266,637</b>
Depreciation	463,451	6,710	<b>470,161</b>
Depreciation Leases	779,953	-	<b>779,953</b>
Amortisation	139,442	-	<b>139,442</b>
<b>Segment Result before Income Tax</b>	<b>634,351</b>	<b>113,795</b>	<b>748,146</b>
<b>Income Tax Expense</b>	<b>172,277</b>	<b>-</b>	<b>172,277</b>
<b>Segment Assets</b>	<b>41,724,930</b>	<b>227,905</b>	<b>41,952,835</b>
<b>Segment Liabilities</b>	<b>30,960,790</b>	<b>55,188</b>	<b>31,015,978</b>
<b>Acquisition of Property, Plant &amp; Equipment &amp; Intangible Assets.</b>			
<b>Other</b>	<b>384,948</b>	<b>-</b>	<b>384,948</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 26) Segment reporting (Continued)

2021	New Zealand	International	Consolidated
	\$	\$	\$
<b>Revenue</b>			
Sales	7,728,400	47,595	7,775,995
Royalties	4,662,874	158,807	4,821,681
Franchising fees	242,742	55,262	298,004
Training fees	30,000	-	30,000
Property management fees	57,000	-	57,000
Advertising fees	3,340,587	435	3,341,022
Foreign exchange gain	97,739	(68,014)	29,725
Sundry income	1,841,177	36,283	1,877,460
Rent Relief on Non-Occupied Leases	384,736	-	384,736
Interest received	38,050	766	38,816
Interest Leases	1,380,726	-	1,380,726
COVID-19 Government wage subsidy	934,020	-	934,020
<b>Total Revenue</b>	<b>20,738,051</b>	<b>231,134</b>	<b>20,969,185</b>
Interest Expense	153	(67)	86
Interest Expense Leases Occupied	480,899	-	480,899
Interest Expense Leases non occupied	1,380,726	-	1,380,726
Depreciation	474,279	2,729	477,008
Depreciation Leases	698,813	-	698,813
Amortisation	142,067	-	142,067
<b>Segment Result before Income Tax</b>	<b>1,532,323</b>	<b>(196,558)</b>	<b>1,335,765</b>
<b>Income Tax Expense</b>	<b>622,780</b>	<b>-</b>	<b>622,780</b>
<b>Segment Assets</b>	<b>45,754,882</b>	<b>366,727</b>	<b>46,121,609</b>
<b>Segment Liabilities</b>	<b>35,649,636</b>	<b>123,669</b>	<b>35,773,305</b>
<b>Acquisition of Property, Plant &amp; Equipment &amp; Intangible Assets.</b>			
<b>Other</b>	<b>698,197</b>	<b>-</b>	<b>698,197</b>







# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

## 27) Net tangible asset per share

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

	2022	2021
	\$	\$
Assets	14,514,575	15,245,447
Current lease receivable non-occupied – IFRS16	1,538,383	1,553,671
Right of use assets – Leases	7,496,321	8,152,907
Right of use assets – vehicles	230,813	222,160
Non-current lease receivable non-occupied – IFRS16	18,172,743	20,947,424
<b>Total Assets</b>	<b>41,952,835</b>	<b>46,121,609</b>
Liabilities	(2,821,704)	(4,388,981)
Lease Liabilities	(8,244,143)	(8,656,678)
Lease Liabilities – vehicles	(239,005)	(226,551)
Lease Liabilities – non-occupied	(19,711,126)	(22,501,095)
<b>Total Liabilities</b>	<b>(31,015,978)</b>	<b>(35,773,305)</b>
<b>Net Assets</b>	<b>10,936,857</b>	<b>10,348,304</b>
Less Intangible Assets and deferred tax asset	(2,482,306)	(2,769,558)
<b>Net Tangible Assets</b>	<b>8,454,551</b>	<b>7,578,746</b>
Total ordinary shares on issue	50,336,863	50,336,863
Net Tangible Assets per share (\$ per Share)	0.17	0.15

## 28) Subsequent Events

At the date of signing the Annual report and financial statements there has been no subsequent events.

# SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

## Remuneration of Directors

	2022 12 Months	2021 12 Months
	\$	\$
Peter Brook	70,000	70,000
Josef Roberts	700,362	667,012
Alan Dunn	50,000	50,000
Tyrone Foley	10,417	-

Tyrone Foley was elected to the Burger Fuel Group Limited Board of Directors on the 27 October 2021.

Tyrone is a non-independent Director.

## Remuneration of Employees (Excluding Executive Directors)

	2022 12 Months Number of Employees	2021 12 Months Number of Employees
\$100,000-\$110,000	2	3
\$110,001-\$120,000	1	2
\$120,001-\$130,000	2	1
\$130,001-\$140,000	1	2
\$140,001-\$150,000	1	-
\$150,001-\$160,000	-	1
\$160,001-\$170,000	1	1
\$170,001-\$180,000	1	-
\$200,001-\$210,000	-	1
\$210,001-\$220,000	1	-
\$250,001-\$260,000	-	1
\$260,001-\$270,000	1	-
\$290,001-\$300,000	-	1

## Statement of Directors and Officers Interests

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

	Beneficially held at 31/03/22	Non-beneficially held at 31/03/22	Beneficially held at 31/03/21	Non-beneficially held at 31/03/21
Peter Brook	336,596	-	336,596	-
Josef Roberts	33,376,335	-	33,376,335	-
Alan Dunn	324,656	-	324,656	-
Tyrone Foley	14,874	-	14,874	-
Mark Piet (Officer)	21,667	-	21,667	-

There were no share transactions with the Directors and Officers during the year.





# SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

## Substantial Security Holders

The following information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. As at 31 March 2022, details of the Substantial Security Holders in the company and their relevant interests in the company's shares are as follows:

Substantial Security Holder	Number of Voting Securities	%
Mason Roberts Holdings Limited	33,376,335	66.3%
E & P Foundation Trustee Limited	2,572,138	5.1%

The total number of voting securities of the Company on issue at 31 March 2022 was 50,336,863 fully paid ordinary shares.

## Twenty Largest Security Holders as at 31 March 2022

Shareholder	Number of Shares	%
MASON ROBERTS HOLDINGS LIMITED	33,376,335	66.3%
E & P FOUNDATION TRUSTEE LIMITED	2,572,138	5.1%
MASON TRUSTEE LIMITED & CHRISTOPHER SIMON MASON & CHRISTOPHER RONALD JOHN MILLS	2,422,452	4.8%
FORSYTH BARR CUSTODIANS LIMITED	1,302,051	2.6%
NEW ZEALAND DEPOSITORY NOMINEE LIMITED	955,843	1.9%
CUSTODIAL SERVICES LIMITED	742,500	1.5%
ASB NOMINEES LIMITED	475,000	0.9%
JBWERE (NZ) NOMINEES LIMITED	369,296	0.7%
PETER CLYNTON BROOK	336,596	0.7%
TRUMPETER TRUSTEES (2007) LIMITED	324,656	0.6%
PLATEAU GROUP LIMITED	253,601	0.5%
LAPHROAIG TRUSTEE COMPANY (NZ) LIMITED	250,129	0.5%
BRIAN KELLY LIMITED	250,000	0.5%
STERLING NOMINEES LIMITED	150,292	0.3%
ALASTAIR ROSS ARMSTRONG	143,936	0.3%
JOSEPH DANIEL BOTHA	122,057	0.2%
BRAD WILLIAM MCFARLANE	107,755	0.2%
ROBERT WALLACE MONTGOMERY DOWLER & ROSEMARY ELIZABETH DOWLER	100,000	0.2%
MATTHEW JAMES PRINGLE	75,000	0.2%
GRAHAM RICHARD CALEY	61,038	0.2%
	<b>44,390,675</b>	<b>88.2%</b>

# SHAREHOLDER INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

## Domicile of Security Holdings

Location	Holders	Units	Units %
New Zealand	2,232	49,985,005	99.3%
Australia	85	190,750	0.4%
Austria	1	2,000	0.0%
Canada	5	7,058	0.0%
China	1	2,000	0.0%
France	1	2,000	0.0%
Hong Kong	2	6,000	0.0%
Hungary	1	550	0.0%
Ireland	1	1,600	0.0%
Norway	1	1,000	0.0%
Reunion	1	1,000	0.0%
Singapore	1	3,500	0.0%
South Africa	1	1,000	0.0%
Switzerland	1	300	0.0%
Taiwan	1	1,000	0.0%
U.S.A.	16	44,333	0.1%
United Arab Emirates	4	49,017	0.1%
United Kingdom	12	38,750	0.1%
	<b>2,367</b>	<b>50,336,863</b>	<b>100.0%</b>

## Spread of Security Holders

Shareholding Size	Number of Holders	Total Shares Held	%
1 - 499	198	57,919	0.1%
500 - 999	156	101,446	0.2%
1,000 - 1,999	1,267	1,393,394	2.8%
2,000 - 4,999	462	1,159,531	2.3%
5,000 - 9,999	137	791,987	1.6%
10,000 - 49,999	123	2,212,540	4.4%
50,000 - 99,999	6	365,409	0.7%
100,000 - 499,999	12	2,883,318	5.7%
500,000 - 999,999	2	1,698,343	3.4%
1,000,000 Over	4	39,672,976	78.8%
	<b>2,367</b>	<b>50,336,863</b>	<b>100.0%</b>





# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2022

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. A Director must not hold office (without re-election) past the third annual meeting following the Directors appointment or 3 years, whichever is longer. 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 Group Limited’s business and affairs on behalf of all shareholders. The Board’s key role is to ensure that corporate management is continuously and effectively striving for above-average performance, taking account of risk.

The Board:

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

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

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

## Board size and Composition

The size and composition of the Board is determined by the Company’s constitution. As at 31 March 2022, there were four Directors and a Chief Financial Officer / Company Secretary. The Chairman of the Board and the Chairman of the Audit Committee are non-executive and independent of the role of the Chief Executive Officer and Chief Financial Officer.

## Directors and Officers diversity

NZX listed issuers are required to report quantitative data on the gender breakdown of Directors and Officers at the financial year end. The policy behind the rule is to provide information to allow investors to maintain an informed

view of diversity as a factor relevant to an Issuer’s expected performance.

	2022		2021	
	Male	Female	Male	Female
Directors	4	-	3	-
Executive / Leadership Team	5	1	6	1
Total Head Office Staff	17	16	19	14

## Audit Committee

### (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 Group Limited has an effective internal control framework. These controls include the safeguarding of assets, maintaining proper accounting records, complying with legislation, including resource management and health and safety issues, ensuring the reliability of financial information and assessing and overseeing 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.

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



# CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 MARCH 2022

## Directors & Officers Board & Audit Committee Attendance Record

Directors	Board Meetings	Audit Committee Meetings
Peter Brook (Chair)	6	3
Josef Roberts	6	3
Alan Dunn	6	3
Tyrone Foley	6	3
<b>Officers</b>		
Mark Piet (Chief Financial Officer / Company Secretary)	6	3

### Constitution

A full copy of the Company's constitution is available on the Company's website ([www.burgerfuel.com](http://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.

Peter Brook, the Chairman, receives an annual fee of \$70,000, Alan Dunn the independent, non-executive Director receives an annual fee of \$50,000 and Tyrone Foley Non-Independent Director \$25,000 PA. The Company Secretary attends to all company secretarial and corporate governance matters.

### Conflict of Interest

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





# COMPANY DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2022

**NZ Companies Office****Registered Office**

Grant Thornton New Zealand Limited  
152 Fanshawe Street  
Auckland 1011

**Company Number**

1947191

**Date of Incorporation**

14 June 2007

**Directors**

Peter Brook - Chairman (Independent)  
Alan Dunn (Independent)  
Josef Roberts (Executive)  
Tyrone Foley (Non-Independent)

**Board Executives**

Mark Piet  
(Chief Financial Officer / Company Secretary)

**Business Headquarters**

66 Surrey Crescent  
Grey Lynn  
Auckland 1021

**Auditor**

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

JAXA Chartered Accountants  
Dubai (Head Office)  
Al Mozna Building  
Al Ghusais  
Dubai  
UAE

**Accountant**

KPMG  
18 Viaduct Harbour Avenue,  
Auckland 1140

Bridgepoint Group Accounting Pty Ltd  
Suite 301, 8 West Street,  
North Sydney  
NSW 2060  
Australia

Citrin Cooperman  
529 Fifth Avenue  
New York, NY 10017  
USA

**Bankers**

ASB Bank Limited  
CBA Bank Limited (Australia)  
Emirates NBD (UAE)

**Solicitors**

Dentons Kensington Swan, 18 Viaduct Harbour Avenue,  
Auckland 1011.

Buddle Findlay, HSBC Tower, 188 Quay Street, PO Box  
1433, Auckland 1140.

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

Corporate Counsel Limited Solicitors, P.O Box 37-322,  
Parnell, Auckland 1151.

Wynn Williams PO Box 2401, Shortland Street,  
Auckland 1140.

EMA (Employers & Manufacturers Association) 145  
Khyber Pass Road, Grafton, Auckland 1023.



**SHAKE OUT // TOFFEE CHOC SHAKE**



