



Veritas

Investments Limited

Investors in Food, Franchise
and Hospitality Businesses

INTERIM REPORT 2017

For the half year ended 31 December 2017



THE
BETTER BAR COMPANY
SINCE 1998



Doolan Brothers, Newmarket.



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Chairman's Report

REPORT TO SHAREHOLDERS



On behalf of the Veritas Board, we present the unaudited interim report for Veritas Investments Limited (“Veritas”) for the six months ended 31 December 2017.

The group announced on 20 December 2017 a conditional agreement to sell the Mad Butcher business to Yogg Limited. The results of its operations have therefore been reclassified to discontinued operations and assets held for sale in this Interim Report.

Net profit after tax (NPAT) for the period to 31 December 2017 was \$152,554, compared to a net profit of \$1,205,546 in the previous corresponding period, a decline of \$1,052,992.

The Underlying NPAT from continuing operations and before significant items (Underlying NPAT) improved by 13% to \$1,089,164 in the reporting period, compared to \$965,065 in the previous corresponding period. There were significant losses consisting of

restructuring and advisory costs of \$(539,345) after tax in the first half of FY18, compared to none in the first half of FY17. Operating cash flow improved by 7% to \$1,965,612, from \$1,833,467 in the previous period.

Net revenue for the period, which relates solely to The Better Bar Company was \$12,195,959 compared to \$11,972,399 in the six months to 31 December 2016, an increase of 2%. Total losses from discontinued operations were \$(397,265) in the first half of FY18 compared to a profit of \$240,481 in the first half of FY17.

Specific commentary is provided below for each business unit.

Mad Butcher

The Mad Butcher franchisor business generated revenue of \$2.3 million in the five months to 30 November 2017 compared to \$3.2 million in the comparative period. The proposed sale of the Mad Butcher business has an effective date of 1 December 2017 and accordingly no income has been

recognised from that date. The results of the Mad Butcher business has been included as a discontinued operation. During the period the net profit after tax was \$837,187, compared to \$1,548,697 for the comparative period. In addition the Group wrote-off assets and incurred costs on sale of \$(838,943) after tax.

Better Bar Company

The Better Bar Company exceeded its targets for the period, with the bars earning EBITDA of \$3,137,988 in the period compared to \$3,081,255 in 2016, or an improvement of 2%. All of the bars are profitable.

Dividend

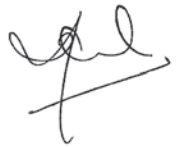
The Board has resolved that no dividend will be declared for the period ended 31 December 2017.

Accounts

The enclosed financial accounts for the six months ended 31 December 2017 reflect the trading of Veritas and its subsidiaries for the full period.

I would like to extend my thanks to the Board and all staff for what has been an incredibly demanding and busy period.

Regards

A handwritten signature in black ink, appearing to read 'Tim Cook', with a long horizontal stroke extending to the right.

Tim Cook
Chairman

Consolidated Statement of COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	6 months to 31 Dec 2017 Unaudited	6 months to 31 Dec 2016 Unaudited	12 months to 30 June 2017 Audited - Disclaimed
		\$	\$	\$
Revenue	9	12,195,959	11,972,399	23,629,533
Changes in inventories of finished goods		(2,959,083)	(2,969,394)	(5,793,773)
Employee benefits expense		(3,173,774)	(3,088,106)	(6,107,769)
Depreciation and amortisation expenses		(238,043)	(281,205)	(586,878)
Interest income		2,120	11,384	16,462
Interest expense		(798,574)	(862,417)	(1,740,236)
Other expenses		(3,514,788)	(3,459,907)	(7,204,432)
<i>Significant items:</i>				
Restructuring and advisory costs		(749,090)	-	(172,761)
Profit / (loss) before income tax from continuing operations		764,727	1,322,754	2,040,146
Income tax (expense) / benefit	5	(214,908)	(357,689)	(605,170)
Profit / (loss) for the period from continuing operations		549,819	965,065	1,434,976
Loss for the period from discontinued operations (attributable to equity holders of the Parent Company) net of tax				
Trading losses of Mad Butcher stores		(395,509)	(489,648)	(1,006,692)
Trading profits of Mad Butcher business		837,187	1,548,697	2,626,832
Impairments and costs on sale of Mad Butcher business and stores		(838,943)	(73,601)	(126,350)
Trading losses of Nosh Group		-	(721,249)	(1,142,662)
Loss on disposal of Nosh including sales costs		-	(23,718)	(2,579,103)
Profit / (loss) for the period from discontinued operations net of tax		(397,265)	240,481	(2,227,975)
Profit / (loss) for the period		152,554	1,205,546	(792,999)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	6 months to 31 Dec 2017 Unaudited \$	6 months to 31 Dec 2016 Unaudited \$	12 months to 30 June 2017 Audited - Disclaimed \$
Total comprehensive income / (losses) for the period attributable to the owner of the parent arises from:			
Continuing operations	549,819	965,065	1,434,976
Discontinuing operations	(397,265)	240,481	(2,227,975)
	152,554	1,205,546	(792,999)
Earnings per share from continuing and discontinued operations attributable to equity holders of the Parent company during the period:			
(basic and diluted)	cents	cents	cents
From continuing operations	1.27	2.23	3.31
From discontinued operations	(0.92)	0.56	(5.14)
From profit / (loss) for the period	0.35	2.78	(1.83)

Consolidated Statement of FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	31 Dec 2017 Unaudited \$	31 Dec 2016 Unaudited \$	30 June 2017 Audited - Disclaimed \$
ASSETS				
Cash and cash equivalents		884,004	225,937	611,729
Restricted cash		225,000	375,000	225,000
Trade and other receivables	6	293,804	327,192	274,814
Inventories		374,036	344,154	327,859
Assets from operations classified as held for sale	7	2,295,496	10,068,913	2,975,615
Assets of discontinued operations held for realisation		-	217,477	-
Total current assets		4,072,340	11,558,673	4,415,017
Property, plant and equipment		3,528,307	3,842,526	3,659,713
Deferred tax asset		762,847	329,744	919,673
Intangible assets		30,593,166	30,593,166	30,593,166
Total non-current assets		34,884,320	34,765,436	35,172,552
TOTAL ASSETS		38,956,660	46,324,109	39,587,569

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Note	31 Dec 2017 Unaudited \$	31 Dec 2016 Unaudited \$	30 June 2017 Audited - Disclaimed \$
LIABILITIES				
Trade and other payables		2,684,003	2,019,333	2,587,872
Liabilities from operations classified as held for sale	7	1,632,596	4,227,451	998,162
Liabilities of discontinued stores	7	298,467	396,941	315,558
Borrowings - current	8	26,360,000	29,263,667	27,556,937
Total current liabilities		30,975,066	35,907,392	31,458,529
Borrowings - non-current	8	609,583	1,198,715	909,583
TOTAL LIABILITIES		31,584,649	37,106,107	32,368,112
NET ASSETS		7,372,011	9,218,002	7,219,457
EQUITY				
Share capital		34,136,660	34,136,660	34,136,660
Retained Earnings / (Losses)		(26,764,649)	(24,918,658)	(26,917,203)
TOTAL EQUITY		7,372,011	9,218,002	7,219,457

For and on behalf of the Board of Directors, who authorised these Financial Statements on 27 February 2018.



Tim Cook
Chairman



John Moore
Director

Consolidated Statement of CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2017

	SHARE CAPITAL \$	RETAINED EARNINGS \$	TOTAL EQUITY \$
Balance at 1 July 2016	34,136,660	(26,124,204)	8,012,456
Profit for the period	-	1,205,546	1,205,546
Total comprehensive income for the period	-	1,205,546	1,205,546
Transactions with owners			
Dividends paid	-	-	-
Total contributions by / (distributions to) owners	-	-	-
Balance at 31 December 2016 - Unaudited	34,136,660	(24,918,658)	9,218,002
Balance at 1 July 2016	34,136,660	(26,124,204)	8,012,456
Loss for the year	-	(792,999)	(792,999)
Total comprehensive income for the year	-	(792,999)	(792,999)
Transactions with owners			
Dividends paid	-	-	-
Total contributions by / (distributions to) owners	-	-	-
Balance at 30 June 2017 - Audited - Disclaimed	34,136,660	(26,917,203)	7,219,457

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$
Balance at 1 July 2017	34,136,660	(26,917,203)	7,219,457
Profit for the period	-	152,554	152,554
Total comprehensive income for the period	-	152,554	152,554
Transactions with owners			
Dividends paid	-	-	-
Total contributions by / (distributions to) owners	-	-	-
Balance at 31 December 2017 - Unaudited	34,136,660	(26,764,649)	7,372,011

Consolidated Statement of CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2017

	Note	6 months to 31 Dec 2017 Unaudited \$	6 months to 31 Dec 2016 Unaudited \$	12 months to 30 June 2017 Audited - Disclaimed \$
Receipts from customers		12,130,792	12,112,613	24,224,127
Payments to suppliers and employees		(8,836,731)	(8,938,816)	(17,354,943)
Interest received		2,120	8,713	14,939
Interest paid		(798,574)	(859,746)	(1,735,949)
Taxation received/(paid)		-	174,688	170,488
Cash outflows from significant items		(589,141)	-	(102,671)
Discontinued operation's operating cash flows		57,146	(663,985)	(1,109,397)
Net cash (outflows) / inflows from operating activities	15	1,965,612	1,833,467	4,106,594
Sale of property plant and equipment and other intangibles from discontinued operations		-	-	159,762
Distribution received from Kiwi Pacific Foods		-	410,000	410,000
Purchase of Mad Butchers stores		-	(228,203)	(282,206)
Purchase of property plant and equipment and other intangibles		(106,637)	(332,076)	(466,530)
Purchase of property plant and equipment and other intangibles from discontinued operations		(89,763)	(12,370)	(23,969)
Net cash used in investing activities		(196,400)	(162,649)	(202,943)

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

	6 months to 31 Dec 2017 Unaudited \$	6 months to 31 Dec 2016 Unaudited \$	12 months to 30 June 2017 Audited - Disclaimed \$
Repayment of borrowings	(1,894,937)	(2,851,223)	(4,849,194)
Bond payment	-	(300,000)	(300,000)
Refund of bond payment	-	-	150,000
Bank borrowings drawn	398,000	-	-
Net cash (outflows) / inflows from financing activities	(1,496,937)	(3,151,223)	(4,999,194)
Net (decrease) / increase in cash and cash equivalents	272,275	(1,480,405)	(1,095,543)
Cash and cash equivalents at beginning of period	611,729	1,694,037	1,694,037
Restatement of Mad Butcher's cash as a discontinued asset	-	12,305	13,235
Cash and cash equivalents at end of period	884,004	225,937	611,729
Cash and bank balances	884,004	225,937	611,729
Overdraft	-	-	-
	884,004	225,937	611,729

Notes to the FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

1. General Information

These interim financial statements are for Veritas Investments Limited (“Veritas”) and its subsidiaries (together “the Group”). Veritas Investments Limited, the parent, is a company registered in New Zealand under the Companies Act 1993 and is an FMC Reporting Entity under Part 7 of The Financial Markets Conduct Act 2013. The interim financial statements have been prepared in accordance with the requirements of the NZX Main Board Listing Rules. Veritas is an investment company with shareholdings in New Zealand businesses in the food and beverage and hospitality sectors. Veritas is domiciled and incorporated in New Zealand. Its registered office is c/o Mad Butcher Limited, Ground Floor, Building B, Ascot Business Park, 95 Ascot Avenue, Greenlane 1051, Auckland. The Group is designated as a profit-oriented entity for financial reporting purposes. The Group has adopted the External Reporting Board A1 reporting framework and is a tier 1 entity under this framework.

2. Basis of Preparation

The financial statements for the six month periods ending 31 December 2017 and 31 December 2016 are unaudited. The comparative information for the year ending 30 June 2017 is audited, however the auditors issued a disclaimer opinion due to uncertainty around the Group’s going concern. Certain comparative information has been restated to confirm to the current periods classification.

These interim financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (“NZ GAAP”), IAS 34: Interim Financial Reporting and NZ IAS 34: Interim Financial Reporting and consequently, do not include all the information required for full financial statements. These condensed Group interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2017.

The accounting policies adopted are consistent with those of the previous annual report.

On 20 December 2017 Veritas announced the sale of the Mad Butcher business, as per note 15. Accordingly the results of the Mad Butcher’s operations have been reclassified from continuing operations to discontinued operations/assets held for sale. The comparative balances have been restated.

ANZ Bank New Zealand Group Limited (ANZ) extended the banking facilities to 27 April 2018. This means that there remains a material uncertainty which casts significant doubt over the Group’s ability to continue as a going concern.

The Directors are working through a number of potential options which may include the potential sale or merger of The Better Bar Company with external parties to the Group, or

recapitalisation and/or refinancing of the Group with alternative banking arrangements, or some combination of all of these.

In preparing the financial statements, the Directors have assessed the Group's ability to continue as a going concern. In determining this assessment, the Directors conducted a comprehensive review of the financial position of the Group, the carrying value of its assets, the level of debt and facilities the Group has at 31 December 2017 and its forecast financial results for the next 12 months subsequent to the date of issue of these financial statements and the potential options for the Group noted above.

The Directors acknowledge that if the Group is unable to obtain alternative sources of funding, within the required timeframe to enable the repayment of the bank debt, or receive an extension of timing of debt repayments to the bank to enable the Group to execute any of the above potential options, then the going concern assumption would not be appropriate.

While material uncertainties exist, the Directors consider there is an expectation that one or more of the above options may be executed and the ANZ will support the Group through this process. Taking this into account and the expected financial performance of the Group and the positive operating cash flows, it is the considered view of the Board that the Group remains a going concern.

These financial statements do not include any adjustments that may be made to reflect that situation should the Group be unable to continue as a going concern. Such adjustments may include realising assets at other than the amounts at which they are recorded in the financial statements. In addition, the Group may have to provide for further liabilities that may arise and to reclassify certain non-current assets and liabilities as current.

3. Non-GAAP Reporting Measures

Additional reporting measures have been referenced in the notes to the financial statements. The following non-GAAP measures are relevant to the understanding of the Group's financial performance.

*EBITDA (a non-GAAP measure) before significant items represents earnings before income taxes (a GAAP measure), excluding interest income, interest expense, depreciation and amortisation, excluding significant items, as reported in the financial statements.

*Total comprehensive income from continued operations after tax excluding significant items (a non-GAAP measure) represents profit for the period (a GAAP measure) from continuing operations, less tax, excluding significant items.

3. Non-GAAP Reporting Measures continued

	6 months to 31 Dec 2017 Unaudited \$	6 months to 31 Dec 2016 Unaudited \$	12 months to 30 June 2016 Audited - Disclaimed \$
Profit / (loss) for the period (after tax)	152,554	1,205,546	(792,999)
<i>Significant items (net of tax):</i>			
- Restructuring and advisory costs	539,345	-	143,988
<i>Discontinued items (net of tax):</i>			
- Trading losses of Mad Butcher stores	395,509	489,648	1,006,692
- Trading profits of Mad Butcher business	(837,187)	(1,548,697)	(2,626,832)
- Impairments and costs on sale of Mad Butcher business and stores	838,943	73,601	126,350
- Trading losses of Nosh Group	-	721,249	1,142,662
- Loss on disposal of Nosh including sales costs	-	23,718	2,579,103
Total comprehensive income from continuing operations after tax excluding significant items	1,089,164	965,065	1,578,965

4. Acquisitions and Disposals

As master franchisor, Mad Butcher may choose to purchase a store from a franchisee if they exit the business. If it is beneficial to keep these stores open, these are run on normal business terms and are held for sale until a new franchisee is confirmed. During the period no stores were purchased and are currently classified as held for sale (June 2017 two, December 2016 two). During the period no stores were sold (June 2017 one, December 2016 one).

5. Tax Expense / (Benefit)

	6 months to 31 Dec 2017 Unaudited \$	6 months to 31 Dec 2016 Unaudited \$	12 months to 30 June 2017 Audited - Disclaimed \$
The income tax expense consists of the following:			
Profit / (loss) before income tax from continuing operations	764,727	1,322,754	2,040,146
Income tax expense calculated at 28%	214,124	370,371	571,241
Non deductible expenses	784	119	40,788
Tax in respect of prior years	-	-	10,835
Non assessable income	-	(18,514)	(17,694)
Other	-	5,713	-
Tax expense / (benefit)	214,908	357,689	605,170
Current tax expense	214,908	275,681	562,318
Deferred tax benefit	-	82,008	42,852
Tax expense / (benefit)	214,908	357,689	605,170

6. Trade and Other Receivables

	31 Dec 2017 Unaudited \$	31 Dec 2016 Unaudited \$	30 June 2017 Audited - Disclaimed \$
Trade and other receivables	293,804	327,192	274,814
Provision for doubtful debts	-	-	-
	293,804	327,192	274,814

7. Operations Classified as Held For Sale

	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited	30 June 2017 Audited - Disclaimed
	\$	\$	\$
<i>Assets from operations classified as held for sale:</i>			
Mad Butcher stores	748,007	1,099,365	745,673
Mad Butcher business	1,547,489	2,103,716	2,229,942
Nosh Group	-	6,865,832	-
	2,295,496	10,068,913	2,975,615
<i>Liabilities from operations classified as held for sale:</i>			
Mad Butcher stores	472,806	657,880	390,220
Mad Butcher business	1,159,790	936,658	607,942
Nosh Group	-	2,632,913	-
	1,632,596	4,227,451	998,162
<i>Liabilities of discontinued stores:</i>			
Mad Butcher stores	186,054	396,941	203,145
Nosh Group	112,413	-	112,413
	298,467	396,941	315,558

8. Borrowings

	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited	30 June 2017 Audited - Disclaimed
	\$	\$	\$
Current			
Bank overdraft	-	-	-
Bank borrowings	26,360,000	29,263,667	27,556,937
Total current	26,360,000	29,263,667	27,556,937
Non-current			
Bank borrowings	609,583	1,198,715	909,583
Total non-current	609,583	1,198,715	909,583
Total borrowings	26,969,583	30,462,382	28,466,520

Bank borrowings

The Group's banking facilities agreement includes a number of external bank covenants relating to the debt facilities. The financial covenants in place include an EBITDA Negative Variance to Forecast and a Fixed Charge Cover ratio. There have been no breaches of covenants or events of review for the current or prior period.

Bank borrowings have been extended to 27 April 2018. They have an effective interest rate for this period of 5.73% (June 2017 5.74%; December 2016 5.46%). They are secured by a General Security Agreement over all of the assets of the Group. Items classified as current at December 2017 include loans maturing within 12 months and facilities repayable on demand.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited	30 June 2017 Audited - Disclaimed
	\$	\$	\$
6 months or less	26,969,583	30,462,382	28,466,520

8. Borrowings continued

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant.

All of the Group's borrowings are denominated in NZ dollars.

	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited	30 June 2017 Audited - Disclaimed
	\$	\$	\$
The Group has the following undrawn borrowing facilities:			
Expiring within one year	360,000	608,370	360,000
Total	360,000	608,370	360,000

The facilities expiring within one year are annual facilities subject to review at various dates.

The Group has \$26.4 million of current borrowings. Non-current borrowings of \$0.6 million expire in September 2019.



9. Segment Reporting

The Group is organised into the following business segments:

The BBC

This segment includes the business activities of The Better Bar Company Limited which operates a chain of bars based in Auckland and Hamilton.

Other

Includes the activities of the Parent Company and the discontinued operations of Nosh Group and the Mad Butcher.

The Board of Directors (“The Board”) continues to be the Chief Operating Decision Maker (“CODM”) for the Group as they are responsible for allocating resources and assessing performance across the Group. For each of the entities the Board reviews management reports on a monthly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment EBITDA as included in the management reports that are reviewed by the Board. Segment EBITDA is used to measure performance as the Board believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.



9. Segment Reporting continued

	6 months to 31 December 2017 Unaudited		
	Revenue	EBITDA	EBITDA before significant items
	\$	\$	\$
Statement of Comprehensive Income			
The BBC	12,195,959	3,137,988	3,137,988
Other	-	(1,338,764)	(589,674)
Group	12,195,959	1,799,224	2,548,314
Restructuring and advisory costs			(749,090)
Depreciation and amortisation			(238,043)
Finance (expense) / income - net			(796,454)
Profit / (loss) before income tax from continuing operations			764,727

	31 December 2017 Unaudited	
	Segment Assets	Segment Liabilities
	\$	\$
Statement of Financial Position		
The BBC	35,604,637	19,092,579
Other	1,056,527	10,561,007
Operations held for sale	2,295,496	1,931,063
Group	38,956,660	31,584,649

6 months to 31 December 2016 Unaudited			12 months to 30 June 2017 Audited - Disclaimed		
Revenue	EBITDA	EBITDA before significant items	Revenue	EBITDA	EBITDA before significant items
\$	\$	\$	\$	\$	\$
11,967,190	3,081,255	3,081,255	23,624,324	5,919,570	5,919,570
5,209	(626,263)	(626,263)	5,209	(1,568,772)	(1,396,011)
11,972,399	2,454,992	2,454,992	23,629,533	4,350,798	4,523,559
		-			(172,761)
		(281,205)			(586,878)
		(851,033)			(1,723,774)
		1,322,754			2,040,146

31 December 2016 Unaudited		30 June 2017 Audited - Disclaimed	
Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
\$	\$	\$	\$
33,826,763	24,370,916	35,577,010	21,946,512
2,210,956	8,110,799	1,034,944	9,107,880
10,286,390	4,624,392	2,975,615	1,313,720
46,324,109	37,106,107	39,587,569	32,368,112

10. Subsidiaries and Joint Ventures

Subsidiary	Activity	Place of Business	Interest 31 Dec 2017	Interest 31 Dec 2016	Interest 30 June 2017
Mad Butcher Limited	Procurement and Management of Franchise Business	New Zealand	100%	100%	100%
Old NGL Limited (in liquidation)	Speciality Food Retailer	New Zealand	0%	100%	0%
The Better Bar Company Limited	Hospitality Business	New Zealand	100%	100%	100%

11. Commitments

The Group has no capital commitments as at 31 December 2017 (30 June 2017 \$nil; 31 December 2016 \$nil).

The Group has no other commitments as at 31 December 2017 (30 June 2016 \$nil; 31 December 2016 \$nil).

12. Contingent Liabilities

The Group has no contingent liabilities as at 31 December 2017 (30 June 2017 \$nil; 31 December 2016 \$nil).

13. Operating Leases

Leases as Lessee

	31 Dec 2017 Unaudited	31 Dec 2016 Unaudited	30 June 2017 Audited - Disclaimed
	\$	\$	\$
Lease commitments expire as follows:			
Within one year	2,045,032	2,906,840	2,075,999
One to two years	1,971,764	2,895,108	2,028,803
Two to five years	5,152,277	7,273,628	5,714,308
More than five years	3,276,159	4,709,093	3,809,860
Total	12,445,232	17,784,669	13,628,969

13. Operating Leases continued

The Group leases various retail and hospitality outlets, offices and equipment under operating lease agreements. The leases reflect normal commercial arrangements with varying terms, escalation clauses and renewal rights.

14. Reconciliation of Profit to Cash Flow from Operations

	6 months to 31 Dec 2017 Unaudited \$	6 months to 31 Dec 2016 Unaudited \$	12 months to 30 June 2017 Audited - Disclaimed \$
Profit / (loss) for the year	152,554	1,205,546	(792,999)
<i>Adjusted for:</i>			
Depreciation and amortisation	238,043	281,205	586,878
Depreciation and amortisation of discontinued operations	32,269	12,658	276,611
Loss on sale of Nosh Group	-	-	2,258,100
Non cash charges	838,943	-	340,000
Decrease / (increase) in receivables and prepayments	(18,990)	(788,803)	(957,830)
Decrease / (increase) in inventories	(46,177)	(65,521)	(49,226)
Decrease / (increase) in discontinued operations	457,931	-	-
Increase / (decrease) in trade payables and accruals	96,131	53,119	731,178
Increase / (decrease) in income tax payable	214,908	1,135,263	1,713,882
Net cash (outflows) / inflows from operating activities	1,965,612	1,833,467	4,106,594

15. Subsequent Events

The Group announced the sale of the Mad Butcher business on 20 December 2017, and will be seeking approval for the sale at a special meeting of the shareholders in March 2018. If approved, settlement will occur five days after the Shareholders meeting. No provision has been made in these accounts for the gain on sale which is expected to be around \$5 million after tax.

Business PROFILE

AS AT 31 DECEMBER 2017

Nature of Business

Listed Investment Company

Share Capital

43,306,618 Ordinary Shares

Share Registrar

Link Market Services
Level 7, Zurich House
21 Queen Street, Auckland

Directors

Independent Directors

Tim Cook (Chairman)
John Moore

Non Independent Directors

Michael Morton

Registered Office

c/- Mad Butcher Limited
Ground Floor, Building B
95 Ascot Avenue
Greenlane
Auckland
PO Box 17474, Auckland 1546

Date of Incorporation

23 January 2004

Auditors

PricewaterhouseCoopers
188 Quay Street
Private Bag 92162
Auckland 1142

Solicitors

Harmos Horton Lusk
Level 37, Vero Centre
48 Shortland Street
PO Box 28, Auckland 1010

Bankers

ANZ

Quantitative Breakdown of Directors and Officers

	As at 31 December 2017	As at 30 June 2017	As at 31 December 2016
Male	5	5	6
Female	-	1	1
Total	5	6	7



Veritas
Investments Limited