T&G
A BayWa Company

ANNUAL REPORT
DECEMBER 2015

Unity & Growth

T&G
A BayWa Company

CONTENTS

Annual Meeting

Tuesday 21 June 2016

Notice of the meeting will be mailed to shareholders separately in due course.

Acknowledgments

The Board acknowledges the effort and contribution of all staff to a successful year and thanks each member of the team that helped to deliver the improved operational performance.

Directors' Statement

The Annual report is dated 26 February 2016 and is signed on behalf of the Board by:

Prof. Klaus Josef Lutz

Chairman

Sir John Anderson

Deputy Chairman

Unity & Growth

Over the past three years T&G has focused on creating solid foundations for the business including a clear purpose, mission and strategy.

2015 was the year of 'Unity & Growth' and by working together we are taking the business and the brand to the next level – in New Zealand and around the world.

T&G RESULTS

2015

FINANCIAL YEAR 2015	2014*
REVENUE	
$813m	$727m
OPERATING PROFIT	
$30.2m	$19.9m
PROFIT AFTER INCOME TAX	
$19.5m	$10.6m
NET ASSETS	
$321m	$277m
NET TANGIBLE ASSETS PER SHARE**	
$2.47	$2.27

* Restated - refer financial statements
** Total net assets less total intangible assets, divided by number of ordinary shares

Vegetable growers Harry & Sam Das (Pukekohe, New Zealand)

T&G QUICK FACTS

2015

PERMANENT EMPLOYEES

1,380

LAND FARMED

1,100Ha

GLOBAL LOCATIONS

32

CONTAINERS SHIPPED

17,500

CARTONS OF APPLES

10m

Citrus growers Robert & Gary Pandolfo (New South Wales, Australia)

CHAIRMAN'S REPORT

Prof. Klaus Josef Lutz
CHAIRMAN

The Board of Directors presents the Annual Report including the financial statements for T&G Global Limited and its subsidiary companies ("T&G") for the 12 months ended 31 December 2015.

Consolidated results

On behalf of the Board, I am pleased to report that in the 2015 financial year, T&G has had a profitable year with revenue surpassing $800 million, up by 12% on 2014.

FINANCIAL YEAR	2015	2014*
REVENUE	$813m	$727m
OPERATING PROFIT	$30.2m	$19.9m
PROFIT AFTER INCOME TAX	$19.5m	$10.6m
NET ASSETS	$321m	$277m
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* Restated - refer financial statements
** Total net assets less total intangible assets, divided by number of ordinary shares

Staying true to the strategy

In the 2014 Annual Report I noted the upcoming year would involve consolidation, simplification and further investment in current activities.

I am pleased to say these areas were addressed in 2015 including:

- A global rebrand, which has further unified the business, people and products;
- The successful first phase of integration of acquired businesses including Apollo Apples (2014) Limited ("Apollo Apples"), Rianto Limited ("Rianto") and Great Lake Tomatoes Limited ("Great Lake") to further grow both key categories;
- The implementation of new technologies including a new fruit grader at the Nelson site;
- The realignment of teams in several areas of the business;
- The turnaround of the Processed Foods division and return to a profitable contribution;
- The introduction of asparagus as a new key category through a strong Australian joint venture;
- Increased international plantings of T&G proprietary varietal brands Jazz™ and Envy™ apples as well as planting T&G's first grapes in Peru;
- The planned opening of a new office in Thailand to provide an in-market presence into a region with growth potential; and
- Positive developments through the opening of the China office with good support from growers in different regions and a solid business strategy.

The Board has been impressed with the drive and focus of all T&G employees towards achieving a strong financial result and how the team has embraced the common purpose, mission, mindset and strategy.

The strong theme of unity and 'One T&G' throughout the business has proven successful and the Board would like to congratulate all T&G employees for their achievements in 2015.

Health & Safety - people and products

Health & Safety for people and for products is a key concern for all fresh produce businesses. Globally, consumers are showing increased interest in where their food is sourced, the ethical treatment and welfare of the workers, and how the product is treated throughout the entire chain – from seed to plate.

In response to these concerns T&G adheres to compliance programmes such as GLOBAL G.A.P. / New Zealand G.A.P. which advocate safe and sustainable food production. These standards give peace of mind to both retailers and consumers with the view to trace products back to the original source. It ensures best practices are in place for the production, packing and distribution of fresh produce, and reduces the risk of health, safety and environmental issues, allowing consumers to purchase with confidence. The Board supports continued improvements and innovations allowing for the increased distribution of safe food products into the global market.

With health and safety, a large focus for the Board and senior management team is the people. In relation to T&G people, each year the business looks at improvements that can be made to ensure a safe working environment. We are pleased to see upgrades to equipment, reconfigured site traffic flows and increased training all working towards reducing incidents and accidents on sites.

Looking ahead at a growing global economy

Current studies suggest the estimated population of the planet will be 9.5 billion by 2050. This has significant ramifications for businesses like T&G who will help provide quality food to an increasing population while ensuring it is done in a sustainable and responsible manner.

A key factor for T&G will be positive free trade agreements allowing the distribution of fresh quality produce around the globe to satisfy consumer demand. Both T&G and BayWa Aktiengesellschaft ("BayWa AG") work closely with respective governments and stakeholders supporting increased avenues of business and we look forward to seeing the outcome of trade negotiations in the Asia Pacific region, Europe and the Americas.

For 2016, T&G will continue to work on consolidation, simplification and investment opportunities that meet T&G's long term strategic objectives and drive growth for T&G and its partners. We will also focus on improving the quality of T&G's customer experience, technology and developing initiatives for more sustainable business practices that are of increasing importance to T&G customers, our communities and to the consumers of the world.

We look forward to another exciting year.

"The Board has been impressed with the drive and focus of all T&G employees towards achieving a strong financial result and how the team has embraced the common purpose, mission, mindset and strategy. "

Prof. Klaus Josef Lutz
CHAIRMAN

CEO'S REPORT

Alastair Hulbert
CEO

The theme 'Unity & Growth' is an accurate description for the direction and work T&G has undertaken during 2015.

> **I would like to thank all our T&G employees who have helped make 2015 a success. Their willingness to unite together has been impressive.**

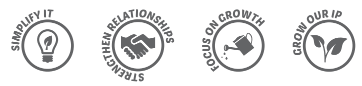
I have been pleased with the enthusiasm and energy our people have shown in order to make the year a successful one - with a strong foundation of a clear purpose, mission, mindset and strategic pillars to guide the business.

I would also like to thank my Executive team and the Board of Directors for their support and look forward to working further with them in 2016.

The 2015 year was very busy with projects that were planned in 2014 getting underway alongside ongoing business improvements. All of this culminated in a successful financial result where, for the first time in T&G history, our revenue surpassed $800 million and an operating profit of $30.2 million. The operational T&G divisions posted positive results, up from 2014, which can be attributed to the hard work of all our T&G employees around the world and the quality produce we provide.

Some of the key highlights for 2015 included:

Integration and acquisitions



Throughout what has been a good season for our Pipfruit division, the team has been working hard to create an operating model that will fully integrate Enza and Apollo Apples into the T&G Pipfruit business. The strategy also includes overall alignment between our New Zealand Pipfruit operations and international locations, with the overall goal of delivering 20 million tray carton equivalent (TCE) globally by 2020.

Through 2015 our Pipfruit team, working closely with our IT team, focused on aligning our financial and technological systems including replacing existing Navision and Exchequer financial systems with SAP. In addition the implementation of a real-time bin stock programme in SAP will create real flexibility in how we utilise our packhouse and coolstore operations in Hastings.

In early October we were pleased to receive approval from the Overseas Investment Office with regards to our acquisition of two tomato operations - Rianto Limited and Great Lake Tomatoes Limited which will greatly enhance our Covered Crops key category.

In the last few months of 2015, efforts were made to simplify and streamline processes across the now larger operation of all five sites. Crop plans have been developed and will be implemented to ensure we are able to maintain a consistent supply to our customers.

Asparagus – our new key category

Globally, asparagus is an excellent marketable product which T&G has been trading for over 20 years. In July 2015, we officially made asparagus a new key category alongside pipfruit, covered crops, citrus, kiwifruit and grapes.

Through a joint venture with key asparagus grower M&G Vizzarri Farms Pty Limited, T&G is now one of the largest marketers of Australian-grown asparagus supplying customers in Australia and Asia with fresh produce 365 days a year. In addition T&G offices in both USA and Peru are key suppliers to Vizzarri's imported asparagus programme.

Through T&G Vizzarri Farms Pty Limited we expect to increase the supply of asparagus to the Australian market over the next three to four years with approximately 4,000 tonnes of Australian produce and 1,200 tonnes of imported asparagus.

Official launch of China office

In late 2014 T&G established a wholly owned foreign enterprise (WOFE) in China with the official office launch in May 2015. The opening of the office at New Zealand Central, where a large percentage of our Shanghai customers are based, has enabled our team on the ground to build closer relationships with stakeholders and help grow our trading business in the region.

The team in China has started a small but successful import programme that includes all T&G key categories as well as establishing new stakeholder relationships. Through the in-market presence, T&G continues to work more closely with customers while adding value to growers through market knowledge, identifying new opportunities and increasing transparency in the supply chain. China is a market with the reward being matched by the challenge and risk, so an in-market presence is vital to ensure future sustainable growth for growers and brands.

Rolling out the T&G brand

The new T&G brand has been rolling out across the business over the past 14 months. This has covered not only our New Zealand sites but also new acquisitions such as Apollo Apples. Phase two of the rollout has also begun with the rebranding of offshore offices, formerly Delica, to T&G Global, new branded trucks, packaging and digital touch-points including emails, computers and websites all featuring the new brand. This is an exciting step in the unification of the business and our strategic pillar of 'Think Global.'

Improvements and investment

As noted in last year's annual report, a new coolstore was planned for the Otago region of New Zealand. Located in Ettrick, the coolstore was completed in February to accommodate the increased crops planted in the region. Alongside the new build, the refrigeration plant was upgraded and traffic flow was improved for health and safety.

Similar to Ettrick, other sites in New Zealand have also undergone improvements with a goal to improve health and safety. Both the Auckland Mt Wellington site and Hastings Whakatu site implemented new fencing and traffic flow patterns. In the case of Whakatu, the new fencing gives added security keeping authorised areas including the packhouse, biosecurity yard and distribution warehouse secure.

This year we have also looked at piloting improvement projects that look at value stream mapping, lean thinking, and analysis and stakeholder engagement. One such project included our tropical and import processes. Out of that study, seven key initiatives were identified focusing on simplifying and strengthening the planning, freight, operational and inventory processes, as well as being more customer-centric. Further work will be done in 2016 on each of the initiatives.

T&G Community Programme

Supporting our communities and our employees with their nutrition and health is very important to T&G and we are proud of our work in the community. With a focus on education, eating and exercise; T&G supported several groups and individuals through 2015.

Zespri Chairman Peter McBride (left) and T&G Global Chairman Professor Klaus Josef Lutz signing the MOU at Berlin Fruit Logistica in February 2016.

A key focus for T&G has been the Garden to Table programme which teaches young children to grow, harvest, prepare and share fresh, healthy, seasonal food. During the year we supported three additional New Zealand primary schools into the programme – Haumoana Primary School in Hastings, Victory School in Nelson and Ruakaka School in Whangarei.

Our programme aligns with the New Zealand government's focus on children's health and improving childhood obesity levels, and we have received positive feedback from both teachers and parents of students involved in Garden to Table. Through 2016 we hope to introduce more schools to the programme as well as support similar initiatives for our global communities.

A new collaboration and focus on Southeast Asia

During 2015, planning was underway for a new collaboration with kiwifruit exporter Zespri. The partnership was announced at Berlin Fruit Logistica in February 2016 with an agreement signed between T&G and Zespri under the collaborative marketing legislation. From the 2016 season, T&G will market all of Zespri kiwifruit into Thailand, Cambodia, Myanmar and Laos.

T&G and Zespri will leverage the strengths of both businesses including strong brand reputations, quality products and regional knowledge, to tap into a region with huge potential.

With this new focus on Southeast Asia, T&G will open a new office in Thailand to represent and support both Zespri and T&G sales and marketing activities. With an in-market presence we aim to increase sales of both Zespri kiwifruit and T&G branded products in the region, including Jazz™ and Envy™ apples.

Looking ahead

As mentioned in the Chairman's report, 2016 will be a year for customer experience, innovation and technology. The needs of our customers, whether they are growers, suppliers or retailers, and our own employees, will be instrumental in the future direction of our business. We have already begun a series of projects to look at which areas of the business can be improved to provide a better customer experience and will introduce some of these new projects throughout 2016.

Technology is evolving at a rapid pace and it will be one of the largest influencing factors on the horticulture industry. New technology will create added value to products and services that T&G will look to utilise to continue being a strong innovative business. In addition we recognise the importance of not only providing quality products and services, but doing so in a way that is sustainable. Some of this can be seen through our compliance programmes like Global G.A.P. / New Zealand G.A.P. but we will continue to explore other ways we can ensure an enduring business for generations to come.

Like our strategy 'Simplify it' explains - we will be innovative, creative, competitive, trying new things and maximising value.

It will be an exciting time for our growing global business.

BOARD OF DIRECTORS

Prof. Klaus Josef Lutz

Chairman & Non-independent Director

Director since
April 2012

Board committees
None

Prof. Klaus Josef Lutz has been the Chief Executive Officer of BayWa Aktiengesellschaft (BayWa) since July 2008. He began his career initially as a lawyer but soon assumed managerial positions in a number of different sectors which enabled him to gain extensive experience, above all in the restructuring and development of companies.

He is a member of the supervisory boards of a number of listed and private companies including Euro Pool System International B.V. (chairman), RWA Raiffeisen Ware Austria AG, Unser Lagerhaus Warenhandelsgesellschaft m.b.H and Giesecke & Devrient GmbH (chairman).

In 2013, Prof. Lutz was appointed as an honorary professor of Managerial Economics of Co-operative Societies at the Technische Universität München.

Sir John Anderson KBE

Deputy Chairman & Independent Director

Director since
April 2012

Board committees
Member of the Finance, Risk and Investment Committee

An accountant by profession, Sir John Anderson built a highly successful career in banking and was knighted in 1994. He helped form the merchant bank Southpac in 1972 and by the time he retired in 2005, he was the CEO of ANZ National Bank.

Sir John Anderson is currently chairman of Steel & Tube Holdings, NPT, a director of the Commonwealth Bank of Australia and is a director of APN News and Media Limited. He was the former chairman of the NZ Venture Investment Fund, Television New Zealand and PGG Wrightson.

Christiane Bell

Non-independent Director

Director since
February 2014

Board committees
None

Christiane Bell is the current General Manager Fruit at BayWa and responsible for BayWa's fruit business. Mrs Bell has served as head of fruit, vegetables and baked goods at discounters Penny and as Sales Director Germany / Scandinavia with Dutch company The Greenery.

Mrs Bell is currently director of Obst vom Bodensee Vertriebsgesellschaft m.b.H.

Carol Campbell

BCom, CA, ChMinstD
Independent Director

Director since
June 2010

Board committees
Chair of the Finance, Risk and Investment Committee

Carol Campbell is a chartered accountant and a member of Chartered Accountants Australia and New Zealand. Mrs Campbell is a director of The Business Advisory Group, a chartered accountancy practice, where she advises privately owned businesses. Prior to that, she was a partner at Ernst & Young for over 25 years. Mrs Campbell has extensive financial experience and a sound understanding of efficient board governance.

Mrs Campbell is a director of NZ Post Limited, Kiwibank Limited, Kingfish Limited, Marlin Global Limited, Barramundi Limited, NPT Limited, and a number of other companies and is chair of Ronald McDonald House Charities in New Zealand.

Rob Campbell

BA (Hons First Class), MPhil (Economics)
Independent Director

Director since
October 2010

Chairman
April 2011 to March 2012

Board committees
Member of the Human Resources Committee

Rob Campbell has over 30 years' experience in investment management and corporate governance. He trained as an economist and has worked in a variety of capital market advisory and governance roles over a long period.

Mr Campbell is currently chairman of Summerset Group Holdings Limited and Tourism Holdings Limited, and a director of Precinct Properties as well as other substantial private companies based in Australia and New Zealand. In addition he is a director of and advisor to a number of hedge and private equity funds in a number of countries.

Andreas Helber

Non-independent Director

Director since
April 2012

Board committees
Member of the Finance, Risk and Investment Committee

Andreas Helber has been Chief Financial Officer of BayWa since 2010 and began his career as a business graduate at KPMG in Munich. In 2000 Mr Helber joined BayWa as head of Finance. He subsequently took over as manager of Investor Relations and was appointed Executive Manager in 2007 and then into his current role as CFO in 2010.

Mr Helber is a member of the supervisory boards of a number of listed and private companies including R+V Pensionsversicherung AG, RWA Raiffeisen Ware Austria AG, Unser Lagerhaus Warenhandelsgesellschaft m.b.H, and Bau-und Land-Entwicklungsgesellschaft Bayern GmbH.

John Wilson

B.Agr.Sc
Independent Director

Director since
April 2012

Board committees
Chairman of the Human Resources Committee

John Wilson is currently the chairman of dairy co-operative Fonterra. He is a chartered member of the Institute of Directors in New Zealand and on the Executive Board of the New Zealand China Council.

Mr Wilson lives on his farm near Te Awamutu and jointly owns a dairy farming business based near Geraldine, South Canterbury.

Michael Dossor

Dip AG
Non-independent Director

IN MEMORIAM

It was with deep sadness that the Board of Directors learned of the passing of Michael Dossor in February 2016.

Mr Dossor had an association with T&G spanning over 50 years, commencing in 1963 when he began working for Fruit Distributors, of which T&G later became the majority shareholder.

He joined the Board of Directors of T&G in 1991 as a non-independent Director, and was Managing Director from 2003 to 2005. He was also a member of the Human Resources Committee.

Mr Dossor was a hugely respected member of the Board and his contribution to the company and to the horticulture industry was well noted. He is greatly missed by his friends and colleagues at T&G.

OUR PEOPLE

2015

2015 MILESTONES

Celebrating 10 Years
32

Celebrating 20 Years
12

Celebrating 30 Years
4

Celebrating 40 Years
1

Celebrating 60 Years
1

PERMANENT EMPLOYEES

1,380

SEASONAL WORKERS

2,000+

This includes tourists, students or those interested in the seasonality of the job.

% OF PEOPLE BY LOCATION

37% Auckland

22% Hastings

12% Nelson

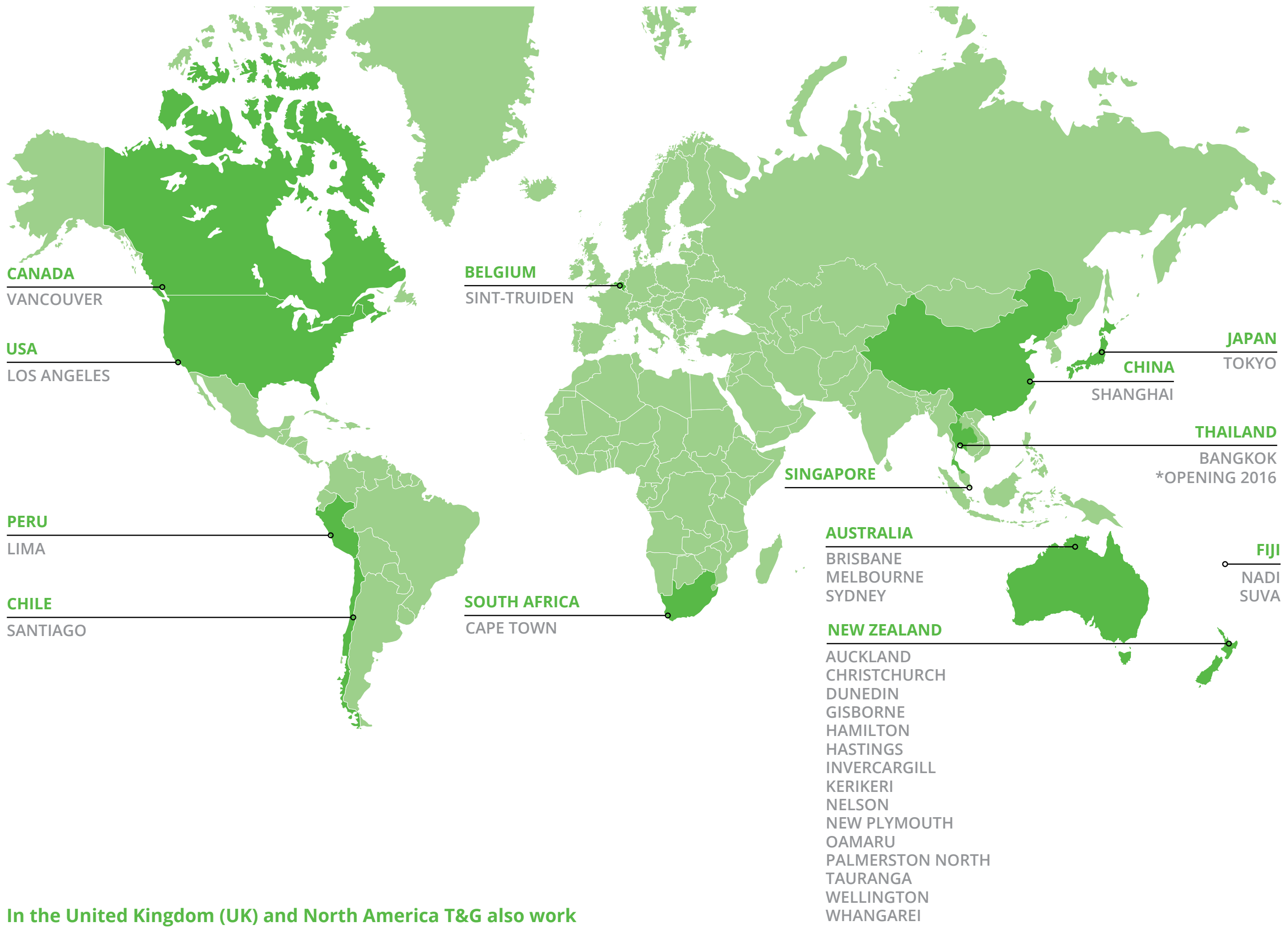
10% Kerikeri

19% Other

Deanna Muir & Frayzar Brown

T&G employees from around the world at Asiafruit Logistica

EMPLOYEE LOCATIONS



In the United Kingdom (UK) and North America T&G also work closely with Worldwide Fruit and the Oppenheimer Group (Oppy), associated entities of T&G.

SEASONAL WORKERS

The largest group of New Zealand seasonal workers are employed under the Recognised Seasonal Employer Scheme (RSE).

The RSE Scheme allows the New Zealand horticulture and viticulture industries to recruit workers from overseas, mostly from the Pacific Islands, to fill seasonal labour shortages.

The RSE scheme is an absolute success story for our industry and T&G, not only providing skilled and reliable labour, but also increased quality and production. The RSE employees are provided with increased income, knowledge and skills that would otherwise be unobtainable in their home countries. This employment income enables opportunities for business ventures (taxi service / local shops), improved housing and education for the RSE workers, their families and their communities, as well as a strong ability to contribute to their community.

PARTNERS

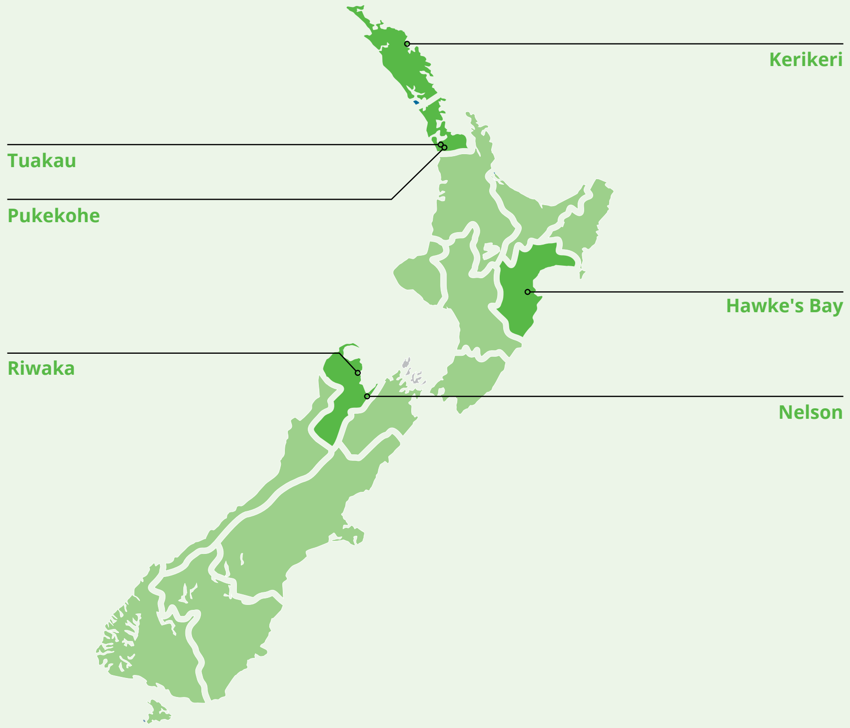
In 2015, T&G worked with Immigration New Zealand, and merged the Apollo Apples and existing T&G RSE schemes.

T&G are now one of the largest RSE employers in New Zealand.

Over 650 RSE employees come from countries such as Tonga, Samoa, Vanuatu and Kiribati to work for T&G each year.

RSE WORKER LOCATIONS

Our RSE employees work across a number of regions and T&G sites.



Of the 2,000+ seasonal employees working for T&G, approximately 650 work under the RSE Scheme.

UPSKILLING OUR PEOPLE

Literacy and numeracy

Findings from a New Zealand wide study in 2006 found that 43% of the adult workforce have less than optimal literacy skills, and 51% have less than optimal numeracy skills.

Many of the roles and functions within T&G are very hands on, so strategies to cope with any skill gaps can be implemented and, along with the support of colleagues and people leaders, many of our processes and workplace policies that rely on these skills can be communicated, interpreted and comprehended visually, or via face to face communication.

But what about more complex health and safety requirements, food safety policies, understanding the purpose, mission, mindset and strategies at T&G? This latter is a key element in feeling connected to an organisation and understanding how your role contributes towards the success of the company.

The impact of these underdeveloped abilities extends beyond the workplace and into the community. The ability to read, write and communicate effectively in English ensures accessibility to services many of us take for granted i.e. sitting your driver's license, opening a bank account or filling in paperwork for a bank loan, to name a few.

T&G has a long and established history of supporting staff who face literacy and numeracy challenges. Our most recent programme, run by Cornerstone, saw 12 of our employees take part in a five-month programme to develop skills that will enable them to experience working for T&G in a new light - and bring some relief to the challenges they face in their communities.

Our graduation class saw many of the participants speak passionately about how the programme has opened doors for them, enabled workplace relationships to improve, conflict resolution become achievable, and ultimately give them the ability to contribute more as a team member. For many, the programme has kick-started a lifelong passion for learning, career progression and a better quality of life.

Our next generation of young growers

The future of horticulture will be in the hands of those generations that follow in our footsteps. At T&G we recognise that to continue the great work we do, we need to encourage more young people within the business to get involved and improve their skills.

In 2015, we launched the T&G Pipfruit Young Grower Competition. Modelled on the external national competitions, this event was created to help support our own young growers to test their skills in their field, learn new challenges and gain confidence to enter the regional competitions.

The seven contestants tested their knowledge and skills in a number of areas including the identification of pests and diseases and use of machinery.

The competition proved to be a very useful training session, bringing out the confidence, leadership and skills in all of them. The event also brought together the different teams in Pipfruit who worked hard to create a successful day.

OUR T&G MINDSET

In 2014, we redefined our T&G company values and through a truly leader-led process we created the T&G Mindset of Grounded, Resilient, Open and Willing. This forms the acronym G.R.O.W. which reflects our collective aspirations and the future direction of our global business.

In 2015, we started our process of embedding the Mindset into everything that we do. Our first steps have been to provide visibility of the Mindset throughout the business, by creating and sharing posters of the Mindsets and personalised Mindset mugs sent to all global sites, alongside etching on glass office walls.

Our people leaders have been taking the opportunity to recognise and reinforce any positive behaviour that they see in the business and demonstrating the Mindset through discussions with their people and in communications.

In 2016 we will commence our next phase of the Mindset project and increase the understanding of what the Mindset is, what it means to people, their team and how they can demonstrate the Mindset at T&G.

> **"I have been pleased with the enthusiasm and energy our people have shown in order to make the year a successful one."**
>
> **Alastair Hulbert**
> CEO

PROTECTING OUR PEOPLE

2015

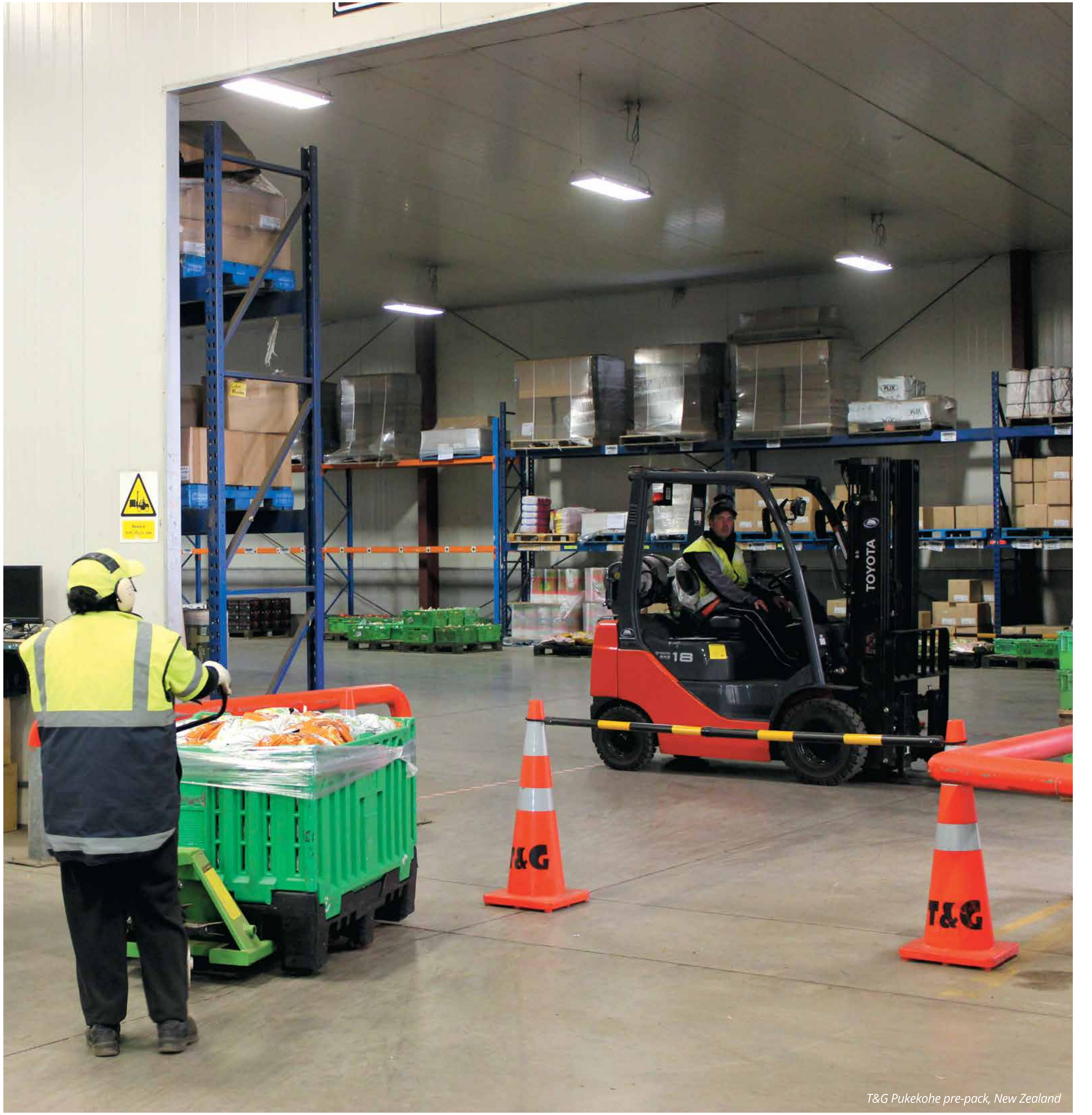
The health and safety of our people remains a high priority for T&G.

Our goal is "home without harm, everyone, everyday".

Our initiatives and focus for 2015 can be summarised as:

- **Building a strong health and safety culture;**
- **Improving traffic management;**
- **Improving inductions;**
- **Increasing the focus on hazard reporting and management; and**
- **Strengthening relationships with New Zealand regulators.**

A key issue on most New Zealand T&G sites is the interaction between people and moving vehicles. This has been reduced through significant work on the Mt Wellington, Whakatu East and Pukekohe sites.



T&G Pukekohe pre-pack, New Zealand

Mt Wellington, Auckland
Previously this site had one exit and entrance which serviced all the businesses running on site and was determined to be a high risk issue.

Trucks, cars, vans and forklifts competed for space and often conflicted with each other as they moved around the site. There were no clear pedestrian access-ways or designated walking areas. A review of the site was undertaken and significant changes were made including a new entrance/exit for cars only (staff and visitors) which means they no longer interact with trucks and forklifts on site. A fenced pedestrian walkway as well as marked pedestrian crossings have been implemented. These changes have made a significant improvement to pedestrian and vehicle safety on this site.

Whakatu East, Hastings
A review of traffic movements on this site found that having only one entrance to the site that was used by trucks, contractors, staff and visitors meant it was extremely busy and a considerable safety risk.

A plan was developed and security fencing and another entrance for staff and visitors was created providing separation from cars and heavier vehicles. A turnstile has also been put in place between the main office and the operation facilities on site ensuring only authorized persons can enter operational areas.

Pukekohe, Auckland
An audit identified forklifts were a significant hazard in the packhouse area. Management worked with staff and arrived at the simple solution to cease the use of forklifts in this area.

A staging area was created outside the production area where forklifts could safely operate and trolley jacks were introduced to move product around the packhouse. Employees have been very positive about the change, are happy to be working in a safer environment and operations are running more smoothly and efficiently.

A number of audits have been carried out across T&G in 2015, including:

- guarding audits;
- signage audits;
- general site safety audits; and
- a review by EY of T&G's framework, policies and procedures to determine the readiness of T&G for the introduction of the Health and Safety at Work Act 2015.

A number of recommendations have come from the above audits and T&G are working through the identified deficiencies and are implementing appropriate improvements to increase workplace safety and reduce risk.

Health and Safety Focus in 2016

ONGOING REVIEW AND IMPROVEMENTS of traffic management across T&G sites.

IMPROVED INDUCTIONS on all T&G sites.

Continue to **FOCUS ON HAZARDS** that could cause injury.

BUILD A STRONG HEALTH AND SAFETY CULTURE through increased worker participation.

WORK TOGETHER WITH EXTERNAL BUSINESS PARTNERS, SUPPLIERS AND CUSTOMERS to ensure health and safety across all these areas work well.

IMPROVE COMPETENCY (SKILL) TRAINING and increase frequency of reassessment / revalidation.

Continue to **STRENGTHEN RELATIONSHIPS** with regulators.

OUR COMMUNITY

2015

SUPPORTING OUR COMMUNITIES

Education, Eating and Exercise

In 2012 the T&G Community Programme was created with the help of our employees. When asked the question "what should our company support in the community?" the overwhelming response was children and nutrition.

Alongside children and nutrition the programme supports the horticultural industry through education and encourages an active healthy life through exercise.

EDUCATION

EATING

EXERCISE

EDUCATION

Help Them Hope project

In Peru, South America, T&G has supported the 'Help Them Hope' charity for the past five years through our local office. The charity aims to empower disadvantaged youth and children with disabilities by providing support with education, career guidance and independent living opportunities they would not ordinarily have access to.

In addition T&G supplies local teams with football kit for tournaments, giving children in this football loving country the chance to have fun.

Scholarships helping to support research and future horticulturalists

In New Zealand, T&G has a long history with Massey University and each year offer both undergraduate and postgraduate scholarships to horticulture students of a high academic caliber. The scholarships provide students with the education and training they need to support the sustainable development of the New Zealand horticulture industry.

This growing relationship has seen a record number of students actively looking for opportunities to work for T&G this year, with several selected for summer holiday work.

EATING

Creating a passion for produce in school

The Garden to Table Programme teaches children to grow, harvest, prepare and share fresh, seasonal food. The programme was created in Australia and has since spread across to New Zealand.

In 2014, T&G created a partnership with the Garden to Table Trust and started supporting two schools - Flat Bush Primary in South Auckland and Kerikeri Primary School in the Northland Region of New Zealand.

This year T&G has taken on board a further three schools; Victory Primary School in Nelson, Ruakaka Primary School in Whangarei and Haumoana Primary School in Hastings.

Fruit in Schools

The Fruit in Schools Programme is a government-funded initiative that focuses on low-decile / high-needs schools by providing fruit to children that may ordinarily miss out.

Working with industry group United Fresh, T&G participates in the Fruit in Schools programme, providing produce to approximately 480 schools in 21 regions around New Zealand and feeding over 110,000 children.

EXERCISE

Helping nurture the next David Beckham and Wayne Rooney

In the UK, the Jazz™ Apple Foundation recognises groups and individuals who support the future generations with activities involving healthy eating and physical exercise. In 2015, one recipient of an award was the Dawes Hernhill Herons Football club in Kent. Through the award the club was able to buy new equipment and continues to provide a safe and supportive environment for children to learn about football and take part in organised matches.

Supporting the local community in New Zealand

With New Zealand being the third worst country in the OECD for child obesity, T&G is determined to play its part by encouraging the youth to lead a healthier lifestyle. In the Northland region of New Zealand, T&G is one of the largest employers and has a strong relationship with the local Kerikeri High School. Over the years our support has helped them with new training equipment for the school's rugby, football and netball teams.

T&G also sponsors the Kerikeri High School Business Award which is given to a high achieving student who also shows strong community spirit. This ongoing partnership with Kerikeri High School strengthens T&G relationship with both the school and the local community of which approximately 10% of T&G workforce are based.

Teaching survival skills

Every year nearly 100 children and adults drown in New Zealand waters and pools. With New Zealand surrounded by water, learning to swim is not only a healthy pastime but is a foundation life skill that can save lives.

T&G supports a local Auckland swimming club to give children the opportunity to improve their swimming skills, an opportunity that many of the young swimmers' families would not have been able to afford on their own.

Health and nutrition events

T&G staff are passionate about getting out there and leading a healthy lifestyle by participating in a variety of health and nutrition events as well as attending fundraisers supporting their own worthy causes in the community.

This year has seen many employees involved in a number of initiatives to help make a difference in the lives of those who need it the most. They have also participated in competitive and family orientated events including fun runs, marathons, cycling, swimming, and walking activities.

BUSINESS DIVISIONS

2015

PIPFRUIT

Revenue NZ$	Operating profit / (loss)*
$299.8m	$32.0m

INTERNATIONAL PRODUCE

Revenue NZ$	Operating profit / (loss)*
$205.7m	$2.3m

NEW ZEALAND PRODUCE

Revenue NZ$	Operating profit / (loss)*
$211.6m	$4.1m

PROCESSED FOODS

Revenue NZ$	Operating profit / (loss)*
$90.1m	$0.1m

OTHER

Revenue NZ$	Operating profit / (loss)*
$5.6m	($8.3m)

*Before net financing expenses, tax and the share of profit of joint ventures and associates

Envy™ growers in Times Square, New York

T&G GROUP FINANCIAL SUMMARY

HARALD HAMSTER
Chief Financial Officer

T&G Global Limited and its subsidiary companies ("T&G" or "the Group") are pleased to announce a profit after tax of $19.5 million for the year ended 31 December 2015.

During the year, the Group early adopted the amendments to the International Financial Reporting Standards for Agriculture (NZ IAS 41) and Property, Plant and Equipment (NZ IAS 16). These amendments have resulted in restatements of prior year comparatives and have changed certain balances in the income statement and balance sheet including operating profit and profit after income tax.

The commentary below refers to the restated 2014 balances as comparisons. Further details on the restatement are available in note 14 to the financial statements.

Strong revenue and operating profit growth in 2015
Operating profit for the year is $30.2 million, an increase of 52% on last year. This profit improvement is mainly due to revenue growth exceeding the increase in operating expenses from strong performances of T&G's existing business units and new business additions.

T&G's revenues increased strongly in 2015, up by 12% or $85.7 million on last year. This was largely due to a full year of trading from Apollo Apples, which was acquired towards the end of 2014, and the consolidation of T&G Vizzarri Farms Pty Limited, a joint venture previously known as Delica Pty Limited, due to a change of control resulting from a new shareholders' agreement. Also contributing to increased revenue were the acquisitions of Great Lake Tomatoes Limited and Rianto Limited during the year. Together these new additions contributed $63.4 million of revenue to the Group with the majority of the remaining increase attributable to higher volumes and prices in the pipfruit business, an expansion of markets in the trading of table grapes, improved revenue and commission income domestically from other operations, further growth in imports into Australia, and diversified produce exports from New Zealand to Australasia.

The growth in operating profit was mainly attributable to the Pipfruit division. The expanded hectares of T&G's own production combined with favourable market conditions translated into higher earnings on T&G owned orchards. Additionally EnzaFoods, T&G's apple juice concentrate and apple solids producer, improved its operation and contributed positively to the Group's operating profit by reducing its cost of production substantially. The trading entities in New Zealand and offshore also kept their trading margins stable which, with increased trading volumes, resulted in significantly higher operating profit than 2014.

Operating costs increased by 9% on last year, with depreciation and amortisation costs up approximately $4.0 million mainly due to prior year acquisition of Apollo Apples increasing the asset base. Employee costs increased by 30% principally from the newly acquired pipfruit and tomato businesses. These are fully integrated growing and packing businesses resulting in more labour intensive activities than the existing T&G operations. Aside from an inflationary adjustment, the higher employee costs were a result of increased resources to service the growth in market share for T&G's transport and hire crates businesses, further investments in China and North America, and restructure of some areas of the business to align with T&G's strategy.

Overall, excluding the business acquisitions, operating costs for the Group have been maintained at similar levels to last year.

Profit after income tax
The combination of an outstanding performance in the Pipfruit division and substantial improvements in all other operating segments resulted in a profit after income tax of $19.5 million for 2015, up on 2014 by 83% or $8.8 million.

The increase in operating profit was partially offset by an increase in financing expenses. Additional finance costs arose as a consequence of the Group's growth strategy including recent acquisitions of pipfruit, tomato and asparagus businesses. In addition, T&G executed a comprehensive capital expenditure programme that focused on improving existing facilities to enhance competitiveness both domestically and globally.

Increased volumes and better pricing for pipfruit
The Pipfruit division has benefited from increased volumes in its owned growing operations since the acquisition of Apollo Apples in late 2014. T&G's partner growers also experienced increased volumes of Jazz™, Envy™ and Pacific Rose™ apples in the Northern Hemisphere, with Washington State (USA) having a record crop in 2015. Consequently, higher royalty income has arisen from T&G's plant variety rights (PVRs) for domestic and export sales in North America. Despite large hail storms hitting all major growing regions earlier in the year, New Zealand volumes (excluding Apollo Apples) were maintained at similar levels to 2014.

The European market continued to be challenging due to the ongoing ban of European fruit exports into Russia resulting in an oversupply in continental Europe which led to low apple prices. Despite the downward pressure on apple prices, T&G's New Zealand grown Jazz™ apples have been sold at record prices, reaching the highest price since introduction to the European market. Furthermore, the continuing success of Jazz™ in the United Kingdom boosted sales by 25% compared to the same period last year.

Sales into Asia have progressed in 2015 with Envy™ being a clear favourite of the Asian markets. As a result Envy™ has generated record returns for our partner growers and T&G's owned orchards, and looks set to continue being the star performer for both T&G and partner growers.

These successes in the pipfruit operation have increased T&G's operating profit as well as contributed to the joint ventures and associates' success, with Group's share of their profit up by 58%, or $2.3 million on last year.

Trading divisions gaining momentum
2015 also proved to be a successful year for the International Produce division mainly due to increased volumes and better margins resulting from improved global trading of table grapes and asparagus. Further export growth in the Pacific region, mainly Australia and Fiji also contributed favourably.

Substantial financial improvements were made in the New Zealand Produce division from the strong trading of citrus, apples and root-crop categories while the service operations, transport and hire crates, performed above expectations. Covered crops encountered challenging production conditions in 2015, however the impact was lessened by a good start into the summer season at the beginning of 2015.

T&G's flower auction business also improved its operating results significantly due to steadily regaining market share that was lost in previous years.

Processed Foods division
The Processed Foods division has rebounded after a difficult year in 2014 that saw low volumes and low prices. Increased volumes coupled with vastly improved efficiencies in the processing plants have contributed to a substantially improved result for the division this year. The trading arm of the division, Fruitmark, successfully maintained market share in Australia and opened two new offices with one in New Zealand and one in Washington State (USA). The combined operating results from the new offices have exceeded expectations, with strong growth prospects for 2016.

Solid financial position
Total net assets for the Group as at 31 December 2015 have increased by $44.0 million when compared to the same period in 2014. The three main contributors to the increase are a $34.7 million gain on asset revaluations before tax, $20.1 million of asset additions and $15.2 million of intangible assets recognised as a result of the business acquisitions, and $8.3 million of net asset additions from continued operations.

These increases are offset mainly by an increase in borrowings of $39.1 million to fund the acquisitions. Share capital also increased by $5.2 million this year as a result of a dividend reinvestment plan.

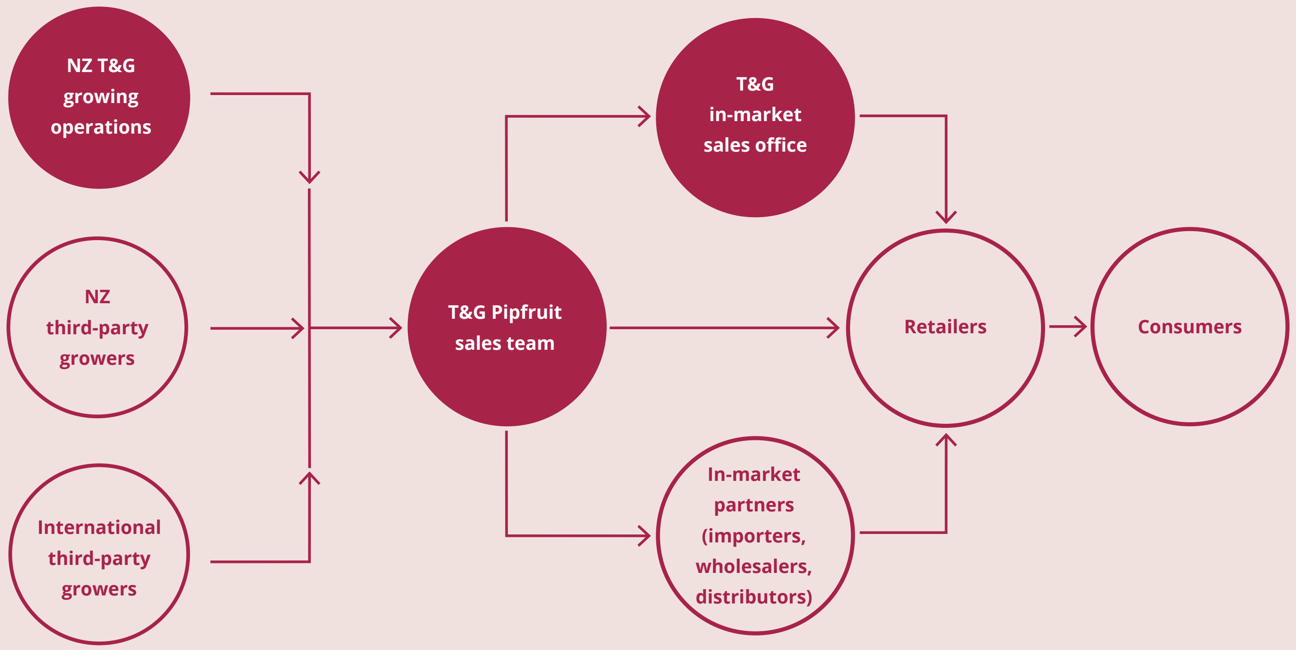
A stronger net asset position has seen the net tangible asset per share increasing from $2.27 per share to $2.47 per share. Earnings per share also significantly improved from 8.4 cents per share in 2014 to 15.4 cents per share in 2015.

PIPFRUIT

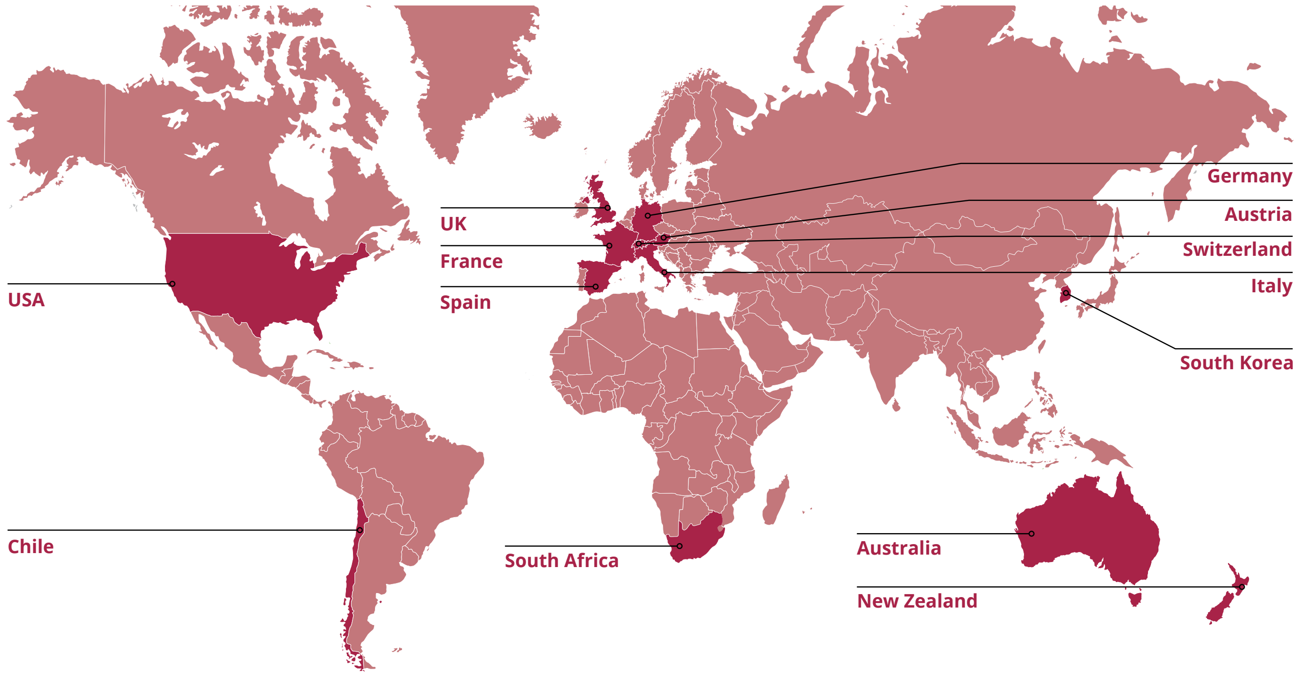
DARREN DRURY
Executive General Manager Pipfruit

The T&G Pipfruit division is the largest vertically integrated category at T&G. Accounting for 37% of T&G's total revenue, it comprises the growing, packing, coolstorage, distribution and marketing of apples and pears. T&G is the largest New Zealand exporter of apples, representing just under one third of the national crop.

T&G PIPFRUIT SUPPLY AND DISTRIBUTION



T&G GLOBAL GROWING OPERATIONS – PIPFRUIT



T&G currently markets 10 million cartons of apples globally and aims to increase this volume to 20 million cartons by 2020.

The New Zealand business consolidates approximately 6 million cartons of pipfruit, 70% of which comes from third-party growers.

T&G Pipfruit licenses partners to grow 4 million cartons of apples outside of New Zealand focusing on Jazz™, Envy™ and Pacific Rose™ varieties.

T&G owns the exclusive licensing rights to market Jazz™, Envy™ and Pacific Rose™ varieties.

Jazz™ flowering in Loire Valley, France

T&G's global growing network consists of owned operations, leased land and third-party growers.

Enza + Apollo + Delica = T&G Pipfruit
In 2015, a key focus for T&G was on the integration of the new acquisition Apollo Apples Limited with the existing pipfruit businesses Enza International and the Delica pipfruit trading team.

The integration into T&G Pipfruit has seen the delivery of benefits across the combined business including the sharing of skills, knowledge and resources as well as financial benefits delivered, either directly to T&G, or to our packers and growers.

Introducing a global operating model
With the integration underway it was timely to also consider a new operating model that would utilise the strengths of both businesses and take into consideration the global growth underway. Working with all levels of the business, the new operating model will ensure we have the best people, in appropriate roles, growing quality produce and creating opportunities for better returns for the business and our growers.

Improved market access
Gaining access to markets can be a challenge for any primary producer. In 2015 T&G Pipfruit created improved access through operational solutions to difficult protocols. This included markets in Australia, India, Indonesia, Japan, China, Thailand, Malaysia, Myanmar and Taiwan. Building on these market relationships will be a focus for 2016.

Increasing global Jazz™ and Envy™ planting
Jazz™ and Envy™ apples are core varieties for T&G with high consumer demand around the world. In 2015, to meet the increasing demand, T&G planted approximately 500 additional hectares globally with most plantings in New Zealand, United States and Europe.

T&G WORKS WITH THE BEST IN-MARKET PARTNERS IN THE WORLD INCLUDING:

Worldwide Fruit (50% shareholding) in the United Kingdom. + **Enza Fruit New Zealand (Continent) NV a T&G-owned subsidiary in Europe.** + **The Oppenheimer Group (Oppy) in North America (15% shareholding).** + **T&G Global offices, marketing to other areas of the globe.**

T&G has offices in 13 countries around the world providing in-market support for customers and growers. In Europe, UK and North America, T&G works with market partners who support T&G branded products in those regions.

United Kingdom
Over the years Worldwide Fruit has received awards for their work in the produce industry and 2015 was no exception.

The Food Manufacture Excellence awards recognise companies that have displayed progress and achievements through their manufacturing processes in a competitive and fast-moving industry.

Worldwide Fruit was awarded '2015 Chilled, Fresh & Dairy Manufacturing Company of the Year', and Amber Wild won the '2015 Young Talent of the Year' award.

These are significant achievements for Worldwide Fruit and highlight T&G's relationship with strong market partners in the fresh produce industry.

North America
In 2015 Oppy ran a strong social media campaign alongside key events in the region including in-store displays, in-store grower sampling, consumer events, radio advertising and other marketing activity to promote Jazz™ and Envy™.

One notable promotion was the Envy™ billboard in Times Square New York (see page 29 for the photo). Running through New Year's Eve, the billboard was in a prime location to an audience of one million people gathered for the New Year's celebrations. Other Envy™ billboards were placed in various U.S. Midwestern markets, including Chicago and Kansas City, in prime locations near supportive retailers.

Other events involving growers were also successful at connecting consumers with passionate growers who shared their love and knowledge of the product.

Europe
In 2015 the EnzaFruit team collaborated with growers to launch FRUITENZ – a French Jazz™ grower committee.

The purpose of FRUITENZ is to support marketing development for Jazz™ in the French domestic market.

The EnzaFruit team has been working closely with the committee to strengthen relationships and create a positive, productive environment for both the growers and our business.

The team also played a key role during a visit by the New Zealand Ambassador to France, Dr James Kember.

Ambassador Kember took the opportunity to officially plant a Jazz™ Apple tree – the 1.3 millionth to be planted - as well as head into a block on the orchard and pick fruit.

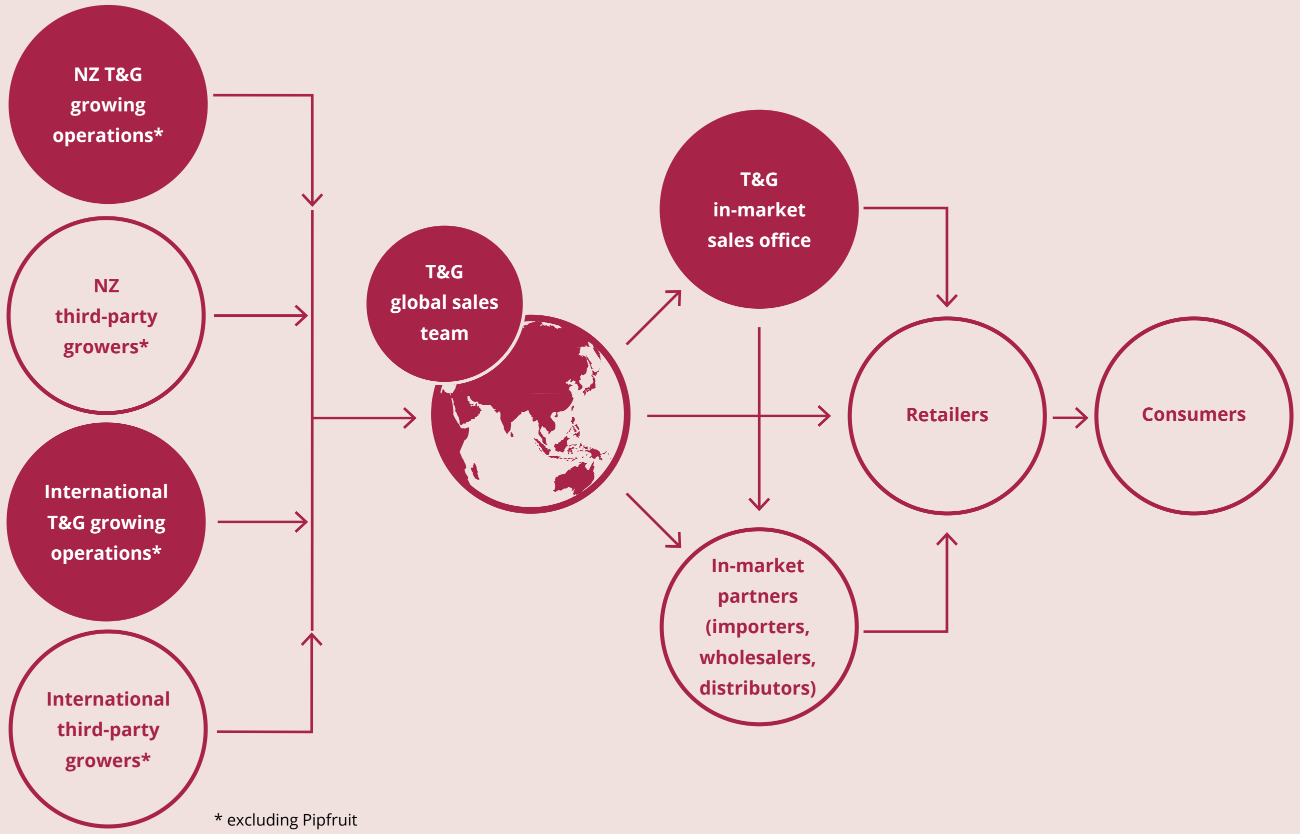
Left to right – Patrick Tessier (President of the French association of producers of Jazz ™), Marc Leprince (T&G Manager for Enza Europe), Dr James Kember (NZ Ambassador to France).

INTERNATIONAL PRODUCE

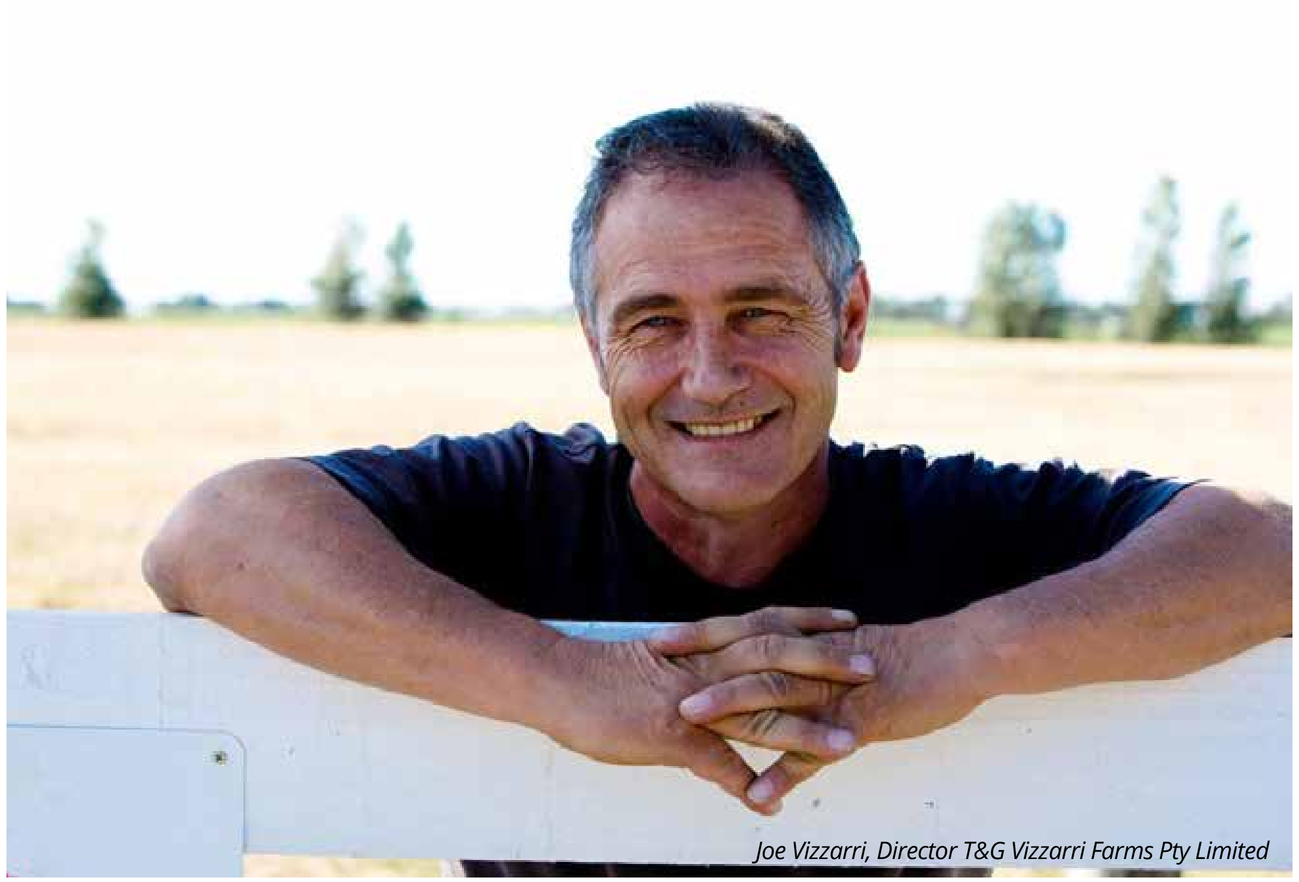
Sarah McCormack
Executive General Manager International

The International Produce division includes growing operations for asparagus, table grapes and kiwifruit, and a strong network of global sales teams that focus on creating opportunities for greater in-market presence.

T&G INTERNATIONAL PRODUCE SUPPLY AND DISTRIBUTION



* excluding Pipfruit



Joe Vizzarri, Director T&G Vizzarri Farms Pty Limited

ASPARAGUS

Seasonal asparagus is sourced from Australia, Mexico and Peru	T&G trades over 5,000 tonnes of asparagus each year.	T&G offices in USA and Peru are key suppliers to Vizzarri's asparagus program.	T&G supply customers in Australia and Asia with fresh asparagus 365 days a year.

Asparagus

In July 2015, T&G officially made asparagus a new key category alongside pipfruit, covered crops, citrus, kiwifruit and grapes. By strengthening a two decade partnership with Australian grower M&G Vizzarri Pty Limited and creating T&G Vizzarri Farms Pty Limited, the business is now the largest exporter of Australian asparagus.

During 2015, the asparagus season has been positive with export volumes up around 30% on 2014. This increase is in line with the strong focus on growth for this category and an aim to market approximately 4,000 tonnes of Australian product and 1,200 tonnes of traded asparagus.

Table Grapes

T&G has been working in Peru since 2003 in a trading capacity, however in 2014 a major new step was taken by T&G to become more vertically integrated in the table grape business, purchasing 340 hectares of land for the production and export of table grapes from Peru.

T&G has 15 full-time staff based in the Lima office who oversee the project and focus on developing and cultivating new table grape varieties for all markets, in particular Asia where table grape consumption continues to grow.

- T&G trade table grapes for 12 months of the year.
- Key sourcing regions include Peru, Chile, Australia, South Africa and more recently North America and Mexico.
- T&G trades approximately 1.5 million boxes of table grapes across the group (8.2kg box equivalents) with the largest volumes from Peru and Australia.
- Main markets for the fruit are in Asia with China, Hong Kong, Thailand, Vietnam, Indonesia and South Korea accounting for the majority of sales.

The first stage of planting nearly 50 hectares was completed in 2015 and another 150 hectares is planned to be planted in 2016. The eagerly anticipated first commercial production is scheduled for late 2017.

Kiwifruit

T&G has had a longstanding connection to the kiwifruit industry in New Zealand. In 1959 T&G coined the phrase 'kiwifruit' to describe the Chinese gooseberry. The term is now used globally.

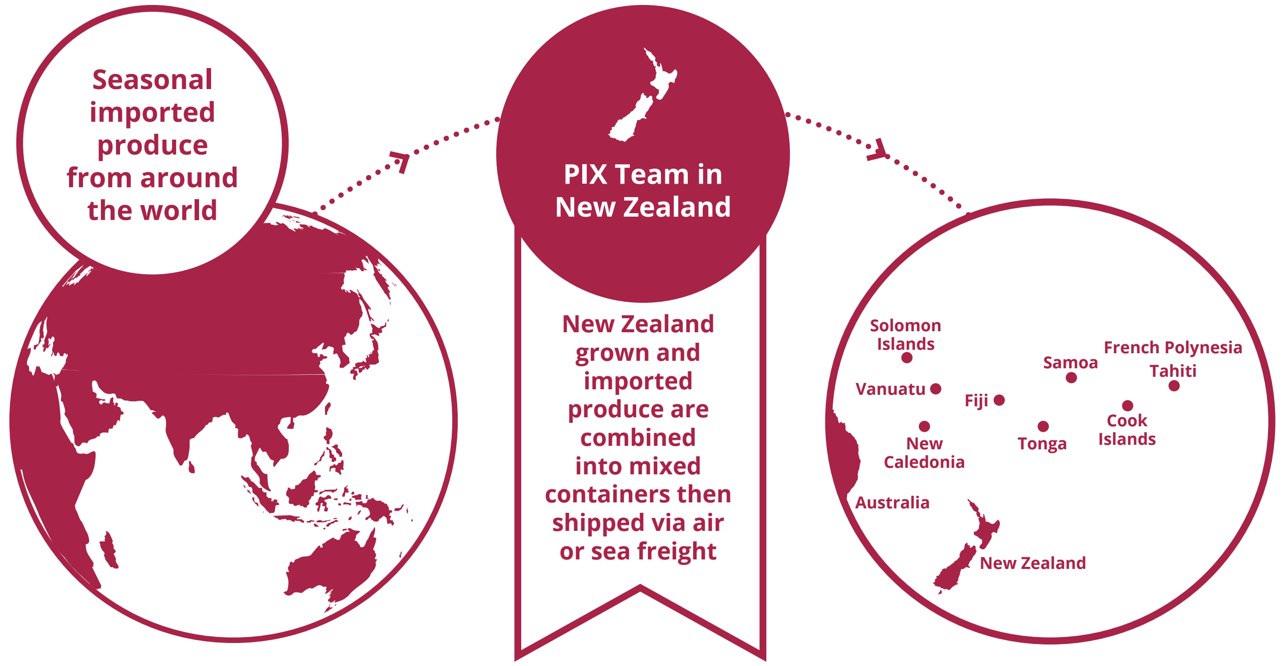
With nearly 100 hectares of orchards in the Northland region of New Zealand, T&G grow a mix of varieties including Hayward, Zespri Sun Gold, EnzaGold™ and EnzaRed™.

T&G owns the trademarks for EnzaGold™ and EnzaRed™ which are grown and licensed around the world in countries such as New Zealand, Chile, South Korea, France, Italy and Australia.

2015 has been a challenging year for kiwifruit. The bacterial vine disease PSA has resulted in a lower harvest than budgeted, while competing in an oversupplied Australian fruit market, resulting in lower returns.

Over the 2015 winter, considerable orchard redevelopment was undertaken, including converting the PSA susceptible Hort16a variety, replacing aging structures, completing new orchards, and installing protective canopies on selected blocks. While these developments will result in an unproductive period as new canopies develop, the orchards are well positioned for long term health and success.

PACIFIC ISLAND EXPORTS (PIX) - SUPPLY & DISTRIBUTION



International Trading

T&G has a dedicated team of global traders who are focused on moving quality produce around the world to meet customer and consumer demand. With employees located in New Zealand, Australia, North America, South America, South Africa, Fiji, Singapore, Japan and China; T&G is well positioned to offer a valuable global service.

T&G trade in a range of products including asparagus, citrus, grapes, stonefruit, berryfruit and kiwifruit.

The Pacific Islands business is made up of T&G Fiji and T&G Pacific Islands Exports (PIX).

In the Pacific Islands the demand for fresh produce is different to markets with larger populations. In order to meet the varied demand for small amounts of produce, T&G PIX work with the T&G Imports team to source produce.

Produce comes into New Zealand from Australia, USA, Ecuador, Peru, Chile, Mexico, India and China. It is then repacked and sent out to Fiji, Tonga, Samoa, Cook Islands, American Samoa, Papua New Guinea, Solomon Islands, New Caledonia, Tahiti, Nuie and Vanuatu as mixed containers.

In September 2015, T&G officially announced the rebrand of international subsidiary business Delica Limited to T&G Global. The rebrand of the Delica business is part of a wider strategic alignment of T&G businesses and will ultimately provide a strong platform for T&G customers using the same people, same service and same culture all under the T&G brand.

With a solid reputation in the international produce trading business, global sales revenue has increased significantly in the past few years and looks set to continue its growth. In particular the new office in China which was established in 2014, will increase the support in an important market.

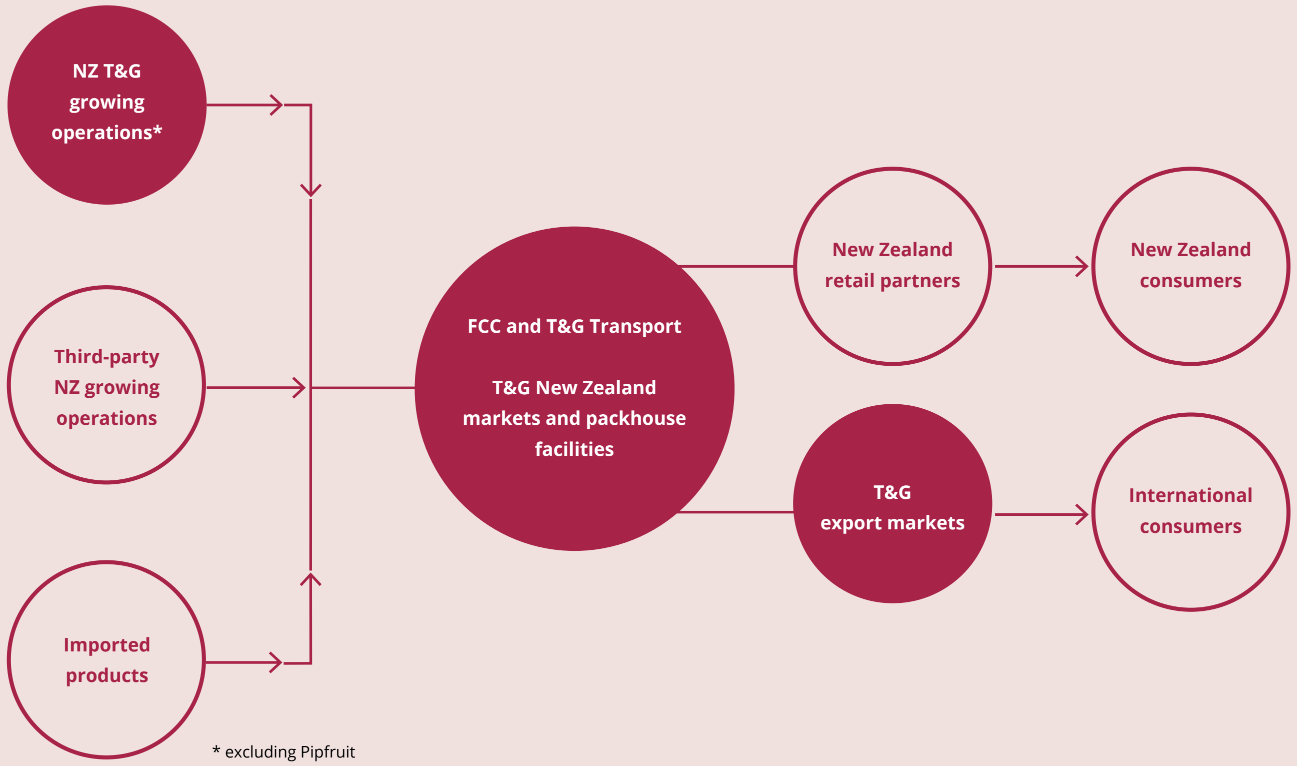
During 2015, T&G created a new partnership with Zespri to leverage the expected growth in the Southeast Asian region. Under a collaborative marketing agreement signed in February 2016, T&G will market all of Zespri's kiwifruit into Thailand, Cambodia, Myanmar and Laos. To support and represent the sales and marketing activities of both businesses, T&G is opening an office in Thailand in 2016.

NEW ZEALAND PRODUCE

Andrew Keaney
Executive General Manager New Zealand Produce

T&G has grown and marketed produce in New Zealand since 1897 with the New Zealand Produce division covering a range of business teams including: growing operations for covered crops, citrus, national wholesale markets, imports, transport and FCC.

T&G PRODUCE SUPPLY & DISTRIBUTION



* excluding Pipfruit

COVERED CROPS

In New Zealand, T&G is the single largest glasshouse grower with 28.5 hectares of owned production.

T&G produce on average 13 million kilograms of tomatoes per year representing around 33% of New Zealand's tomato supply.

CITRUS

With over 150 hectares in plantings of lemons, mandarins and navel oranges;

T&G is the largest single citrus grower in the country.

NEW ZEALAND MARKETS

T&G has the most extensive network of sites in New Zealand, with market sites packhouse facilities operating seven days a week.

13
market sites

Covered Crops
T&G Covered Crops encompasses produce grown in glasshouses, namely tomatoes, cucumbers and capsicums. In New Zealand, T&G is the single largest glasshouse grower with 28.5 hectares of owned production.

Alongside strong relationships with retail partners and third-party growers, the T&G Covered Crops operation grows, packs, distributes and markets produce throughout New Zealand and exports to markets in Asia, North America and Australia.

T&G is a key supplier for supermarket own-brand offerings as well as marketing leading brands that include Beekist™, Ruby's™ and Classic.

In 2015 the New Zealand Overseas Investment Office (OIO) granted consent for the acquisitions of Great Lake Tomatoes Limited and Rianto Limited. Both acquisitions increased T&G's owned production by 8.1 hectares and will help grow this strategic key category into 2016 and beyond.

Citrus
New Zealand has two key citrus growing regions in Gisborne and Kerikeri. With over 150 hectares in plantings of lemons, mandarins and navel oranges; T&G is the largest single citrus grower in the country. Working with major retail partners and third-party growers, the T&G Citrus operation grows, packs, distributes, markets and exports fresh citrus to Australia, Japan, China and other emerging Asian markets.

During the off-season T&G imports citrus from the USA and Australia to service New Zealand customers when the local supply is out of season.

In 2015 T&G Citrus focused on improvements to crop management which in turn led to an increase in yields. This success will continue into 2016 with an increased emphasis on quality and consumer demand.

New Zealand Markets
T&G has the most extensive network of sites in New Zealand, with 13 market sites, operating seven days a week.

Being innovative and creative with a focus on continuous improvement has been a key consideration for 2015 as well as extensive research which has been undertaken looking at the entire market chain. Alongside our current offering of online grower access to real time sales pricing and accounts information, 2016 will continue to look at improvements involving new innovations in customer service as well as considering global trends in this highly competitive market.

Launch of the new Beekist range in December 2015, Y.E.L.O.™ launched on 16th February 2016

New Beekist truck

IMPORTS

T&G has been importing bananas since the 1960s. New Zealand has one of the highest per capita consumption in the world.

TRANSPORT

T&G has more than 55 transport trucks servicing all major New Zealand routes from Kaitaia in the north to Invercargill in the south.

FCC (FRUIT CASE COMPANY)

FCC has 14 depots nationwide and over 10 million crates are issued per year.

Imports

T&G imports a range of products to cover counter-seasonal demand and for produce not grown in New Zealand. Utilising a strong global network of T&G offices, international supply partners are linked with T&G New Zealand customers, providing produce offerings 12 months of the year.

T&G imports tropical fruit including pineapples, mangoes and bananas. Bananas are shipped to New Zealand on a weekly basis then ripened in state of the art on-site facilities in Auckland, Wellington and Christchurch.

In 2015 T&G entered into an exclusive sales and distribution partnership with All Good Bananas, a 100% New Zealand-owned and operated business who work with organic and Fairtrade banana farmers in Ecuador. The new partnership allows All Good Bananas the ability to reach more customers throughout New Zealand and for T&G to be able to offer customers and consumers more choice and an expanded range of Fairtrade produce.

Transport

T&G has more than 55 transport trucks servicing all major New Zealand routes from Kaitaia in the north to Invercargill in the south.

In 2015 T&G invested in 14 new truck and trailer units which improves its service level to customers and increases network carrying capacity while reducing reliance on other transport companies. With different combinations, the new truck and trailer units can carry up to 55 tonnes. The new units come with the latest technology and will see produce delivered to customers and consumers to a high standard of quality.

FCC (Fruit Case Company)

FCC supplies the New Zealand produce industry with crates, pallets and bins, for packaging, storing, transporting, and displaying of fresh produce.

FCC has 14 depots nationwide and over 10 million crates are issued per year.

In May 2015, FCC moved operations from a leased property alongside the Mt Wellington operations to a building on the T&G site. This move required extensive renovations of the existing building which formerly housed T&G Transport. The new site allows for an improved flow of product through the crate wash operation and significantly upgrades the FCC infrastructure.

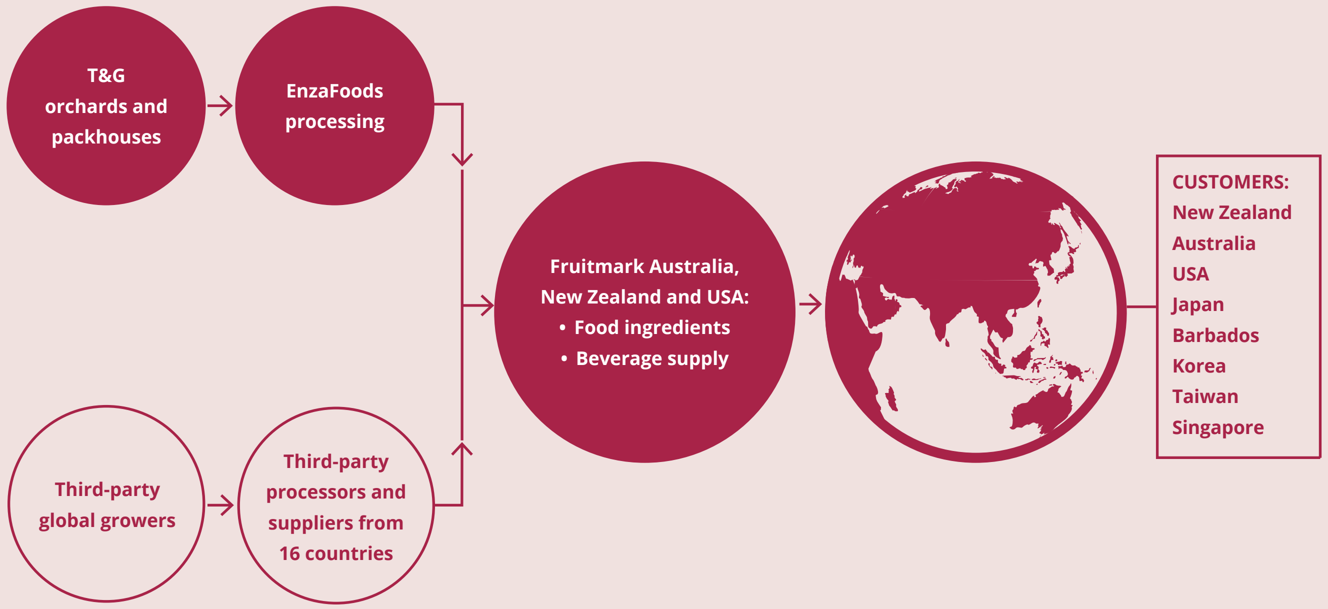
PROCESSED FOODS

Colin Lyford
General Manager Processed Foods

The Processed Foods division comprises of two businesses – Fruitmark and EnzaFoods – with a category and customer focus specialising in the industrial and food service sectors.

Fruit juice concentrates, frozen fruits, dried fruits and vegetables, long shelf life apple solids packed in pouches and fresh cut vegetables are sold and traded to large volume customers – increasing the total return per hectare that growers can extract from a crop.

T&G PROCESSED FOODS SUPPLY AND DISTRIBUTION



FRUITMARK

PROCESSED FRUIT PRODUCTS SOLD AS A MANUFACTURER'S REPRESENTATIVE INCLUDE:

Apple, orange and many other fruit juice concentrates to the fruit based beverage industry.

Dehydrated fruits and vegetables to the breakfast cereal, food manufacturing and food service markets.

Apple solids to the bakery, food manufacturing and food service markets.

Frozen fruits to food manufacturing and food service markets.

Australian fresh cut vegetables to major Australian quick service restaurant chains.

Fruitmark

Fruitmark Pty Limited began trading in Australia in 1990 as an agent for EnzaFoods juice concentrates and apple solid products. Today the business has diversified to become an importer and trader of food ingredients working with both EnzaFoods and third party suppliers.

In 2015, two additional businesses, Fruitmark NZ Limited and Fruitmark USA Inc., were opened to strengthen in-market support with key customers in those regions. With a strong industry reputation and an experienced team of traders, Fruitmark has a mixed portfolio of products ensuring they are relevant to a widespread of customers and product sectors.

In 2015, despite downward market pressure in Australia, Fruitmark has held its place, has grown market share, and increased distributorship products. Additionally, Fruitmark has begun the global expansion of its operating model, by opening trading offices in New Zealand and in Seattle, USA.

The business is expected to produce a further increase in contribution in 2016, while expanding the market focus for EnzaFoods fruit solids exports.

ENZAFOODS

EMPLOYS APPROX 120 FULL-TIME STAFF IN NEW ZEALAND

LOCATIONS

EnzaFoods has two processing plants located in Hastings and Nelson.

PRODUCTS OFFERED

EnzaFoods processes apples into apple juice concentrate for beverages, and apple solids for the baking and industrial food segment (sold in 275 kilogram, 1 tonne and 20 tonne format).

EnzaFoods has packing capability for Small Format Pouches (SFP), and contract-pack food products for a number of large retail suppliers.

EnzaFoods processes a large volume of other fruit and vegetables to customer specification, producing a range of concentrates, purees, cooked fruit, vegetable solids and aroma for the global market.

EnzaFoods

EnzaFoods New Zealand Limited has been in operation since 1962 and, with an experienced team across two New Zealand locations, is a market-leading, vertically-integrated fruit ingredient and fruit and vegetable juice producer. The business is involved in processing, marketing and distribution of fruit and vegetable products with a focus on value-added products. EnzaFoods also operates a contract packing and processing operation that produces quality products for customers.

In 2015, EnzaFoods factories have completed a very large volume year within a much tighter operating period. A continuous improvement methodology has been adopted enabling crop processing to be completed two months faster than in previous years, resulting in lower product costs and improved profitability. Additionally, there has been a significant focus on plant improvement and further capital improvements that will see EnzaFoods achieving target costing models by 2016.

OTHER

Floramax
Flowers have been a part of T&G for over 70 years with Floramax one of New Zealand's largest specialist flower auction companies.

Floramax auctions are held in Auckland and Christchurch with the Auckland site utilising an advanced auction clock based on the Dutch auction system. Floramax also offers an online bidding system for customers looking to purchase remotely from their home or business.

In 2006, with support from the floral industry and funded by a percentage fee from both suppliers and buyers, the 'Flowers work wonders' campaign was launched to increase sales and promote the purchase of floral products to the New Zealand public. Managed by the Floramax team, the campaign utilises advertising opportunities across radio, print and social media to drive future sales growth for the floral industry.

During 2015, Floramax focused on increasing interest in online bidding, enabling buyers the flexibility to bid from anywhere they choose. With a stable auction system and an upgrade of equipment, the year has seen a steady growth and management focus on efficient operational performance for the benefit of its customers.

With the increased availability of cheap online gifts, the 'Flowers work wonders' campaign has helped promote the positive emotion conveyed with the gift of flowers and will continue this targeted campaign for 2016.

Property
T&G has been heavily involved in the horticulture industry for over 118 years and during that period has leased, owned and divested properties depending on business growth and strategic direction. The property team is responsible for the management, acquisition and disposal of T&G's leased and owned properties nationwide.

The focus for the property team in 2015 involved the property acquisitions of Rianto Limited and Great Lake Tomatoes Limited. In addition particular attention was given to site upgrades at both Mt Wellington and Hastings sites to improve traffic flow and health and safety.

Marketing & Communications
The global Marketing & Communications team is the consumer champion for T&G, maximising the value of the fantastic T&G product brands and the corporate brand around the world.

Working closely with various T&G business teams and market partners around the world, Marketing & Communications ensures the brands and produce are presented in the best possible light. Consideration is given to the long term vision to ensure sustainable growth of the brands and business, while aligning with customers' ambitions and consumer demand.

The team also supports the various community initiatives focusing on encouraging healthy eating and exercise in children, including the Garden to Table initiative and programmes like Fruit in Schools and 5+ a day.

2015 saw the rollout of the T&G rebranding project, as well as a number of key marketing programmes across our strategic Jazz™ and Envy™ brands. In the US and Canadian markets, the Envy™ 'Bite & Believe' outdoor billboard and digital campaign was launched, supported by a strong in-store sampling programme.

In New Zealand, the Beekist™ brand was successfully refreshed and relaunched around a focused range of tomato products. New initiatives are currently in the planning stages.

2016 will be an exciting year with continued emphasis on building the T&G business brand, with a focus on being open and engaging with staff, stakeholders and customers. New innovative marketing and communication technologies will also be explored to tap into consumer demand in important markets such as the USA, Canada, the UK, Europe, China, and Thailand as well as new emerging markets in Southeast Asia.

Most importantly the team will be creating a picture of who target consumers are by market, where they are shopping, and how and why they are consuming fresh produce. This research will lead us to create targeted marketing programmes that support customers to grow their businesses, and build brand value in the consumers' mind.

Finance
T&G has finance professionals located around the world. These teams are responsible for management reporting, budgeting, and supporting the day-to-day operations of the business.

A centralised finance team located in Auckland is responsible for financial accounting and external reporting as well as providing shared services functions such as accounts receivable and accounts payable for T&G. Together with the finance personnel across different offices, they supply accurate, timely and transparent financial information to the business. The team is also an integral part of the year-end audit and annual report preparation process.

In 2015, the finance team successfully integrated T&G's new business acquisitions into the Group and also began the consolidation of T&G's various financial systems.

In 2016, the central finance team will focus on improving internal control process, standardisation of finance processes and policies across business units and subsidiaries across the globe. The team will also lead the rollout of the upgrade of the finance system globally over the coming two to three years while working towards more efficient and transparent financial processes for T&G.

Human Resources
The Human Resources team focuses on people – those within the organisation and potential employees in the community. Whether in New Zealand or our overseas locations the team works closely with each business division to enhance people capabilities and provides support to optimise profitability, growth and business success.

The team covers the entire employee lifecycle including recruitment, payroll and remuneration, health and safety and training and development.

In 2015, the team took part in a series of projects across the business including a study looking at maximizing the brand to attract potential candidates, a continued focus on leadership development including the rollout of a Management Fundamentals programme and further integration work with our newly acquired businesses. Planning for 2016 projects including phase two of the company Mindset (values) project is underway to fully embed them into the company culture and performance.

Health and safety was also a key focus in 2015 with particular work done to prepare for new government legislation that will be introduced in 2016. All policies and processes were reviewed to ensure best practice alongside continued work across all T&G sites in improving health and safety culture.

Technology & Operations
The newly merged Technology & Operations team includes T&G's IT teams as well as the central operational teams. The function is focused not only on supporting the needs of the business today (through hardware, software and services) but also developing and implementing new technologies to transform the operations.

In 2015, the new Technology & Operations business unit was formed, bringing together IT and the central operations functions. The team successfully integrated the systems and support for T&G's acquisitions and developed a roadmap for the future.

In 2016, the team will focus on standardising business processes around best practice and developing new innovations to create a better customer experience for key stakeholders. This will include driving group-wide synergies and a common approach to operational excellence.

CORPORATE GOVERNANCE

The Board is the governing body of T&G Global Limited ("the Company") and subsidiary companies (together "T&G" or "the Group"). During the year, the Board had eight members.

Role of the Board

The Board is responsible to shareholders for the performance of the Company, which includes setting the objectives and the strategies for achieving those objectives, identifying significant areas of business risk and implementing policies to deal with those risks, setting the overall policy framework and monitoring the continuing performance of the Company and its management. The Board also ensures that procedures are in place to provide effective internal financial control.

Responsibility for the day-to-day management of T&G is delegated by the Board to the Chief Executive Officer (CEO). The Board is committed to act with integrity and expects high standards of behaviour and accountability from all staff members.

Board membership

There are no executive directors. Across the Board there is a broad mix of skills and industry experience relevant to the guidance of the Company's businesses. Sir John Anderson, Mrs C.A. Campbell, Mr R.J. Campbell and Mr J.S. Wilson are independent directors for the purposes of the NZX listing rules.

Conduct of the Board

The Board has adopted a formal code of ethics which sets out the expected standards of professional conduct of its members.

The Board meets at regular intervals and conducts its affairs to ensure matters can be discussed openly, frankly and confidentially. Any potential conflicts of interest relating to directors are identified and disclosed. Affected directors are usually not permitted to vote on any related matter where a conflict exists.

The Board operates a code of conduct that forbids directors and other affected parties to deal in the Company's shares at any time when they are in possession of insider information and during periods which are deemed by the Board to be 'closed' periods. These closed periods customarily include the end of the six and 12 month reporting cycles, and until such time as profit announcements have been publicly disclosed. Closed periods include any additional period when the Board is engaged in matters that are likely to have an impact on the market value of the shares.

Board access to advice

All directors have access to the advice and services of the Secretary to the Board and the Board has established a procedure whereby directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, with the prior approval of the chairman.

Independent professional advice includes professional legal and financial advice, but excludes any advice on the personal interests of a director. The Board regularly invites key managers and executives to attend and present at Board meetings, and interaction with directors is routinely encouraged.

Board committees

The Board has two constituted committees, the Finance, Risk & Investment Committee ("FRIC") and the Human Resources Committee ("HRC"), both of which operate under Board approved charters.

The FRIC meets at least four times per year and is responsible for overseeing compliance with statutory financial regulations and related responsibilities, ensuring that effective systems of accounting and internal control are established and maintained, overseeing internal and external audit, and liaising with the Company's independent auditors. This committee is chaired by Mrs C.A. Campbell, and comprises Sir John Anderson and Mr A. Helber. The FRIC members also meet separately with the auditors as required.

The HRC is responsible for ensuring that the Company's remuneration strategy, policies and practices reward fairly and responsibly with a clear link to the Company's strategic objectives and corporate and individual performance, and to assist the Board in succession planning for the CEO and senior management positions which identifies and targets individuals for development. During 2015 this committee was chaired by Mr J.S. Wilson, and comprised Mr R.J. Campbell and Mr M.R. Dossor.

The Board has not at this stage established a Nominations Committee owing to a belief that director appointments are of such significance that they should be a direct responsibility of the full Board. This matter is kept under review.

Interests register

Each company in the Group is required to maintain an interests register in which particulars of certain transactions and matters involving the directors must be recorded.

The interests registers for T&G Global Limited and its subsidiaries are available for inspection at its registered office.

Details of all matters that have been entered in the interests register of a company by individual directors during the year are outlined in the statutory information section of these accounts, and should be read in conjunction with the individual directors' profiles.

Group management structure

The Group's organisational structure is focused on its five business divisions being Pipfruit, International Produce, New Zealand Produce, Processed Foods and Other. These operations are managed separately with direct reporting to the CEO and to the Board which exercises overall control.

Risk identification and management

The Group has adopted a system of internal control, based on written procedures, policies and guidelines. To reinforce this, an internal audit function exists that reports to the Board through the FRIC.

The Board acknowledges that it is responsible for the overall internal control framework. In discharging this responsibility the Board has in place a number of strategies designed to safeguard the Company's assets and interests and to ensure the integrity of reporting.

Procedures are in place to identify areas of significant business risk and to remediate and effectively manage those risks. As required, the Board obtains advice from external advisors.

While the Board acknowledges that it is responsible for the overall control framework of the Group, it recognises that no cost effective internal control system will preclude all errors and irregularities.

Directors' and Officers' insurance

The Company has arranged directors' and officers' liability insurance covering directors acting on behalf of the Company. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Company.

The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulations or duty to the Company, improper use of information to the detriment of the Company or breach of professional duty.

STATUTORY INFORMATION

Auditors
Deloitte has continued to act as the principal auditor of T&G and has undertaken the audit of the financial statements for the year ended 31 December 2015.

Directors' loans
No director is in receipt of any loans from T&G.

Directors' remuneration
The following persons held office as director during the year. Remuneration paid or accrued included incentive payments, vehicles, superannuation and other benefits, where applicable. On top of fees, directors also receive an annual travel allowance of $1,000.

12 months to 31 December 2015

DIRECTORS OF T&G GLOBAL LIMITED	$'000
Prof. K.J. Lutz	38
Sir John Anderson	78
C.U.G. Bell	30
C.A. Campbell	88
R.J. Campbell	78
A. Helber	30
J.S. Wilson	78
M.R. Dossor	78

Directors and Officers composition
At 31 December 2015 the gender composition of the Groups' directors and officers was as follows:

	MALE	FEMALE
Directors	6	2
Officers	6	1

Employee remuneration
The Group paid remuneration including benefits in excess of $100,000 to employees (other than directors) during the 12 months. The salary banding for these employees are disclosed in the following table:

12 months to 31 December 2015

	NUMBER OF EMPLOYEES	
$'000 NZD EQUIVALENT	2015	2014
100-110	**35**	25
110-120	**15**	17
120-130	**17**	17
130-140	**21**	12
140-150	**11**	6
150-160	**5**	10
160-170	**8**	3
170-180	**5**	6
180-190	**7**	7
190-200	**5**	4
200-210	**5**	3
210-220	**1**	2
220-230	**1**	3
230-240	**3**	3
240-250	**2**	1
250-260	**2**	–
270-280	**3**	3
280-290	**1**	1
290-300	**1**	–
330-340	**1**	1
340-350	**1**	1
350-360	**2**	–
360-370	**2**	2
370-380	**1**	–
380-390	**–**	1
410-420	**–**	1
490-500	**1**	1
500-510	**1**	–
600-610	**1**	1
660-670	**–**	1
720-730	**–**	1
730-740	**1**	–
Total	**159**	133

The current year total remuneration spread takes into account the impact of exchange rate movements on employees paid in foreign currencies.

Directors' shareholdings
Ordinary shares held by directors and parties associated with directors are disclosed as follows:

	DEC 2015	DEC 2014
M.R. Dossor	**141,659**	141,659
Sir John Anderson	**30,000**	30,000

There were no share transactions during the year ended 31 December 2015 in which directors held 'relevant interests'.

Indemnification and insurance of directors and officers
The Company indemnifies all directors named in this report, and current and former executive officers of T&G against all liabilities (other than to the Company or member of T&G) which arise out of the performance of their normal duties as director or executive officer, unless the liability relates to conduct involving lack of good faith. To manage this risk, T&G has indemnity insurance. The total cost of this insurance including directors and officers of off-shore companies during the 12 months was $29,120 (2014: $32,000).

Information used by directors
No member of the Board of T&G Global Limited, or any subsidiary, issued a notice requesting to use information received in their capacity as director which would not otherwise have been available to them.

Interested transactions
No directors disclosed the existence of any transactions with T&G Global Limited during the 12 months in which they held an interest other than those noted below:

- All transactions conducted by T&G Fresh Limited with Continental Fruit Limited, a Company in which Mr L.A. Noboa Icaza is a senior executive, were related party transactions. Mr L.A. Noboa was an alternative Director for Mr M.R. Dossor during the year.

Further details are provided in note 29 of the financial statements.

NZX waiver from listing rule 5.2.3
During the year T&G Global Limited (TGG) held a waiver from New Zealand Exchange (NZX) listing rule 5.2.3 Spread that was granted in April 2012. NZX listing rule 5.2.3 provides that an Issuer's securities will generally not be considered for quotation on the NZX unless those securities are held by at least 500 members of the public holding at least 25% of the number of securities of that class issued, and those requirements are maintained, or the NZX is otherwise satisfied that the issuer will maintain a spread of security holders sufficient to ensure a sufficiently liquid market in the class of securities.

As BayWa Aktiengesellschaft, Bartel Holdings Limited and Tiger Ventures NZ Limited are not considered members of the public for the purpose of the listing rules, less than 25% of the quoted securities of T&G Global Limited are held by members of the public and therefore the Company does not meet the requirements of listing rule 5.2.3.

The NZX granted TGG a waiver from listing rule 5.2.3 under the following conditions:

a. The waiver, its conditions, and its effect on TGG's shareholders are disclosed in each annual report for the year upon which it was relied; and

b. TGG notifies the NZX if there are any material changes to its spread.

The waiver has the effect of ensuring security holders have a ready market to purchase or sell securities.

Substantial shareholders
The following information is given pursuant to Section 26 of the Security Markets Act 1988.

The following parties are recorded by the Company as at 9 February 2016 as substantial security holders in the Company, and have declared the following relevant interest in voting securities under the Securities Markets Act 1988:

BayWa Aktiengesellschaft	88,268,717
Bartel Holdings Limited (Pacific Fruit Group)	14,351,326
Tiger Ventures NZ Limited (Scales Corporation)	12,059,917

The total number of voting securities issued by the Company as at 9 February 2016 was 119,803,316.

20 largest shareholders
as at 9 February 2016

NAME	UNITS	% OF ISSUED CAPITAL
BayWa Aktiengesellschaft	88,268,717	73.68%
Bartel Holdings Limited	14,351,326	11.98%
Tiger Ventures NZ Limited	12,059,917	10.07%
R.J. Turner, C.E. Turner, Redoubt Trustees & Evans Pennell Trustees	202,689	0.17%
S.J. Turner, C.M. Turner & D.H. Turner	184,008	0.15%
H.J. Goodwin	156,986	0.13%
D.W. Browne, J. F. Browne & M.R. Bangma	152,596	0.13%
M.R. Dossor	141,659	0.12%
FNZ Custodians Limited	140,055	0.12%
National Nominees New Zealand Limited	121,950	0.10%
ASB Nominees Limited	104,250	0.09%
L.R. Hotham	98,975	0.08%
P.J.S. Rowland	91,197	0.08%
Tribal New Zealand Traders Limited	83,356	0.07%
M.C. Goodson, D.D. Perron, Goodson & Perron Independent Trustee Limited	77,379	0.06%
L.M. Marx-Sheather, W.B. Sheather, P.V. Sheather & S.M. Palmer	61,921	0.05%
Custodial Services Limited	61,300	0.05%
G.J. King	58,591	0.05%
G. Merkulov	58,591	0.05%
Epic Trustees Limited	55,108	0.05%
20 largest shareholders	**116,530,571**	**97.28%**

Spread of security holders
as at 9 February 2016

RANGE	TOTAL HOLDERS	% OF TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 - 499	52	8.73%	13,060	0.01%
500 - 999	86	14.43%	62,318	0.05%
1,000 - 1,999	121	20.30%	163,887	0.14%
2,000 - 4,999	128	21.48%	411,962	0.34%
5,000 - 9,999	101	16.95%	701,885	0.58%
10,000 - 49,999	85	14.26%	1,764,471	1.47%
50,000 - 99,999	12	2.01%	801,580	0.67%
100,000 - 499,999	8	1.34%	1,204,193	1.01%
500,000 - 999,999	–	0.00%	–	0.00%
1,000,000 - above	3	0.50%	114,679,960	95.73%
Total	**596**	**100.00%**	**119,803,316**	**100.00%**

Domicile of shareholders
as at 9 February 2016

LOCATION	TOTAL HOLDERS	% OF TOTAL HOLDERS	UNITS
New Zealand	574	96.31%	31,415,566
Australia	12	2.01%	44,207
Germany	2	0.33%	88,290,665
United Kingdom	2	0.33%	5,247
Bahrain	1	0.17%	2,000
Hong Kong	1	0.17%	9,758
Italy	1	0.17%	14,700
Malaysia	1	0.17%	11,716
Switzerland	1	0.17%	6,707
United States of America	1	0.17%	2,750
Total	**596**	**100.00%**	**119,803,316**

The New Zealand domiciled holdings include Bartel Holdings Limited whose ultimate shareholder is the Noboa Group of Ecuador.

Colin Fong, Perfect Produce (Pukekohe, New Zealand)

Deloitte.

Independent Auditor's Report to the Shareholders of T&G Global Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of T&G Global Limited and its subsidiaries ('the Group') on pages 56 to 104, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body. Our audit has been undertaken so that we might state to the company's shareholders 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 company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors are responsible on behalf of the company for the preparation and fair presentation of these consolidated financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, the provision of technical accounting advice, whistle blower hotline services, and advice on transfer pricing policies, we have no relationship with or interests in T&G Global Limited or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and Group.

Opinion

In our opinion, the consolidated financial statements on pages 56 to 104 present fairly, in all material respects, the financial position of T&G Global Limited and its subsidiaries as at 31 December 2015, and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Deloitte

Chartered Accountants
26 February 2016
Auckland, New Zealand

This audit report relates to the consolidated financial statements of T&G Global Limited for the year ended 31 December 2015 included on T&G Global's website. The Board of Directors is responsible for the maintenance and integrity of T&G Global Limited's website. We have not been engaged to report on the integrity of the T&G Global 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 hyperlinked to/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 26 February 2016 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 financial statements may differ from legislation in other jurisdictions.

INCOME STATEMENT

For the year ended 31 December 2015

	Notes	2015 $'000	Restated* 2014 $'000
Revenue	5	**812,764**	727,022
Other operating income	6	**11,432**	19,666
Purchases, raw materials and consumables used		**(583,690)**	(555,330)
Employee benefits expenses		**(117,653)**	(90,372)
Depreciation and amortisation expenses	7	**(18,824)**	(14,838)
Other expenses	7	**(73,788)**	(66,266)
Operating profit		**30,241**	19,882
Net financing expenses	8	**(11,978)**	(7,106)
Share of profit from joint ventures	19	**3,834**	2,478
Share of profit from associates	20	**2,572**	1,586
Profit before income tax		**24,669**	16,840
Income tax expense	9	**(5,219)**	(6,226)
Profit after income tax		**19,450**	10,614
Attributable to:			
Equity holders of the Parent		**18,100**	9,852
Non-controlling interests		**1,350**	762
Profit for the year		**19,450**	10,614
Earnings per share			
Basic and diluted earnings (in cents)	28	**15.4**	8.4

** Refer to note 14 for further information*

The accompany notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	2015 $'000	Restated* 2014 $'000
Profit for the year		**19,450**	10,614
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment, net of tax	23	**26,559**	1,660
Deferred tax effect on sale of property, plant and equipment	23	**-**	224
		26,559	1,884
Items that may be reclassified subsequently to profit or loss:			
Gain on revaluation of available-for-sale investments	23	**13**	202
Exchange differences on translation of foreign operations		**2,778**	(282)
Cash flow hedges:			
Fair value gain, net of tax		**1,215**	2,588
Reclassification of net change in fair value to profit or loss		**(4,147)**	(600)
		(141)	1,908
Other comprehensive income for the year		**26,418**	3,792
Total comprehensive income for the year		**45,868**	14,406
Total comprehensive income for the year is attributable to:			
Equity holders of the Parent		**44,386**	13,585
Non-controlling interests		**1,482**	821
		45,868	14,406

** Refer to note 14 for further information*

The accompany notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Notes	Share capital $'000	Revaluation and other reserves $'000	Restated* Retained earnings $'000	**Total $'000**	Non-controlling interests $'000	**Total equity $'000**
2015							
Balance at 1 January 2015		**165,147**	**59,473**	**50,585**	**275,205**	**1,761**	**276,966**
Profit for the year		**-**	**-**	**18,100**	**18,100**	**1,350**	**19,450**
Other comprehensive income							
Revaluation of property, plant and equipment, net of tax	23	**-**	**26,559**	**-**	**26,559**	**-**	**26,559**
Revaluation of available-for-sale investments	23	**-**	**13**	**-**	**13**	**-**	**13**
Exchange differences on translation of foreign operations	23	**-**	**2,638**	**-**	**2,638**	**140**	**2,778**
Movement in cash flow hedge reserve	23	**-**	**(2,924)**	**-**	**(2,924)**	**(8)**	**(2,932)**
Total other comprehensive income		**-**	**26,286**	**-**	**26,286**	**132**	**26,418**
Transactions with owners							
Dividends	24	**-**	**-**	**(7,021)**	**(7,021)**	**(158)**	**(7,179)**
Issued share capital	23	**5,170**	**-**	**-**	**5,170**	**-**	**5,170**
Total transactions with owners		**5,170**	**-**	**(7,021)**	**(1,851)**	**(158)**	**(2,009)**
Movement in share option reserve	23	**-**	**(19)**	**19**	**-**	**-**	**-**
Transactions with non-controlling interests		**-**	**-**	**510**	**510**	**(389)**	**121**
Balance at 31 December 2015		**170,317**	**85,740**	**62,193**	**318,250**	**2,696**	**320,946**
2014							
Balance at 1 January 2014		165,147	56,318	46,006	267,471	1,200	268,671
Profit for the year		-	-	9,852	9,852	762	10,614
Other comprehensive income							
Revaluation of property, plant and equipment, net of tax	23	-	1,660	-	1,660	-	1,660
Deferred tax effect on sale of property, plant and equipment	23	-	224	-	224	-	224
Revaluation of available-for-sale investments	23	-	202	-	202	-	202
Exchange differences on translation of foreign operations	23	-	(341)	-	(341)	59	(282)
Movement in cash flow hedge reserve	23	-	1,988	-	1,988	-	1,988
Total other comprehensive income		**-**	**3,733**	**-**	**3,733**	**59**	**3,792**
Transactions with owners							
Dividends	24	-	-	(5,851)	(5,851)	(260)	(6,111)
Total transactions with owners		**-**	**-**	**(5,851)**	**(5,851)**	**(260)**	**(6,111)**
Movement in share option reserve	23	-	(18)	18	-	-	-
Transfer from asset revaluation reserve due to asset disposal	23	-	(560)	560	-	-	-
Balance at 31 December 2014		**165,147**	**59,473**	**50,585**	**275,205**	**1,761**	**276,966**

** Refer to note 14 for further information*

The accompany notes form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2015

	Notes	**2015 $'000**	Restated* 2014 $'000
Current assets			
Cash and cash equivalents		**13,654**	15,847
Trade and other receivables	11	**112,783**	100,326
Taxation receivable		**2,819**	4,962
Inventories	12	**44,214**	38,289
Biological assets	15	**19,068**	14,240
Derivative financial instruments	13	**2,609**	3,724
Non-current assets classified as held for sale		**-**	824
Total current assets		**195,147**	178,212
Non-current assets			
Trade and other receivables	11	**7,841**	4,275
Available-for-sale investments		**530**	540
Property, plant and equipment	17	**401,395**	338,299
Intangible assets	18	**25,153**	11,539
Investments in joint ventures	19	**10,786**	9,304
Investments in associates	20	**9,915**	8,352
Derivative financial instruments	13	**3,201**	927
Total non-current assets		**458,821**	373,236
Total assets		**653,968**	551,448
Current liabilities			
Trade and other payables	21	**107,535**	99,935
Borrowings	22	**7,040**	6,079
Derivative financial instruments	13	**3,592**	517
Total current liabilities		**118,167**	106,531
Non-current liabilities			
Trade and other payables	21	**5,264**	8,880
Borrowings	22	**163,975**	126,428
Deferred tax liabilities	9	**42,007**	31,039
Derivative financial instruments	13	**3,609**	1,604
Total non-current liabilities		**214,855**	167,951
Total liabilities		**333,022**	274,482
Equity			
Share capital	23	**170,317**	165,147
Revaluation and other reserves	23	**85,740**	59,473
Retained earnings		**62,193**	50,585
Total equity attributable to equity holders of the Parent		**318,250**	275,205
Non-controlling interests		**2,696**	1,761
Total equity		**320,946**	276,966
Total liabilities and equity		**653,968**	551,448

Prof. K.J. Lutz, Director (Chairman)
26 February 2016

C.A. Campbell, Director (Chair of Finance, Risk and Investment Committee)
26 February 2016

** Refer to note 14 for further information*

The accompany notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Notes	2015 $'000	2014 $'000
Cash flows from operating activities			
Cash was provided from:			
Cash receipts from customers		**1,114,597**	967,858
Interest received		**284**	654
Dividends received		**46**	64
Cash was disbursed to:			
Payments to suppliers and employees		**(1,080,299)**	(945,608)
Interest paid		**(8,934)**	(7,497)
Income taxes paid		**(3,190)**	(3,195)
Net cash inflow from operating activities	10	**22,504**	12,276
Cash flows from investing activities			
Cash was provided from:			
Dividends received from joint ventures and associates		**2,315**	2,269
External loan repayments from suppliers, customers, joint ventures and associates		**92**	260
Proceeds from sale of property, plant and equipment		**1,633**	2,496
Cash received from business acquisitions		**1,090**	61
Cash was disbursed to:			
Purchase of property, plant and equipment and biological assets		**(25,996)**	(25,339)
Purchase of intangible assets		**(940)**	(1,022)
Deferred consideration on purchase of non-controlling interests		**(2,064)**	(2,265)
Deferred consideration on purchase of business		**(2,050)**	-
Purchase of business		**(31,160)**	(49,493)
Other		**(650)**	(38)
Net cash (outflow) from investing activities		**(57,730)**	(73,071)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		**44,500**	82,441
Cash was disbursed to:			
Dividends paid to non-controlling interests	24	**(158)**	(124)
Dividends paid to Parent's shareholders	24	**(1,851)**	(5,851)
Bank facility fees and repayment of borrowings		**(8,184)**	(22,040)
Other		**(557)**	-
Net cash inflow from financing activities		**33,750**	54,426
Net (decrease) in cash and cash equivalents		**(1,476)**	(6,369)
Foreign currency translation adjustment		**(717)**	597
Cash and cash equivalents at the beginning of the year		**15,847**	21,619
Cash and cash equivalents at the end of the year		**13,654**	15,847

The accompany notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Reporting entity and statutory base

T&G Global Limited (the Parent) and its subsidiary companies (the Group), are recognised as New Zealand's leading distributor, marketer, and exporter of premium fresh produce. Along with partner growers, the Group grows fresh produce in over twenty countries around the world including pipfruit, grapes, citrus, kiwifruit, asparagus, berries, summerfruit and tomatoes.

These financial statements presented are for the Group which comprises the Parent and its subsidiaries, joint ventures and associates as at 31 December 2015. The Parent changed its name from Turners & Growers Limited on 12 May 2015.

The Parent is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013, and the Financial Reporting Act 2013. In accordance with the Financial Markets Conduct Act 2013, separate financial statements for the Parent are no longer required to be prepared and presented.

The Parent is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is 1 Clemow Drive, Mt. Wellington, Auckland.

BayWa Aktiengesellschaft (the Ultimate Parent) is the ultimate parent of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards as appropriate for profit-oriented entities. They also comply with International Financial Reporting Standards (IFRS).

Basis of preparation

Significant accounting polices applied by the Group during the year are set out below and have been applied consistently to all periods presented in these consolidated financial statements.

These consolidated financial statements are expressed in New Zealand dollars which is the Group's functional and presentation currency. All financial information has been rounded to the nearest thousand ($'000) unless otherwise stated.

Change in accounting policies and adoption of new accounting standard
The Group has early adopted the amendments to NZ IAS 16 *Property, Plant and Equipment* and NZ IAS 41 *Agriculture*. The amendments bring bearer plants, which are used solely to grow produce, into the scope of NZ IAS 16 and out of the scope of NZ IAS 41 so that they are accounted for in the same way as property, plant and equipment. The produce growing on bearer plants continues to be accounted for as a biological asset under NZ IAS 41. This amendment was applied to the Group's pipfruit and citrus trees, blueberry plants, kiwifruit vines, and grape vines. Note 14 further details the impact of adopting this amendment.

On adoption of the amendment, the Group elected to measure its bearer plants using the cost model.

In prior years, the Group's orchard land and improvements were revalued every year to their fair value as part of the exercise to determine the fair value of the Group's bearer plants. As bearer plants will no longer be measured at fair value, the revaluation of orchard land and improvements will now take place at least once every three years with 2014 being the first year of the cycle.

There have been no other changes to accounting policies during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement basis

The measurement basis adopted in the preparation of these consolidated financial statements is historical cost with the exception of the following assets and liabilities stated at fair value:

- Available-for-sale investments;
- Biological assets;
- Commercial land and improvements and buildings;
- Derivative financial instruments;
- Non-current assets held for sale; and
- Orchard land and improvements.

Reclassification of comparatives

To ensure consistency with the current period, comparative figures have been reclassified when the presentation of items in the financial statements has been changed. The adjustments were to ensure the consistent classification of financial statement line items. The adjustments made include:

- Depreciation and amortisation expenses have been combined into one line on the income statement.
- Net expenses have been reclassified between purchases, raw materials and consumables used ($14.1 million decrease), employee benefit expenses ($4.0 million decrease) and other expenses ($18.1 million increase) on the income statement.
- Revaluation reserves and other reserves have been combined into one line on the balance sheet.
- The prior year revaluation reserve of available-for-sale investments of $0.1 million has been reclassified from retained earnings to revaluation and other reserves on the balance sheet.
- Interest rate swaps of $1.5 million which were classified within current liabilities have been reclassified between current assets, current liabilities and non-current liabilities within derivative financial instruments on the balance sheet.

Basis of consolidation

In preparing these consolidated financial statements, subsidiaries are fully consolidated from the date on which the Group gains control until the date on which control ceases. All intercompany transactions, balances, income and expenses between the Group's companies are eliminated. Accounting policies of subsidiaries, joint ventures and associates have been aligned where necessary to ensure consistency with policies adopted by the Group.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is initially remeasured at fair value at the acquisition date through profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest and fair value of the acquirer's previously held interest (if any) over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Joint ventures and associates
The Group's share of results of equity accounted joint ventures and associates are included in these consolidated financial statements from the date that joint control or significant influence begins, until the date that joint control or significant influence ceases.

Under the equity method, an investment in a joint venture or associate is initially recognised in the balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture or associate.

Foreign currency translation

The assets and liabilities of the Group's companies that do not have New Zealand dollars as their functional currency are translated to New Zealand dollars at foreign exchange rates ruling at balance sheet date. The revenues and expenses of these foreign operations are translated to New Zealand dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from the translation of foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to New Zealand dollars at foreign exchange rates ruling at the dates the fair value was determined.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns, and Goods and Services Tax (GST).

Revenue comprises commission earnings and amounts received and receivable by the Group for goods and services supplied in the ordinary course of business. Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance date.

Principal and agency arrangements
The Group assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction.

When the Group acts in the capacity of the principal, the portion of revenue earned is recognised as gross revenue. When the Group acts in the capacity of the agent, it recognises net commission revenue from the transaction.

The Group holds arrangements in which it acts as the principal and other arrangements in which it acts as the agent. The following factors have been used by the Group in distinguishing whether it acts as the principal or the agent in specific arrangements:

- Rights to the title of the goods and responsibility in respect of the goods sold;
- Credit risk in respect of the supply of the goods; and
- Ability to vary the selling prices of the goods; and
- Primary responsibility for providing the goods or services to the customer or for fulfilling the order.

Employee benefits

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Short-term employee benefits
Employee entitlements to salaries and wages and annual leave, to be settled within twelve months of the reporting date, represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on remuneration rates that the Group expects to pay.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included in current liabilities in the balance sheet, unless there is a right of offset, and included as a component of cash and cash equivalents in the statement of cash flows.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provisions for impairment for any uncollectable amounts.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Inventories

Inventories are stated at the lower of cost (first in, first out basis) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Biological assets

Biological assets are stated at fair value based on the assets' present location and condition less estimated point-of-sale costs, with any resultant gain or loss recognised in the income statement. Point-of-sale costs include all other costs that would be necessary to sell the assets.

Derivatives and hedging activities

Derivative financial instruments are used to hedge exchange rate and interest rate risks. The Group does not hold or issue derivative financial instruments for trading purposes. Derivatives financial instruments are recognised at fair value. Any resulting gains or losses are recognised in the income statement unless the derivative financial instrument has been designated into a hedge relationship that qualifies for hedge accounting.

Cash flow hedges
Cash flow hedges are currently applied to assets and liabilities that are subject to foreign currency fluctuations and future interest cash flow on loans. The Group recognises the effective portion of changes in the fair value of derivative financial instruments that qualify as cash flow hedges in other comprehensive income. These accumulate as a separate component of equity in the cash flow hedge reserve.

Gains or losses relating to the ineffective portion of a cash flow hedge are recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

Income tax and deferred tax

Income tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant taxation authorities based on the current period's taxable income and any adjustments in respect of previous years.

Deferred tax
Deferred tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Income tax is recognised in the income statement apart from when it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goods and services tax (GST)

The income statement, statement of comprehensive income and statement of cash flows have been presented with all items exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Financial assets

The Group classifies its financial assets as:

- Financial assets at fair value through profit or loss;
- Loans and receivables; and
- Available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets carried at fair value through profit or loss are initially recognised at fair value. Realised and unrealised gains arising from changes in fair value are included in the income statement.

Loans and receivables are carried at amortised cost less any impairment.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income, except for foreign exchange movements in monetary assets which are recognised in the income statement. When available-for-sale financial assets are sold, the accumulated fair value adjustments are included in the income statement as gains or losses.

Fair value estimation

The Group uses various valuation methods to determine the fair value of certain assets and liabilities. The inputs to the valuation methods used to measure fair value are categorised into three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Property, plant and equipment

Commercial land and improvements, orchard land and improvements, and buildings are stated at their fair value less accumulated depreciation and impairment losses. All other items of property, plant and equipment are stated at their cost less accumulated depreciation and impairment losses.

Revaluations
The Group's policy is to revalue commercial land and improvements, orchard land and improvements, and buildings every three years with valuations being performed by independent registered valuers based on the price that would be received to sell the asset in an orderly transaction between market participants under current market conditions. The revaluations are conducted on a systematic basis across the Group so that the asset revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at balance date.

Any increase in value that offsets a previous decrease in value of the same asset is charged to the income statement. Any other increase is recognised directly in other comprehensive income and accumulated in the asset revaluation reserve. Any decrease in value that offsets a previous increase in value of the same asset is charged against the revaluation reserve. Any other decrease in value is charged to the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Depreciation
Depreciation of property, plant and equipment, other than commercial and orchard land which is not depreciated, is calculated on a straight-line basis so as to expense the cost of the assets, or the revalued amounts, to their expected residual values over their useful lives as follows:

• Commercial land and improvements	15 – 50 years
• Orchard land and improvements	15 – 50 years
• Buildings	15 – 50 years
• Bearer plants	7 – 40 years
• Glasshouses	33 years
• Motor vehicles	5 – 7 years
• Plant and equipment and hire containers	3 – 15 years

Intangible assets

Intangible assets, except for goodwill, that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Software, licences and capitalised costs of developing systems are recorded as intangible assets, unless they are directly related to a specific item of hardware and recorded as property, plant and equipment, and are amortised over a period of three to eight years.

Acquired brands are amortised over their anticipated useful lives of 10 to 25 years where they have a finite life.

Goodwill is recorded at cost less any accumulated impairment losses. Goodwill and any other intangible assets with indefinite useful lives are tested for impairment at each reporting date.

Impairment of non-financial assets

Property, plant and equipment, intangible assets, and investments in joint ventures and associates are assessed for indicators of impairment at each reporting date.

Goodwill and other assets that have an indefinite useful life are tested annually for impairment. These impairment tests are carried out more frequently if events or changes in circumstances indicate a potential impairment.

The discount rate used for the purposes of goodwill impairment testing is based on a calculated weighted average cost of capital. The weighted average cost of capital is based on the cost of debt and cost of equity weighted accordingly between the relative percentages of debt and equity. The cost of debt is the actual cost of debt and the cost of equity is calculated using the capital asset pricing model.

Trade and other payables

Trade and other payables are initially recognised at fair value and then subsequently measured at amortised cost.

Borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method.

Borrowing costs are recognised in the income statement using the amortised cost method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating leases

The Group is the lessee
The Group leases certain property, plant and equipment. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the lease term.

The Group is the lessor
Rental revenue (net of any incentives given to lessees) is recognised as revenue on a straight-line basis over the lease term.

Assets leased to third parties under operating leases are included in 'Property, plant and equipment' on the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment.

New standards, amendments, and interpretations not yet adopted

New standards, amendments and interpretations have been published that will be mandatory for the Group's accounting periods beginning on or after 1 January 2016. The standards that will have an impact on the Group are discussed below. None of these have been early adopted:

- NZ IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance currently in NZ IAS 39 *Financial Instruments: Recognition and Measurement*. The standard is effective for periods beginning on or after 1 January 2018 with early adoption permitted. The Group is yet to assess the impact of adopting NZ IFRS 9.
- NZ IFRS 15 *Revenue from Contracts with Customers* deals with revenue recognition and provides a five-step model to be applied to all contracts with customers. It also establishes principles of reporting in order to provide more useful disclosures around revenue for users of financial statements. This standard is effective for periods beginning on or after 1 January 2018 with early adoption permitted. The Group is yet to assess the impact of adopting NZ IFRS 15.
- NZ IFRS 16 *Leases* deals with the recognition, measurement, presentation and disclosure of leases and replaces the current guidance in NZ IAS 17 *Leases*. The new standard introduces a single model for lessees which recognises all leases on the balance sheet through an asset representing the rights to use the leased item during the lease term and a liability for the obligation to make lease payments. This removes the distinction between operating and finance leases and aims to provide users of the financial statements relevant information to assess the effect that leases have on the balance sheet, income statement and cash flows of the reporting entity. Lessor accounting remains largely unchanged from NZ IAS 17. This standard is effective for periods beginning 1 January 2019 with early adoption permitted. The Group is yet to assess the impact of adopting NZ IFRS 16.

There are other standards, amendments and interpretations which have been approved but are not yet effective. Apart from the amendments to NZ IAS 16 and NZ IAS 41, which were early adopted during the year, the Group expects to adopt other standards when they become mandatory. None are expected to materially impact the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and judgments concerning the future. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and judgments that have a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill
The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as to future profitability of the relevant business units to which goodwill has been allocated and the choice of a suitable discount rate in order to calculate the present value of those cash flows (refer to note 18).

Valuation of commercial land and improvements, orchard land and improvements, and buildings
The methods and valuation techniques used for assessing the current market value of commercial land and improvements, orchard land and improvements, and buildings by external valuers are disclosed in note 17. Changes in the estimates and assumptions underlying the valuation approaches could have a material effect on the carrying amounts of the properties, with changes in value reflected either in other comprehensive income or through the income statement as appropriate in accordance with the Group's accounting policy.

Valuation of biological assets
The Group's policy is to revalue biological assets each year with changes in fair value being recognised in the income statement. Fair value is determined by management using either a discounted cash flow approach or an estimated market price of volumes produced approach.

Costs are based on current average costs and, where applicable, referenced back to industry standard costs. The costs are variable depending on the biological asset's location, planting and the varieties being assessed. A suitable discount rate has been determined in order to calculate the present value of those cash flows. The fair value of biological assets at or before the point of harvest is based on the value of the estimated market price of the estimated volumes produced, net of harvesting and growing costs (refer to note 15). Changes in the estimates and assumptions supporting the valuations could have a material impact on the carrying value of biological assets and reported profit.

Crate return liability
The Group balance sheet includes liabilities for crate deposits from growers and is included in trade and other payables (refer to note 21). The liability is adjusted annually for the write back of never-to-be returned crates with the amount of the write back being determined through a rate derived from the fifteen year useful life of a crate. This write off rate represents the best estimate based on information available at balance date and is reviewed regularly.

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Chief Executive Officer and the Chief Financial Officer for the Group.

The chief operating decision-makers assess the performance of the operating segments based on earnings before net financing expenses, tax and the share of profit of joint ventures and associates, referred to as operating profit. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

No single external customer's revenue accounts for 10% or more of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SEGMENT INFORMATION (CONTINUED)

Operating segments

The Group comprises the following main operating segments:

- Pipfruit: Growing, packing, cool storing, sales and marketing of pipfruit worldwide.
- International Produce: International trading activities other than pipfruit. Major markets are Asia, Australia, and the Pacific. Product is sourced from New Zealand, Australia, North America, South America, South Africa and Europe.
- New Zealand Produce: Growing, trading, transport and crate hireage activities within New Zealand. This incorporates the New Zealand wholesale markets and the tomato and citrus growing operations.
- Processed Foods: Processed food manufacture and sales in New Zealand and trading activities in Australia and North America.
- Other: Includes flower auction, properties and corporate costs.

Segment information provided to the chief operating decision-makers for the reportable segments is shown in the following table:

	Restated* Pipfruit[1] $'000	Restated* International Produce[1] $'000	New Zealand Produce[1] $'000	Processed Foods $'000	Other[1] $'000	**Restated* Total $'000**
2015						
Total segment revenue	**300,987**	**211,154**	**213,942**	**90,057**	**5,605**	**821,745**
Inter-segment revenue	**(1,171)**	**(5,469)**	**(2,341)**	**-**	**-**	**(8,981)**
Revenue from external customers	**299,816**	**205,685**	**211,601**	**90,057**	**5,605**	**812,764**
Purchases, raw materials and consumables used	**(199,514)**	**(183,297)**	**(121,687)**	**(78,046)**	**(1,146)**	**(583,690)**
Depreciation and amortisation expenses	**(8,471)**	**(1,296)**	**(4,657)**	**(2,653)**	**(1,747)**	**(18,824)**
Net other operating expenses	**(59,838)**	**(18,744)**	**(81,169)**	**(9,285)**	**(10,973)**	**(180,009)**
Segment operating profit / (loss)	**31,993**	**2,348**	**4,088**	**73**	**(8,261)**	**30,241**
Net financing expenses						**(11,978)**
Share of profit from joint ventures						**3,834**
Share of profit from associates						**2,572**
Profit before income tax						**24,669**
2014						
Total segment revenue	255,388	163,487	217,873	89,553	5,909	732,210
Inter-segment revenue	(379)	(2,492)	(2,317)	-	-	(5,188)
Revenue from external customers	255,009	160,995	215,556	89,553	5,909	727,022
Purchases, raw materials and consumables used	(203,722)	(147,058)	(118,009)	(84,093)	(2,448)	(555,330)
Depreciation and amortisation expenses	(5,139)	(495)	(1,818)	(2,637)	(4,749)	(14,838)
Net other operating expenses	(28,061)	(12,333)	(95,846)	(8,327)	(5,721)	(150,288)
Gain on acquisition of Apollo business	-	-	-	-	13,316	13,316
Segment operating profit / (loss)	18,087	1,109	(117)	(5,504)	6,307	19,882
Net financing expenses						(7,106)
Share of profit from joint ventures						2,478
Share of profit from associates						1,586
Profit before income tax						16,840

[1] During 2015, the Group changed the composition of several operating segments to more accurately reflect the nature of the activities taking place within each segment. The Group also moved transport and crate hireage activities from 'Other' to 'New Zealand Produce'. Segment information for the prior period has been restated to reflect the changes in these reportable segments.

* *Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SEGMENT INFORMATION (CONTINUED)

The Group is domiciled in New Zealand. The total revenues from external customers in New Zealand and other regions are:

	2015 $'000	2014 $'000
New Zealand	**285,736**	258,859
Australia and Pacific Islands	**125,674**	107,133
Asia	**255,077**	202,163
Americas	**62,167**	47,765
Europe	**83,924**	110,977
Africa	**186**	125
Total	**812,764**	727,022

The total non-current assets other than financial instruments and deferred tax assets located in New Zealand and other countries are:

	2015 $'000	Restated* 2014 $'000
New Zealand	**418,431**	349,997
Other	**28,818**	17,497
Total	**447,249**	367,494

5. REVENUE

	2015 $'000	2014 $'000
Sale of goods	**710,363**	632,269
Commissions	**32,690**	32,981
Services	**65,655**	57,918
Royalties	**4,056**	3,854
Total	**812,764**	727,022

6. OTHER OPERATING INCOME

	Notes	2015 $'000	Restated* 2014 $'000
Net gain from changes in fair value of biological assets	15	**8,129**	1,592
Net gain on disposal of property, plant and equipment		**609**	-
Reversal of impairment on revaluation of property, plant and equipment		**144**	-
Net gain on revaluation of investment		**343**	-
Net exchange gains		**-**	3,072
Reversal of unused provision for receivables impairment		**-**	82
Rent		**2,161**	1,540
Gain on acquisition of business		**-**	13,316
Other		**46**	64
Total		**11,432**	19,666

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. EXPENSES

	Notes	2015 $'000	Restated* 2014 $'000
Depreciation and amortisation			
Depreciation	17	**17,513**	13,542
Amortisation	18	**1,311**	1,296
Total		**18,824**	14,838
Other expenses includes:			
Directors fees		**498**	498
Fleet expenses		**11,849**	10,189
Impairment of goodwill	18	**777**	-
Impairment of trade receivables		**808**	129
Net exchange losses		**2,759**	-
Net loss on disposal of property, plant and equipment		**-**	219
Net loss on revaluation of derivative financial instruments		**135**	155
Net loss on revaluation of investments		**-**	32
Net loss on revaluation of property, plant and equipment		**-**	3,446
Professional fees		**7,517**	6,633
Promotion costs		**5,612**	4,548
Rental and property related costs		**18,914**	14,882
Repairs and maintenance		**9,069**	6,659
Research and development		**1,032**	858
Travel and accommodation		**4,855**	3,800

During the year, contributions of $2.3 million were made by the Group towards employees' superannuation schemes (2014: $1.8 million).

Audit fees of the Group and related services from the Group's auditors consist of the following:

	2015 $'000	2014 $'000
Deloitte		
Audit of the financial statements	**604**	507
Audit related and other services	**45**	45
Taxation services	**31**	81
Other auditors		
Audit services provided	**100**	80

Services performed by Deloitte in 2015 comprise the following:

- Audit of statutory financial statements for the Group and individual subsidiary companies, including offshore subsidiaries with local statutory audit requirements where Deloitte is the auditor.
- Technical accounting advice.
- Whistle blower hotline services.
- Providing advice on the Group's transfer pricing policies.

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. EXPENSES (CONTINUED)

During the year, subsidiaries of the Group engaged other auditors to perform audit services and the fees paid are as follows:

	2015 $'000	2014 $'000
Ernst & Young for ENZAFruit New Zealand (U.K.) Limited	**17**	16
Moss Adams LLP for ENZAFruit Products Inc.	**30**	27
Hutchinson and Bloodgood LLP for Delica North America, Inc.	**53**	37
Total	**100**	80

8. NET FINANCING EXPENSES

	2015 $'000	2014 $'000
Finance expenses		
Interest expense on borrowings	**(9,081)**	(5,162)
Effective interest on long-term receivables	**(176)**	(14)
Effective interest on deferred consideration	**(252)**	(340)
Interest expense on finance lease liabilities	**(69)**	(92)
Bank facility and line fees	**(2,684)**	(2,081)
Total	**(12,262)**	(7,689)
Finance income		
Interest income	**284**	583
Total	**284**	583
Net financing expenses	**(11,978)**	(7,106)

9. TAXATION

(a) Taxation on profit before income tax

	2015 $'000	Restated* 2014 $'000
Current tax (expense)	**(6,786)**	(3,125)
Deferred tax credit / (expense)	**1,567**	(3,101)
Total	**(5,219)**	(6,226)

* *Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TAXATION (CONTINUED)

(b) Reconciliation of prima facie taxation and tax expense

The taxation expense that would arise at the standard rate of corporation tax in New Zealand is reconciled to the tax expense as follows:

	2015 $'000	Restated* 2014 $'000
Profit before income tax	**24,669**	16,840
Prima facie taxation at 28% (2014: 28%)	**(6,907)**	(4,715)
(Add) / deduct tax effect of:		
Non-deductible items	**(1,855)**	(1,776)
Non-taxable items	**895**	5,047
Revaluation of property, plant and equipment	**-**	(1,001)
Overstatement / (understatement) of prior year's provision	**2,372**	(3,096)
Imputation credit / foreign tax credits available for future periods	**182**	-
Other	**94**	(685)
Total	**(5,219)**	(6,226)

(c) Deferred taxation

Balance of temporary differences

	Restated* Property, plant and equipment $'000	Intangible assets $'000	Restated* Biological assets $'000	Provisions and accruals $'000	Cash flow hedges $'000	Other $'000	Restated* Total $'000
2015							
Balance as at 1 January	**(29,736)**	**741**	**(3,929)**	**1,742**	**-**	**143**	**(31,039)**
Recognised in income statement	**1,918**	**(35)**	**(1,044)**	**857**	**-**	**(129)**	**1,567**
Recognised in equity	**(8,170)**	**-**	**-**	**-**	**-**	**-**	**(8,170)**
Recognised on acquisition	**(2,422)**	**(1,646)**	**(317)**	**20**	**-**	**-**	**(4,365)**
Balance as at 31 December	**(38,410)**	**(940)**	**(5,290)**	**2,619**	**-**	**14**	**(42,007)**
2014							
Balance as at 1 January	(21,534)	781	(2,154)	2,293	(55)	139	(20,530)
Foreign exchange impact	-	-	-	(332)	-	-	(332)
Recognised in income statement	(3,363)	(40)	(133)	(219)	650	4	(3,101)
Recognised in equity	(646)	-	-	-	(595)	-	(1,241)
Recognised on acquisition	(4,193)	-	(1,642)	-	-	-	(5,835)
Balance as at 31 December	(29,736)	741	(3,929)	1,742	-	143	(31,039)

	2015 $'000	Restated* 2014 $'000
Expected settlement		
Deferred tax assets and liabilities to be recovered within 12 months	**(2,657)**	(2,044)
Deferred tax assets and liabilities to be recovered after more than 12 months	**(39,350)**	(28,995)
Total	**(42,007)**	(31,039)

* *Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. TAXATION (CONTINUED)

(d) Imputation credits

	2015 $'000	2014 $'000
Imputation credits available for use in subsequent reporting periods	**(1,743)**	1,035

The imputation credits balance was in debit at 31 December 2015 and the Group will be making a voluntary payment before 31 March 2016 to ensure the balance is in credit at that time.

10. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Notes	2015 $'000	Restated* 2014 $'000
Profit for the year		**19,450**	10,614
Adjusted for:			
Amortisation expense	18	**1,311**	1,461
Bank facility and line fees	8	**2,684**	2,081
Depreciation expense	17	**17,513**	13,542
Effective interest on deferred consideration	8	**252**	340
Fair value (gain) on biological assets	15	**(8,129)**	(1,592)
(Gain) on acquisition of business		**-**	(13,316)
(Gain) on revaluation of investment	6	**(343)**	-
Impairment of goodwill	7	**777**	-
Movement in deferred tax	9	**(1,567)**	3,101
Movement in provision for receivables impairment	7	**808**	129
(Profit) / loss on the sale of property, plant and equipment	6,7	**(609)**	219
(Profit) / loss on the revaluation of property, plant and equipment	6,7	**(144)**	3,446
Share of profit of joint ventures	19	**(3,834)**	(2,478)
Share of profit of associates	20	**(2,572)**	(1,586)
Other movements		**843**	780
		6,990	6,127
Impact of changes in working capital items			
(Increase) in debtors and prepayments[(1)]		**(11,342)**	(13,711)
Increase in creditors and provisions[(1)]		**11,188**	6,196
(Increase) / decrease in inventories		**(5,925)**	3,117
(Increase) / decrease in taxation receivable		**2,143**	(67)
		(3,936)	(4,465)
Net cash inflow from operating activities		**22,504**	12,276

(1) Excludes investing activities.

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. TRADE AND OTHER RECEIVABLES

	Notes	2015 $'000	2014 $'000
Current			
Gross trade receivables		**97,272**	88,280
Less: Provision for doubtful debts		**(736)**	(160)
Prepayments		**8,745**	7,918
GST and other taxes		**-**	1,115
Receivables from joint ventures	19	**949**	724
Receivables from associates	20	**6,208**	1,941
Receivables from Ultimate Parent's associate	29	**141**	119
Other receivables		**204**	389
Total		**112,783**	100,326
Non-current			
Trade receivables		**3,767**	1,606
Prepayments		**3,256**	2,188
Other receivables		**387**	229
Receivables from associates	20	**431**	252
Total		**7,841**	4,275

Trade receivable analysis of non-impaired debtors

	2015 $'000	2014 $'000
Not past due	**75,048**	67,834
Past due 1-30 days	**19,936**	18,204
Past due 31-60 days	**3,430**	2,684
Past due 61-90 days	**1,508**	360
Past due over 90 days	**381**	644
Total current and non-current trade receivables	**100,303**	89,726

The Group has numerous credit terms for various customers. These credit terms vary depending on the services provided and the customer relationship.

All trade receivables are individually reviewed regularly for impairment as part of normal operating procedures and provided for where appropriate.

Group advances relate to external advances to suppliers, customers, joint ventures and associates. All advances are within the agreed credit periods. The Group's policy requires security to be taken for advances to third parties. This security ranges from charges over property and assets to personal guarantees.

12. INVENTORIES

	2015 $'000	2014 $'000
Finished and semi-finished goods	**34,122**	28,582
Raw materials	**2,110**	2,150
Consumables (including packaging)	**7,982**	7,557
Total	**44,214**	38,289

The cost of inventories recognised as an expense and included in 'Purchases, raw materials and consumables used' in the income statement for the year ended 31 December 2015 amounted to $524.0 million (2014: $471.0 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. DERIVATIVE FINANCIAL INSTRUMENTS

	2015 $'000	2014 $'000
Current assets		
Cash flow hedges		
Forward foreign exchange contracts	**2,045**	2,996
Foreign currency options	**564**	459
Interest rate swaps	**-**	138
Fair value through profit or loss		
Forward foreign exchange contracts	**-**	131
Total	**2,609**	3,724
Non-current assets		
Cash flow hedges		
Forward foreign exchange contracts	**894**	742
Foreign currency options	**2,307**	185
Total	**3,201**	927
Current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**1,646**	149
Foreign currency options	**1,778**	343
Interest rate swaps	**111**	25
Fair value through profit or loss		
Forward foreign exchange contracts	**57**	-
Total	**3,592**	517
Non-current liabilities		
Cash flow hedges		
Forward foreign exchange contracts	**4**	-
Foreign currency options	**324**	-
Interest rate swaps	**3,281**	1,604
Total	**3,609**	1,604

14. ADOPTION OF AMENDED ACCOUNTING STANDARDS

During the year, the Group has early adopted the amendments to NZ IAS 16 *Property, Plant and Equipment* and NZ IAS 41 *Agriculture.*

The amendments bring bearer plants (used solely to grow crops for more than one period) into the scope of NZ IAS 16. The Group previously revalued bearer plants annually as part of biological assets in accordance with NZ IAS 41.

The Group has applied the change in accounting policy retrospectively and restated the comparative period to reverse the fair value measurement recognised during 2014 relating to bearer plants, which are now accounted for at cost less accumulated depreciation and impairment.

The fair value of the bearer plants on 1 January 2014 was used as the deemed cost at that date. Depreciation on bearer plants was recognised for the 2014 year.

The table on the following page summarises the impact of the change in accounting policy on the prior period presented in the Group's consolidated financial statements. The transitional provisions in the amendments to NZ IAS 16 and NZ IAS 41 do not require separate disclosure showing the impact on the 2015 year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. ADOPTION OF AMENDED ACCOUNTING STANDARDS (CONTINUED)

(a) Balance Sheet

	Previously reported [1] $'000	Adjustments $'000	Restated $'000
At 1 January 2014			
Current assets			
Biological assets	1,267	8,166	9,433
Other	155,557	-	155,557
	156,824	**8,166**	**164,990**
Non-current assets			
Biological assets	21,633	(21,633)	-
Property, plant and equipment	250,773	13,467	264,240
Other	30,586	-	30,586
	302,992	**(8,166)**	**294,826**
Total assets	**459,816**	**-**	**459,816**
Total liabilities	**191,145**	-	191,145
Equity			
Share capital	165,147	-	165,147
Revaluation and other reserves	56,318	-	56,318
Retained earnings	46,006	-	46,006
Non-controlling interests	1,200	-	1,200
	268,671	**-**	**268,671**
Total liabilities and equity	**459,816**	**-**	**459,816**
At 31 December 2014			
Current assets			
Biological assets	1,368	12,872	14,240
Other	163,972	-	163,972
	165,340	**12,872**	**178,212**
Non-current assets			
Biological assets	40,653	(40,653)	-
Property, plant and equipment	317,949	20,350	338,299
Investments in joint ventures	9,960	(656)	9,304
Other	25,633	-	25,633
	394,195	**(20,959)**	**373,236**
Total assets	**559,535**	**(8,087)**	**551,448**
Current liabilities	**106,531**	-	106,531
Non-current liabilities			
Deferred tax liabilties	33,120	(2,081)	31,039
Other	136,912	-	136,912
	170,032	**(2,081)**	**167,951**
Total liabilities	**276,563**	**(2,081)**	**274,482**
Equity			
Share capital	165,147	-	165,147
Revaluation and other reserves	59,473	-	59,473
Retained earnings	56,591	(6,006)	50,585
Non-controlling interests	1,761	-	1,761
	282,972	**(6,006)**	**276,966**
Total liabilities and equity	**559,535**	**(8,087)**	**551,448**

[1] Certain balances have been reclassified. Refer to note 2 for further information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. ADOPTION OF AMENDED ACCOUNTING STANDARDS (CONTINUED)

(b) Income Statement

	Previously reported [1] $'000	Adjustments $'000	Restated $'000
For the year ended 31 December 2014			
Purchases, raw materials and consumables used	(554,880)	(450)	(555,330)
Other operating income	25,868	(6,202)	19,666
Depreciation and amortisation expenses	(14,059)	(779)	(14,838)
Share of profit from joint ventures	3,134	(656)	2,478
Income tax expense	(8,307)	2,081	(6,226)
Profit after income tax	16,620	(6,006)	10,614
Total comprehensive income for the year	20,412	(6,006)	14,406

The Group's basic and diluted earnings per share has changed from 13.5 cents to 8.4 cents. There was no impact on the statement of cash flows for the year ended 31 December 2014.

[1] Certain balances have been reclassified. Refer to note 2 for further information.

15. BIOLOGICAL ASSETS

	2015 $'000	Restated* 2014 $'000
Balance at 1 January	**14,240**	9,433
Capitalised costs	**70,833**	46,079
Increase due to purchases	**-**	336
Increase from acquisition of business	**588**	5,864
Change in fair value less costs to sell	**8,129**	1,592
Decrease due to harvest	**(74,722)**	(48,509)
Transfer to property, plant and equipment	**-**	(73)
Decrease due to disposal	**-**	(482)
Balance at 31 December	**19,068**	14,240

The Group's biological assets (the produce growing on bearer plants) are stated at fair value less costs to sell with valuations internally completed each year. Biological assets have been valued on a discounted cash flow - income approach or an estimated market price of volumes produced approach. The techniques used by the Group are considered to be level 3 in the fair value hierarchy. There have been no transfers between levels as at 31 December 2015.

The following significant assumptions and considerations have been taken into account in determining the fair value of the Group's biological assets:

- Forecasts for the following year, using past experience for future sales, growth and margins adjusted for inflation, location and variety of crops;
- Forecasts are based on management's view of the projected cash flows for the following year;
- Any significant events that have taken place in the current financial year that would have an impact on the forecasted harvest and sales; and
- Any significant changes to the management of the crop in the current and following year.

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. BIOLOGICAL ASSETS (CONTINUED)

Unobservable inputs used to fair value the Group's biological assets are presented below.

	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationships of unobservable inputs to fair value
Apples	Discounted cash flow - income approach	Tonnes per hectare per annum	50 to 100 tonnes per hectare per annum	The higher the yield, the higher the fair value
		Export prices per export tray carton equivalent (TCE)	$20 to $50 per TCE	The higher the export price, the higher the fair value
		Risk-adjusted discount rate	35%	The higher the rate, the lower the fair value
Blueberries	Discounted cash flow - income approach	Tonnes per hectare per annum	5.6 tonnes per hectare per annum	The higher the yield, the higher the fair value
		Annual gate price per kilogram (kg) per season	$9.65 to $19.65 per kg	The higher the gate price, the higher the fair value
		Risk-adjusted discount rate	10%	The higher the rate, the lower the fair value
Citrus (lemons, mandarins, navel oranges)	Discounted cash flow - income approach	Tonnes per hectare per annum	20 to 39 tonnes per hectare per annum	The higher the yield, the higher the fair value
		Annual gate price per tonne per season	$1,300 to $2,430 per tonne	The higher the gate price, the higher the fair value
		Risk-adjusted discount rate	10%	The higher the rate, the lower the fair value
Kiwifruit	Discounted cash flow - income approach	Trays per hectare per annum	8,500 to 15,000 trays per hectare per annum	The higher the yield, the higher the fair value
		Annual gate price per kg per season	$4.67 to $7.10 per kg	The higher the gate price, the higher the fair value
		Risk-adjusted discount rate	10%	The higher the rate, the lower the fair value
Tomatoes	Estimated market price of volumes produced	Tonnes per hectare per annum	187 to 1,702 tonnes per hectare per annum	The higher the yield, the higher the fair value
		Annual gate price per kg per season	$1.54 to $12.84 per kg	The higher the gate price, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. BIOLOGICAL ASSETS (CONTINUED)

Fair value measurements
The following table details the fair values of the Group's crop at 31 December.

	2015 $'000	Restated* 2014 $'000
Apples	**13,585**	9,154
Blueberries	**300**	201
Citrus (lemons, mandarins, navel oranges)	**1,494**	945
Kiwifruit	**994**	2,572
Tomatoes	**2,662**	1,366
Other	**33**	2
Total	**19,068**	14,240

Activity on owned and leased land
The owned and leased land growing different types of biological assets is detailed in the table below.

	OWNED		LEASED	
	2015 hectare	2014 hectare	2015 hectare	2014 hectare
Apples	**369**	362	**457**	468
Blueberries	**11**	11	**-**	-
Kiwifruit	**63**	63	**24**	24
Lemons	**48**	48	**5**	5
Mandarins	**54**	54	**27**	27
Navel oranges	**-**	-	**20**	20
Tomatoes	**25**	16	**4**	4
Other	**1**	1	**-**	-

The production on owned and leased land by agricultural produce type for the 2014 and 2015 years is presented in the table below.

	PRODUCTION OWNED		PRODUCTION LEASED		Production units
	2015	2014	2015	2014	
Apples	**663,422**	497,452	**1,024,900**	38,233	TCE
Blueberries	**38,918**	26,059	**-**	-	kg
Kiwifruit	**452,759**	429,378	**168,492**	239,509	class 1 trays
Lemons	**966,166**	1,333,035	**100,642**	95,450	kg
Mandarins	**1,401,754**	676,214	**614,160**	594,325	kg
Navel oranges	**-**	-	**735,681**	601,702	kg
Tomatoes	**8,106,597**	6,789,519	**1,740,535**	1,918,746	kg
Other	**25,428**	20,251	**-**	-	kg

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. BUSINESS COMBINATIONS

Great Lake Tomatoes Limited
On 20 October 2015 the Group acquired 100% of Great Lake Tomatoes Limited (Great Lake). The acquired entity is a tomato grower based in Reporoa, Bay of Plenty and owns and operates a glasshouse facility producing approximately 3,000 tonnes of tomatoes annually. The assets acquired also include land and the glasshouse operations. The entity was acquired to increase the volumes and year round supply of tomatoes to domestic and international markets.

The total cost of the acquisition was $17.5 million which was paid for in cash on the date of settlement. Goodwill of $4.3 million was recognised as a result of the cost of the acquisition exceeding the identifiable net assets of the entity. This difference arose as a result of the strong maintainable financial performance of the business.

The initial accounting for Great Lake’s assets has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, some of the necessary calculations had not been finalised and they have therefore only been provisionally determined based on best estimates of the likely values.

Below is an analysis of the assets and liabilities acquired as at acquisition date:

	2015 $'000
Current assets	
Cash and cash equivalents	**1,036**
Trade and other receivables	**707**
Prepayments	**543**
Inventories	**178**
Biological assets	**588**
Non-current assets	
Property, plant and equipment	**13,163**
Current liabilities	
Trade and other liabilities	**(1,036)**
Non-current liabilities	
Deferred tax	**(1,948)**
Total identifiable net assets	**13,231**
Goodwill on acquisition	**4,276**
Cost of acquisition	**17,507**

The acquired business contributed $1.9 million of revenue and $0.1 million of losses to the Group for the period from 20 October 2015 to 31 December 2015. If the acquisition had occurred on 1 January 2015 the acquired business would have contributed an additional $4.9 million of revenue and $0.8 million to profit.

The gross value of trade and other receivables is $0.7 million which also represents the fair value of trade and other receivables. At acquisition date, it is estimated that all amounts are collectable.

Acquisition related costs of $0.05 million have been excluded from the consideration transferred and recognised in ‘Other expenses’ in the income statement for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. BUSINESS COMBINATIONS (CONTINUED)

Rianto Limited
On 2 November 2015 the Group acquired 100% of Rianto Limited (Rianto). The acquired entity and its subsidiary, Van Rijen Limited, are a tomato grower based in Ohaupo, Waikato and own and operate a glasshouse facility producing approximately 1,600 tonnes of tomatoes annually. The assets acquired also include a residential property, land and the glasshouse operations. The entity was acquired to increase the volumes and year round supply of tomatoes to domestic and international markets.

The total cost of the acquisition was $8.1 million which was paid for in cash on the date of settlement. Goodwill of $2.4 million was recognised as a result of the cost of the acquisition exceeding the identifiable net assets of the entity. This difference arose as a result of the strong maintainable financial performance of the business.

The initial accounting for Rianto's assets has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, some of the necessary calculations had not been finalised and they have therefore only been provisionally determined based on best estimates of the likely values.

Below is an analysis of the assets and liabilities acquired as at acquisition date:

	2015 $'000
Current assets	
Trade and other receivables	**215**
Non-current assets	
Property, plant and equipment	**6,891**
Current liabilities	
Trade and other liabilities	**(617)**
Non-current liabilities	
Deferred tax	**(771)**
Total identifiable net assets	**5,718**
Goodwill on acquisition	**2,430**
Cost of acquisition	**8,148**

The acquired business contributed $0.4 million of revenues and $0.01 million of losses to the Group for the period from 2 November 2015 to 31 December 2015. If the acquisition had occurred on 1 January 2015 the acquired business would have contributed an additional $4.5 million of revenues and $0.9 million to profit.

The gross value of trade and other receivables is $0.2 million which also represents the fair value of trade and other receivables. At acquisition date, it is estimated that all amounts are collectable.

Acquisition related costs of $0.03 million have been excluded from the consideration transferred and recognised in 'Other expenses' in the income statement for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. BUSINESS COMBINATIONS (CONTINUED)

T&G Vizzarri Farms Pty Limited
T&G Vizzarri Farms Pty Limited (T&G Vizzarri), formerly known as Delica Pty Limited, changed its legal name on 30 July 2015. It was previously accounted for as a joint venture by the Group.

On 30 July 2015, T&G Vizzarri entered into an exclusive asparagus supply agreement with M & G Vizzarri for $5.5 million and acquired certain assets and employees from Vizzarri Farms, an entity related to M & G Vizzarri.

On completion of the transaction, Delica Australia Pty Limited (also a wholly-owned subsidiary of the Group) remains a 50% shareholder of T&G Vizzarri with the remaining 50% owned by M & G Vizzarri.

The Group considers T&G Vizzarri to be a subsidiary of Delica Australia Pty Limited. The shareholders' agreement specifies that Delica Australia Pty Limited undertakes the day to day management of the business and has the right to appoint the managing director of the business (and has the right to appoint three out of five directors).

This satisfies the criteria set out in NZ IFRS 10 *Consolidated Financial Statements* around achieving control over an entity. Consequently, from 30 July 2015 T&G Vizzarri was accounted for as a subsidiary.

Below is an analysis of the assets and liabilities acquired as at acquisition date:

	2015 $'000
Current assets	
Cash and cash equivalents	**54**
Inventories	**181**
Non-current assets	
Property, plant and equipment	**4**
Intangible assets	**5,505**
Current liabilities	
Trade and other liabilities	**(119)**
Deferred tax	**(1,646)**
Total identifiable net assets	**3,979**
Goodwill on acquisition	**2,989**
Total consideration	**6,968**
Total consideration is comprised of:	
Fair value of Group's investment	**1,402**
Fair value of non-controlling interest's share of net assets	**61**
Cash paid for intangible asset	**5,505**

The carrying value of the Group's equity interest in T&G Vizzarri immediately prior to the acquisition was $1.1 million. The gain arising from remeasurement of $0.3 million is recognised in 'Other operating income' in the income statement for the year ended 31 December 2015.

The acquired business contributed $20.6 million of revenue and $1.0 million of profits to the Group for the period from 1 August 2015 to 31 December 2015. If the acquisition had occurred on 1 January 2015 the acquired business would have contributed an additional $8.0 million of revenue and $0.3 million to profit.

Acquisition related costs of $0.2 million have been excluded from the consideration transferred and recognised in 'Other expenses' in the income statement for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PROPERTY, PLANT AND EQUIPMENT

	Commercial land and improvements $'000	Orchard land and improvements $'000	Buildings $'000	Restated* Bearer plants $'000	Glasshouses $'000	Motor vehicles $'000	Plant and equipment and hire containers $'000	Restated* Work in progress $'000	**Restated* Total $'000**
At 1 January 2014									
Cost or valuation	47,484	46,941	122,692	12,822	19,250	9,997	186,993	6,735	452,914
Accumulated depreciation and impairment	(1,077)	(298)	(21,933)	-	(6,310)	(7,899)	(151,157)	-	(188,674)
Net carrying amounts	46,407	46,643	100,759	12,822	12,940	2,098	35,836	6,735	264,240
Year ended 31 December 2014									
Opening net carrying amounts	46,407	46,643	100,759	12,822	12,940	2,098	35,836	6,735	264,240
Additions and transfers	2,582	909	1,849	6,738	30	202	14,338	4,201	30,849
Additions through business acquisition	6,600	12,565	29,081	-	-	1,397	9,361	710	59,714
Depreciation	(383)	(453)	(3,570)	(779)	(827)	(664)	(6,866)	-	(13,542)
Transfer to / from assets held for sale	(379)	607	(445)	-	-	-	-	-	(217)
Transfer from biological assets	-	-	41	-	-	-	-	-	41
Disposals	-	-	(475)	-	-	(481)	(130)	-	(1,086)
Revaluations	-	(2,190)	-	-	-	-	-	-	(2,190)
Depreciation write back on revaluation	-	405	-	-	-	-	-	-	405
Foreign exchange movements	4	-	(20)	-	-	3	5	93	85
Closing net carrying amounts	54,831	58,486	127,220	18,781	12,143	2,555	52,544	11,739	338,299
At 31 December 2014									
Cost or valuation	56,291	58,488	151,976	19,560	19,279	7,368	206,267	11,739	530,968
Accumulated depreciation and impairment	(1,460)	(2)	(24,756)	(779)	(7,136)	(4,813)	(153,723)	-	(192,669)
Net carrying amounts	54,831	58,486	127,220	18,781	12,143	2,555	52,544	11,739	338,299
Year ended 31 December 2015									
Opening net carrying amounts	**54,831**	**58,486**	**127,220**	**18,781**	**12,143**	**2,555**	**52,544**	**11,739**	**338,299**
Additions and transfers	**1,371**	**(2,459)**	**165**	**5,357**	**-**	**339**	**16,996**	**4,227**	**25,996**
Additions through business acquisition	**5,572**	**-**	**2,529**	**-**	**8,566**	**15**	**3,376**	**-**	**20,058**
Depreciation	**(546)**	**(723)**	**(4,779)**	**(1,179)**	**(908)**	**(479)**	**(8,899)**	**-**	**(17,513)**
Transfer to / from assets held for sale	**178**	**-**	**30**	**-**	**-**	**-**	**-**	**-**	**208**
Disposals	**(12)**	**-**	**(132)**	**-**	**-**	**(46)**	**(169)**	**-**	**(359)**
Revaluations	**6,137**	**-**	**3,239**	**-**	**-**	**-**	**-**	**-**	**9,376**
Depreciation write back on revaluation	**1,814**	**-**	**23,686**	**-**	**-**	**-**	**-**	**-**	**25,500**
Foreign exchange movements	**(52)**	**-**	**(1)**	**-**	**-**	**11**	**13**	**(141)**	**(170)**
Closing net carrying amounts	**69,293**	**55,304**	**151,957**	**22,959**	**19,801**	**2,395**	**63,861**	**15,825**	**401,395**
At 31 December 2015									
Cost or valuation	**69,491**	**55,759**	**157,153**	**25,186**	**27,845**	**6,351**	**224,515**	**15,825**	**582,125**
Accumulated depreciation and impairment	**(198)**	**(455)**	**(5,196)**	**(2,227)**	**(8,044)**	**(3,956)**	**(160,654)**	**-**	**(180,730)**
Net carrying amounts	**69,293**	**55,304**	**151,957**	**22,959**	**19,801**	**2,395**	**63,861**	**15,825**	**401,395**

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leased assets

'Glasshouses' and 'Plant and equipment and hire containers' asset classes include the following amounts where the Group is a lessee under a finance lease:

	2015 $'000	2014 $'000
Cost of capitalised finance leases	**3,114**	3,114
Accumulated depreciation	**(1,569)**	(988)
Carrying amount	**1,545**	2,126

The Group leases glasshouses and other sundry equipment under non-cancellable finance lease agreements. The lease terms are between three and six years, and ownership of the assets lies with the Group.

Revaluations

An independent valuation of the Group's commercial land and improvements and buildings was carried out during the 2015 financial year as the Group carries out its revaluations once every three years. Where valuations were not obtained for land and improvements and buildings, the carrying values of these assets were reassessed for any material change.

Orchard land and improvements are also revalued every three years. The last revaluation was carried out in 2014.

Properties recorded at fair value were revalued in accordance with valuation reports of independent registered valuers. All valuers used are members of the New Zealand Institute of Valuers, with the exception of the valuer appointed in Belgium who has the appropriate expertise as required in that jurisdiction.

The table below presents the valuers and valuation techniques of the most recent valuation of the Group's assets.

Property	Valuer	Valuation date
Depreciation replacement cost approach		
657 Main Road, Riwaka, Motueka	Telfer Young	December 2015
99 Swamp Road, Riwaka, Motueka	Telfer Young	December 2015
83 Swamp Road, Riwaka, Motueka	Telfer Young	December 2015
101 Motueka River West Bank Road, Brooklyn, Motueka	Telfer Young	December 2015
Depreciation replacement cost / discounted cash flow / income capitalisation approach		
2-6 Monahan Road, Mt Wellington, Auckland	Telfer Young	December 2015
29 Stuart Road, Pukekohe	Telfer Young	December 2015
24 Kaimiro Street, Pukete, Hamilton	Telfer Young	December 2015
20 Mihaere Drive, Roslyn, Palmerston North	Telfer Young	December 2015
39 Dakota Crescent, Wigram, Christchurch	Telfer Young	December 2015
220 Fryatt Street, Dunedin Central, Dunedin	Telfer Young	December 2015
484 Nayland Road, Stoke, Nelson	Telfer Young	December 2015
490 Nayland Road, Stoke, Nelson	Telfer Young	December 2015
Depreciation replacement cost / income capitalisation approach		
153 Waipapa Road, Kerikeri	Telfer Young	December 2015
5125 Roxburgh-Ettrick Road, Ettrick, Roxburgh	Telfer Young	December 2015
Depreciation replacement cost / market comparison approach		
153 Harrisville Road, Tuakau	Telfer Young	December 2015
292 Harrisville Road, Buckland, Pukekohe	Telfer Young	December 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property	Valuer	Valuation date
Depreciation replacement cost / market comparison approach		
66 Trotter Road, Twyford, Hastings	Duke & Cooke	December 2014
Ormond Road, Twyford, Hastings	Duke & Cooke	December 2014
2 Anderson Road, Whakatu (orchard)	Duke & Cooke	December 2014
Raupare Road, Twyford, Hastings	Duke & Cooke	December 2014
Kerikeri orchards, Kerikeri	Duke & Cooke	December 2014
Apollo orchards, Heretaunga Plains, Hawke's Bay	Logan Stone	December 2014
Income capitalisation approach		
241 Evenden Road, Twyford, Hastings	Logan Stone	December 2015
22-32 Whakatu Road, Whakatu, Hastings	Logan Stone	December 2015
2 Anderson Road, Whakatu, Hastings (commercial)	Logan Stone	December 2015
Market comparison approach		
37 Goodall Road, Riwaka, Motueka	Telfer Young	December 2015
655 Main Road, Riwaka, Motueka	Telfer Young	December 2015
3800 Sint-Truiden, Belgium	Vangronsveld & Vranken	December 2015

The principal valuation approaches used by the valuers and the impact of a change in a significant unobservable valuation input are described below.

Principal valuation approach and description of approach	Relationships of unobservable inputs to fair value
Depreciation replacement cost approach This approach involves assessing the replacement cost of building and site improvements, adjusting this cost for depreciation and any obsolescence and the market value of land.	The higher the replacement cost after adjustments, the higher the fair value
Discounted cash flow approach This approach is based on the future projection of rental income cash flows discounted back to their present value, with inputs which include:	
Discount rates with a range from 8.5% to 13.5% (2014: 9.0% to 23.0%).	The higher the discount rate, the lower the fair value
Terminal yield rates with a range from 8% to 12.5% (2014: 7.8% to 13.5%).	The higher the terminal yield rate, the lower the fair value
Investment horizon of 10 years (2014: 11 years).	The longer the investment horizon, the higher the fair value
Rental growth estimated at between 0.1% to 12% per annum (2014: between 1.5% to 3.8% per annum).	The higher the rental growth rate, the higher the fair value
Income capitalisation approach This approach capitalises the actual contract and / or potential income at an appropriate market derived rate of return.	
Capitalisation rates applied range from 7.8% to 12.5% (2014: 7.3% to 12.5%).	The higher the capitalisation rate, the lower the fair value
Market comparison approach This approach analyses comparable sales evidence to a sale price per square metre of floor area and makes adjustment to these rates to reflect differences in the location, size and quality of the buildings, together with an adjustment for any market movement since the sales occurred.	The higher the sale price per square metre after adjustments, the higher the fair value

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and buildings at historical cost

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2015 $'000	2014 $'000
Commercial land and improvements		
Cost	**36,874**	29,553
Accumulated depreciation and impairment	**(4,655)**	(4,109)
Net carrying amount	**32,219**	25,444
Orchard land and improvements		
Cost	**71,134**	73,593
Accumulated depreciation and impairment	**(19,097)**	(18,374)
Net carrying amount	**52,037**	55,219
Buildings		
Cost	**140,560**	137,866
Accumulated depreciation and impairment	**(41,572)**	(36,793)
Net carrying amount	**98,988**	101,073

Fair value measurements

The following table presents certain classes of assets at fair value. All of the fair value measurements are classified as level 3 within the fair value hierarchy.

	2015 $'000	2014 $'000
Commercial land and improvements	**69,293**	54,831
Orchard land and improvements	**55,304**	58,486
Coolstores	**76,578**	67,093
Packhouses	**2,921**	1,306
Orchard Buildings	**4,330**	1,482
Processing Plant	**8,085**	7,356
Commercial Buildings	**60,043**	49,983
Total	**276,554**	240,537

There were no transfers between levels during the year. These values represent fair value at the time of valuation, plus additions and less disposals, since the date of valuations. Management have assessed that these values represent fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. INTANGIBLE ASSETS

	Goodwill $'000	Software $'000	Plant variety rights $'000	Other intangibles $'000	Total $'000
At January 2014					
Cost	6,326	18,220	3,741	643	28,930
Accumulated amortisation	-	(12,281)	(3,668)	(635)	(16,584)
Net carrying amounts	6,326	5,939	73	8	12,346
Year ended 31 December 2014					
Opening carrying amounts	6,326	5,939	73	8	12,346
Additions	-	982	8	-	990
Additions through business acquisition	-	66	-	-	66
Amortisation	-	(1,447)	-	(14)	(1,461)
Reversal of impairment	-	-	-	165	165
Transfer from biological assets	-	32	-	-	32
Disposals	-	(513)	-	-	(513)
Foreign exchange movements	(76)	(10)	-	-	(86)
Net carrying amounts	6,250	5,049	81	159	11,539
At 31 December 2014					
Cost	6,250	18,657	3,749	557	29,213
Accumulated amortisation	-	(13,608)	(3,668)	(398)	(17,674)
Net carrying amounts	6,250	5,049	81	159	11,539
Year ended 31 December 2015					
Opening carrying amounts	**6,250**	**5,049**	**81**	**159**	**11,539**
Additions	**-**	**592**	**11**	**337**	**940**
Additions through business acquisition	**9,695**	**-**	**-**	**5,505**	**15,200**
Amortisation	**-**	**(1,199)**	**(1)**	**(111)**	**(1,311)**
Disposals	**(200)**	**-**	**-**	**(50)**	**(250)**
Impairment through profit or loss	**(777)**	**-**	**-**	**-**	**(777)**
Foreign exchange movements	**39**	**6**	**-**	**(233)**	**(188)**
Net carrying amounts	**15,007**	**4,448**	**91**	**5,607**	**25,153**
At 31 December 2015					
Cost	**15,007**	**19,274**	**3,760**	**6,046**	**44,087**
Accumulated amortisation	**-**	**(14,826)**	**(3,669)**	**(439)**	**(18,934)**
Net carrying amounts	**15,007**	**4,448**	**91**	**5,607**	**25,153**

Impairment tests for goodwill

Goodwill held by the Group relates to acquisitions during the year of Great Lake Tomatoes Limited, the Rianto Group, and T&G Vizzarri Farms Pty Limited. It also relates to the Group's historical acquisitions of Status Produce Limited and the Delica Group (including Delica Australia and Delica North America).

Of the Group's goodwill balance, 53% is allocated to the Status Group (including Great Lake Tomatoes Limited and the Rianto Group), and 47% is allocated to the Delica Group (including T&G Vizzarri Farms Pty Limited).

The recoverable amounts are based on value-in-use calculations. The calculation uses cash flow projections based on budgets approved by management to December 2016, and a discount rate of 10.8% (2014: 10.8%) which approximates the Group's weighted average cost of capital. Cash flows beyond December 2016 have been extrapolated using a steady growth rate of 0.9% (2014: 2%).

The calculations support the carrying amount of recorded goodwill. Management believes that any reasonable change in the key assumptions used in the calculations would not cause the carrying amount to exceed its recoverable amount

The impairment through profit or loss relates to a business within the International Produce segment that ceased trading during the year. The goodwill balance of $0.8 million was written off.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. INVESTMENTS IN JOINT VENTURES

Set out below are the joint ventures of the Group as at 31 December 2015. The joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business.

The Group's investments in joint ventures in 2015 and 2014 are:

Name of entity	Place of business / country of incorporation	Ownership interest 2015	Ownership interest 2014	Principal activity
Apollo Foods Limited	New Zealand	**50%**	50%	Processed apple food business
T&G Vizzarri Farms Pty Limited (formerly Delica Pty Limited)	Australia	**50%**[(1)]	50%	Asparagus supplier
Wawata General Partner Limited	New Zealand	**50%**	50%	Horticulture operations
Worldwide Fruit Limited	United Kingdom	**50%**	50%	Fruit marketing

All of the joint ventures are equity accounted by the Group.

The balance date of Worldwide Fruit Limited is 30 June. For the purposes of applying the equity method of accounting, the management accounts of Worldwide Fruit Limited for the period ended 30 November 2015 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2015.

The balance date of the remaining joint ventures is 31 December.

(1) On 30 July 2015, Delica Pty Limited changed its name to T&G Vizzarri Farms Pty Limited. At the same time, the Group's ownership in the company changed from a joint venture to one of overarching control albeit with no change in the shareholding (50%) of the company. Consequently the Group accounts for it as a subsidiary in accordance with NZ IFRS 10 *Consolidated Financial Statements*. Refer to note 16 for further details.

Summarised financial information for joint venture

Set out below is the summarised financial information for the joint venture that is considered to be material to the Group. The information reflects the amounts presented in the financial statements of the joint venture, adjusted for differences in accounting policies between the Group and the joint venture.

Worldwide Fruit Limited

	2015 $'000	2014 $'000
Summarised financial information		
Balance sheet		
Current assets	**31,678**	23,575
Current liabilities	**(30,065)**	(25,225)
Non-current assets	**17,743**	16,953
Non-current liabilities	**(7,236)**	(7,395)
Net assets	**12,120**	7,908
Cash and cash equivalents	**3,498**	1,332
Non-current financial liabilities excluding trade and other payables and provisions	**(7,236)**	(7,395)
Income statement		
Revenue	**248,839**	227,841
Depreciation and amortisation expenses	**(1,452)**	(1,208)
Interest expense	**(219)**	(183)
Income tax expense	**(1,380)**	(935)
Profit after tax and total comprehensive income	**4,542**	3,240
Group's share of carrying amount	**6,060**	3,954
Group's share of profit from continuing operations	**2,271**	1,620
Dividend received from joint venture	**414**	984

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The Group's share of profit and the carrying amounts of the Group's interest in all joint ventures are presented below:

	2015 $'000	Restated* 2014 $'000
Group's share of profit of joint ventures		
Worldwide Fruit Limited	**2,271**	1,620
Other	**1,563**	858
Total	**3,834**	2,478
Carrying amount of the Group's interest in joint ventures		
Worldwide Fruit Limited	**6,060**	3,954
Other	**4,726**	5,350
Total	**10,786**	9,304

Transactions with joint ventures of the Group

The Group has entered into the following transactions with its joint ventures during the year:

	2015 $'000	2014 $'000
Sale of pipfruit exported by the Group	**31,572**	22,295
Purchase of pipfruit from joint ventures	**96**	52
Provision of services by the Group	**1,205**	1,080
Receivables from joint ventures	**949**	724
Payables to joint ventures	**-**	450

20. INVESTMENTS IN ASSOCIATES

Set out below are the associates of the Group as at 31 December 2015. All of the associates' share capital consists solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business.

The Group's investments in associates in 2015 and 2014 are:

Name of entity	Place of business / country of incorporation	Ownership interest 2015	Ownership interest 2014	Principal activity
Allen Blair Properties Limited	New Zealand	**33%**	33%	Property investment
David Oppenheimer & Company I, L.L.C	United States of America	**15%**	15%	Produce wholesale distributors
David Oppenheimer Transport Inc.	United States of America	**15%**	15%	Transport
Fresh Vegetable Packers Limited	New Zealand	**41%**	41%	Horticultural operations
McKay Shipping Limited	New Zealand	**25%**	25%	Transport
Mystery Creek Asparagus Limited	New Zealand	**15%**	15%	Horticultural operations
N.Z. Kumara Distributors Limited	New Zealand	**20%**	20%	Horticultural operations

All of the associates are equity accounted by the Group.

Allen Blair Properties Limited and Mystery Creek Asparagus Limited have a balance date of 31 March and Fresh Vegetable Packers Limited has a balance date of 30 June. These were the reporting dates established when these companies were incorporated and it is impractical for these companies to change their balance dates. For the purposes of applying the equity method of accounting, the management accounts of the companies for the period ended 30 November 2015 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2015.

The remaining associates of the Group have a balance date of 31 December 2015.

** Refer to note 14 for further information*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information for associate

Set out below is the summarised financial information for the associate that is considered to be material to the Group. The information reflects the amounts presented in the financial statements of the associate, adjusted for differences in accounting policies between the Group and the associate.

David Oppenheimer & Company I, L.L.C.

	2015 $'000	2014 $'000
Summarised financial information		
Balance sheet		
Current assets	**108,072**	95,299
Current liabilities	**(100,832)**	(90,028)
Non-current assets	**482**	434
Net assets	**7,722**	5,705
Cash and cash equivalents	**7,555**	2,586
Income statement		
Revenue	**740,609**	617,096
Depreciation and amortisation expenses	**(147)**	(115)
Interest expense	**(651)**	(434)
Profit after tax and total comprehensive income	**7,584**	4,611
Group's share of carrying amount		
Interest in associates	**1,158**	856
Other adjustment	**968**	798
Group's share of carrying amount	**2,126**	1,654
Group's share of profit from continuing operations	**1,138**	692
Dividend received from associates	**972**	576

The Group's share of profit and the carrying amounts of the Group's interest in all associates are presented below:

	2015 $'000	2014 $'000
Group's share of profit of associates		
David Oppenheimer & Company I, L.L.C.	**1,138**	692
Other	**1,434**	894
Total	**2,572**	1,586
Carrying amount of the Group's interest in associates		
David Oppenheimer & Company I, L.L.C.	**2,126**	1,654
Other	**7,789**	6,698
Total	**9,915**	8,352

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. INVESTMENTS IN ASSOCIATES (CONTINUED)

Transactions with associates of the Group
The Group has entered into the following transactions with its associates during the year:

	2015 $'000	2014 $'000
Sale of pipfruit exported by the Group	**41,609**	46,635
Purchase of pipfruit from associates	**30,731**	23,127
Provision of services by the Group	**-**	7
Provision of services to the Group	**422**	513
Receivables from associates	**6,639**	2,193
Payables to associates	**12,642**	11,929

21. TRADE AND OTHER PAYABLES

	Notes	2015 $'000	2014 $'000
Current			
Trade payables		**46,353**	48,192
GST and other taxes		**1,162**	135
Employee entitlements		**11,751**	9,948
Accrued expenses		**19,804**	14,627
Owing to joint ventures	19	**-**	450
Owing to associates	20	**12,642**	11,929
Owing to associates of Ultimate Parent	29	**-**	132
Deferred payments to related parties		**1,922**	1,828
Crate return liability		**13,901**	12,694
Total		**107,535**	99,935
Non-current			
Deferred payments		**3,243**	4,937
Deferred payments to related parties		**2,021**	3,943
Total		**5,264**	8,880

22. LOANS AND BORROWINGS

	2015 $'000	2014 $'000
Current		
Secured borrowings	**6,506**	5,500
Unsecured borrowings	**6**	-
Finance lease liabilties	**528**	579
Total	**7,040**	6,079
Non-current		
Secured borrowings	**163,040**	125,000
Unsecured borrowings	**181**	150
Finance lease liabilities	**754**	1,278
Total	**163,975**	126,428

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. LOANS AND BORROWINGS (CONTINUED)

Interest rates
As at 31 December 2015 the weighted average interest rate on the non-current secured borrowings is 3.8% (2014: 4.7%), fixed for periods up to three months.

	2015 $'000	2014 $'000
Terms and principal repayment schedule		
Within one year	**6,512**	5,500
Between one and two years	**163,156**	150
Between two and five years	**65**	125,000
Total	**169,733**	130,650

Security and bank facilities
As at 31 December 2015 the Group had a term debt facility from the Bank of New Zealand, Rabobank and HSBC amounting to $190.0 million (2014: $150.0 million). This facility has been amortised to $180.0 million in January 2016.

The seasonal facility is renewed annually.

These facilities are secured by a guarantee from the Ultimate Parent.

The banking facilities for the 2016 year are as follows:

	Amount $'000	Expiry date
Term debt facility	**180,000**	February 2017
Seasonal facility	**90,000**	November 2016
Money market facility	**30,000**	February 2017
Overdraft facility	**3,000**	Uncommitted
Australian dollar overdraft facility - NZD equivalent	**3,308**	Uncommitted

Gross finance lease liabilities – minimum lease payments

	2015 $'000	2014 $'000
Within one year	**576**	655
Between one and five years	**761**	1,373
	1,337	2,028
Future finance charges on finance leases	**(55)**	(171)
Present value of finance lease liabilities	**1,282**	1,857
The present value of finance lease liabilities is as follows:		
Within one year	**528**	579
Between one and five years	**754**	1,278
Total	**1,282**	1,857

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. CAPITAL AND RESERVES

Share capital

	2015 shares	2014 shares	2015 $'000	2014 $'000
Balance at 31 December	**119,803,316**	117,010,550	**170,317**	165,147

As at 31 December 2015, the authorised share capital comprised 119,803,316 ordinary shares (2014: 117,010,550). All shares on issue are fully paid and have no par value.

All ordinary shares rank equally with one vote attached to each fully paid ordinary share. There are no other classes of shares issued.

A dividend was paid on 4 December 2015 (refer to note 24). As part of an optional dividend reinvestment plan, shareholders could elect to receive fully paid bonus ordinary shares in lieu of some, or all, of their cash dividend. $5.2 million of the dividend payment was reinvested by shareholders. No other ordinary shares were issued during the year.

Revaluation and other reserves

	2015 $'000	2014 $'000
Asset revaluation reserve		
Balance at 1 January	**61,920**	60,596
Gain on revaluation of property, plant and equipment, gross of tax	**34,729**	1,660
Deferred tax effect on revaluation of property, plant and equipment	**(8,170)**	-
Deferred tax effect on sale of property, plant and equipment	**-**	224
Transfer to retained earnings due to asset disposal	**-**	(560)
Balance at 31 December	**88,479**	61,920
Foreign currency translation reserve		
Balance at 1 January	**(4,389)**	(4,048)
Exchange differences on translation of foreign operations, before non-controlling interests	**2,638**	(341)
Balance at 31 December	**(1,751)**	(4,389)
Cash flow hedge reserve		
Balance at 1 January	**1,778**	(210)
Movements in fair value	**129**	3,361
Reclassification of net change in fair value to income statement	**(4,139)**	(600)
Taxation on reserve movements	**1,086**	(773)
Balance at 31 December	**(1,146)**	1,778
Share option reserve		
Balance at 1 January	**19**	37
Options expired and forfeited	**(19)**	(18)
Balance at 31 December	**-**	19
Available-for-sale investment reserve		
Balance at 1 January	**145**	(57)
Gain on revaluation of available-for-sale investments	**13**	202
Balance at 31 December	**158**	145
Total	**85,740**	59,473

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. CAPITAL AND RESERVES (CONTINUED)

Asset revaluation reserve
The revaluation reserve relates to commercial land and improvements, buildings, and orchard land and improvements.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements of foreign operations into Group currency.

Cash flow hedge reserve
The cash flow hedge reserve accounts for the fair value movements of hedging instruments designated as cash flow hedges.

Share option reserve
The share option reserve accounts for all unexercised options from the Group's share option scheme introduced in 2006. The scheme was discontinued in prior years and the remaining options expired on 19 December 2015.

Available-for-sale investment reserve
The available-for-sale investment reserve accounts for the fair value movements of available-for-sale investments.

24. DIVIDENDS

	2015 $'000	2014 $'000
Ordinary shares		
Dividend to shareholders	**7,021**	5,851
Dividends to non-controlling interests in Group subsidiaries	**158**	260
Total	**7,179**	6,111

On 4 December 2015, the Group paid a dividend of $0.06 per share (2014: $0.05 per share) to its shareholders. Of the total dividend, $1.9 million was paid out in cash and $5.2 million was settled through new shares issued as part of an optional dividend reinvestment plan. There was no dividend reinvestment plan in 2014. There was no further declaration of dividends for the year ended 31 December 2015.

25. COMMITMENTS

Capital commitments

As at 31 December, the Group is committed to the following capital expenditure:

	2015 $'000	Restated* 2014 $'000
Property, plant and equipment	**8,740**	7,461
Intangible assets	**250**	370
Total	**8,990**	7,831

Operating leases payable
The Group leases premises, plant and equipment under operating leases. Operating leases held over properties give the Group the right, in most cases, to renew the lease subject to a redetermination of the lease rental by the lessor. There are no renewal options or options to purchase in respect of operating plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. COMMITMENTS (CONTINUED)

The following amounts have been committed to by the Group, but are not recognised in the financial statements.

	2015 $'000	2014 $'000
Within one year	**16,027**	13,612
One to two years	**13,885**	10,193
Two to five years	**23,686**	20,856
Later than five years	**29,042**	27,620
Total	**82,640**	72,281

Operating leases receivable

The following amounts are minimum committed lease payments receivable from tenants / sub-tenants, but are not recognised in the financial statements.

	2015 $'000	2014 $'000
Within one year	**1,413**	1,215
One to two years	**1,261**	663
Two to five years	**1,699**	1,446
Later than five years	**771**	1,123
Total	**5,144**	4,447

Operating leases receivable amounts are generated from the following properties:

	2015 $'000	2014 $'000
Commercial land and buildings		
Cost or valuation at 31 December	**12,150**	6,450
Accumulated depreciation	**(28)**	(719)
Carrying amounts	**12,122**	5,731
Depreciation charged during the year	**165**	161

All properties, including those leased to third parties, are revalued on a cyclical basis (refer note 17). This results in accumulated depreciation up to the date of revaluation being reversed and subsequently the asset is depreciated on the revalued amount from the date of revaluation.

The properties leased to third parties are still part occupied by the Group. The proportion leased externally has been estimated based on land area occupied by third party tenants and this estimation method has been applied consistently across all leased properties.

26. CONTINGENCIES

The Group has the following guarantees:

	2015 $'000	2014 $'000
Bonds and sundry facilities	**80**	80
Guarantees of bank facilities for associated companies	**3,295**	2,870
Total	**3,375**	2,950

During the year, the Group received a statement of claim from a grower regarding materials supplied by the Group. The Group continues to defend this claim.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL RISK MANAGEMENT

The Group is subject to a number of financial risks which arise as a result of its activities, including importing, exporting and domestic trading. Treasury activities are performed by a central treasury function and the use of derivative financial instruments is governed by the Group's policies approved by the Board. The Group does not engage in speculative transactions.

Details of significant accounting policies and the methods adopted, including the criteria for recognition and the basis of measurement, are disclosed in note 2.

Market risk

(i) Foreign exchange risk

The Group operates internationally and has exposure to foreign currency risk as a result of transactions denominated in foreign currencies from normal trading activities. Major trading currencies include the Australian dollar, United States dollar, Euro (EUR), Japanese yen and British pounds.

At year end, the Group had foreign exchange exposures relating to cash, external and intercompany debtors and creditors.

Foreign exchange risk is identified by detailed cash flow forecasting, in conjunction with the allocation of produce to the various markets.

The Group uses forward foreign exchange contracts and currency options to manage these exposures.

Exchange rate sensitivity

Reasonable fluctuations in foreign exchange rates were determined based on a review of the last two years' historical movements. A movement of plus or minus 7% has therefore been applied to the exchange rates to demonstrate the sensitivity to foreign currency risk of the Group.

The following sensitivity is based on the foreign currency risk exposures in existence at the reporting date. The impact of a plus or minus 7% foreign exchange movement on all trading currencies against New Zealand dollars, with all other variables held constant, is illustrated below:

	-7%		+7%	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Pre-tax (profit) / loss	**(1,006)**	(448)	**1,107**	379
Equity	**(902)**	(620)	**519**	532

(ii) Interest risk

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

Interest rate risk is identified by forecasting cash flow requirements, short-term through to long-term. Short-term seasonal funding is provided by a syndicate of two banks. These funding arrangements are negotiated at the start of each season, on behalf of pipfruit growers who bear the interest cost.

The Group has floating rate borrowings used to fund ongoing activities, which are repriced at the option of the borrower on roll-over dates.

The following table identifies the periods in which the Group's interest bearing borrowings are subject to interest rate repricing.

	2015 $'000	2014 $'000
Less than six months	**169,881**	130,809
Between six months and one year	**229**	291
Between one and two years	**297**	676
Between two and five years	**608**	731
Total	**171,015**	132,507

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below highlights the weighted average interest rate and the currency profile of interest bearing loans and borrowings.

	2015		2014	
	Weighted average interest rate	**Loans and borrowings $'000**	Weighted average interest rate	Loans and borrowings $'000
Australian dollars	**10%**	**151**	10%	203
New Zealand dollars	**4%**	**170,864**	5%	132,304
Total		**171,015**		132,507

Interest rate derivatives
The Group's treasury policy allows up to 80% (2014: 80%) of core debt to be fixed via interest rate derivatives to protect the Group from exposure to fluctuations in interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

Swaps currently in place cover approximately 74% (2014: 60%) of the principal outstanding. The fixed interest rates average 3.8% (2014: 4.1%). The variable rates are set at the BBR 90 day settlement rate, which at balance date was 2.8% (2014: 3.7%). The contracts require settlement of net interest receivable or payable each 90 days as appropriate, and are settled on a net basis.

Interest rate sensitivity
At year end all loans are at fixed rates for defined periods of up to six months, after which interest rates will be reset. Additionally the Group has overnight deposits that are subject to fluctuations of interest rates. If the Group's year end loan and deposit balances had remained the same throughout the year and interest rates moved by 1% then the impact would be a $1.7 million gain or loss on pre-tax profits (2014: $1.3 million).

A 1% sensitivity has been used as this is what management estimates is a likely interest rate movement for the year.

(iii) Price / commodity risk
The Group does not trade in commodity instruments and therefore is not exposed to commodity price risk.

Credit risk

In the normal course of business, the Group is exposed to counterparty credit risks. The maximum exposure to credit risk at 31 December 2015 is equal to the carrying value for cash and cash equivalents, trade and other receivables and derivative financial instruments. Credit risk is managed by restricting the amount of cash and derivative financial instruments which can be placed with any one institution and these institutions are all New Zealand registered banks with at least a Standard & Poor's rating of A.

Due to the nature and dispersion of the Group's customers and growers, the Group's concentration of credit risk is not considered significant.

Liquidity risk

The Group manages liquidity risk by continuously monitoring cash flows and forecasts and matching maturity profiles of financial assets and liabilities. The Group also maintains adequate headroom on its loan facilities.

Policies are established to ensure all obligations are met within a timely and cost effective manner.

The table on the following page analyses the Group's financial liabilities into relevant contractual maturity groupings based on the remaining period at the reporting date to the contractual maturity date. For the purpose of this table, it is assumed that year end interest rates applicable to the term loan will apply through to expiry of the term loan facility, even though the Group has the option to repay the loan prior to its expiry date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

The amounts disclosed below are contractual undiscounted cash flows at reporting date.

	Carrying amount $'000	Less than six months $'000	Between six months and one year $'000	Between one and two years $'000	Between two and five years $'000	Over five years $'000	**Total $'000**
Financial liabilities							
2015							
Borrowings	**169,733**	**9,618**	**3,112**	**163,519**	**150**	**-**	**176,399**
Trade and other payables (excluding employee entitlements and taxes)	**99,886**	**94,764**	**-**	**5,637**	**-**	**-**	**100,401**
Derivative financial instruments - cash flow hedges:	**7,144**						
Inflows		**(15,609)**	**(25,827)**	**(13,781)**	**(9,239)**	**(1,317)**	**(65,773)**
Outflows		**16,875**	**27,908**	**15,531**	**11,315**	**1,696**	**73,325**
Derivative financial instruments - held for trading:	**57**						
Inflows		**1,418**	**-**	**-**	**-**	**-**	**1,418**
Outflows		**(1,475)**	**-**	**-**	**-**	**-**	**(1,475)**
Finance lease liabilities	**1,282**	**326**	**250**	**322**	**439**	**-**	**1,337**
Financial guarantees	**3,375**	**3,375**	**-**	**-**	**-**	**-**	**3,375**
Total	**281,477**	**109,292**	**5,443**	**171,228**	**2,665**	**379**	**289,007**
2014							
Borrowings	130,650	8,432	2,932	5,863	126,954	-	144,181
Trade and other payables (excluding employee entitlements and taxes)	98,732	90,088	-	2,577	7,798	-	100,463
Derivative financial instruments - cash flow hedges:	2,121						
Inflows		(6,676)	(14,856)	(3,921)	(5,155)	-	(30,608)
Outflows		7,132	15,017	4,360	6,500	-	33,009
Finance lease liabilities	1,857	331	324	572	801	-	2,028
Financial guarantees	2,950	2,950	-	-	-	-	2,950
Total	236,310	102,257	3,417	9,451	136,898	-	252,023

For cash flow hedges, the impact on the profit and loss is expected to occur at the same time as the cash flows occur.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management

The main objective of capital risk management is to ensure the Group operates as a going concern, meeting debts as they fall due, maintaining the best possible capital structure and reducing the cost of capital. Group capital consists of share capital, other reserves and retained earnings. To maintain or alter the capital structure the Group has the ability to review the size of dividends paid to shareholders, return capital or issue new shares, reduce or increase debt, or sell assets.

There are a number of externally imposed bank financial covenants required as part of seasonal and term debt facilities. These covenants are calculated monthly and reported to the banks on a monthly and quarterly basis.

The key covenants are as follows:

Contingent liabilities
Contingent liabilities of the Group shall not at any time exceed 5% of total tangible assets of the Group.

Debt to debt and equity
The debt to debt and equity percentage shall not exceed the specified percentage as at the end of each month. This percentage ranges from 45% to 55%.

Tangible net worth
The tangible net worth of the Group shall not be less than $250 million.

Seasonal facility stock and debtors
Seasonal facility stock and debtors of the Group shall at all times be equal to or exceed 1.1:1.

Total net worth
The total net worth of the Ultimate Parent shall not at any time be less than EUR 850 million.

In addition, the Group also makes the following undertakings:

At all times, the tangible assets of the Group entities that form part of the guaranteeing group shall not be less than 90% of the total tangible assets of the whole Group.

At all times, the total earnings before interest and tax (EBIT as defined within the banking agreement) of the Group entities that form part of the guaranteeing group shall not be less than 80% of the total EBIT of the Group.

Seasonality
Due to the seasonal nature of the business the risk profile at year end is not representative of all risks faced during the year. Seasonality causes large fluctuations in the size of borrowings and debtors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by category

Financial assets

	Loans and receivables $'000	Fair value through profit or loss $'000	Derivatives for hedging $'000	Available-for-sale $'000	**Total $'000**
2015					
Cash and cash equivalents	**13,654**	**-**	**-**	**-**	**13,654**
Trade and other receivables (excluding prepayments and taxes)	**108,623**	**-**	**-**	**-**	**108,623**
Available-for-sale financial assets	**-**	**-**	**-**	**530**	**530**
Derivative financial instruments	**-**	**-**	**5,810**	**-**	**5,810**
Total	**122,277**	**-**	**5,810**	**530**	**128,617**
2014					
Cash and cash equivalents	15,847	-	-	-	15,847
Trade and other receivables (excluding prepayments and taxes)	93,380	-	-	-	93,380
Available-for-sale financial assets	-	-	-	540	540
Derivative financial instruments	-	131	4,520	-	4,651
Total	109,227	131	4,520	540	114,418

Financial liabilities

	Measured at amortised cost $'000	Fair value through profit or loss $'000	Derivatives for hedging $'000	**Total $'000**
2015				
Borrowings	**169,733**	**-**	**-**	**169,733**
Trade and other payables (excluding employee entitlements and taxes)	**99,886**	**-**	**-**	**99,886**
Finance lease liabilities	**1,282**	**-**	**-**	**1,282**
Derivative financial instruments	**-**	**57**	**7,144**	**7,201**
Total	**270,901**	**57**	**7,144**	**278,102**
2014				
Borrowings	130,650	-	-	130,650
Trade and other payables (excluding employee entitlements and taxes)	98,732	-	-	98,732
Finance lease liabilities	1,857	-	-	1,857
Derivative financial instruments	-	-	2,121	2,121
Total	231,239	-	2,121	233,360

Fair value hierarchy

The fair value hierarchy of all financial assets and liabilities that use methods and assumptions to estimate the fair value at 31 December 2015 are considered to be level 2 (2014: level 2).

For both 2014 and 2015 financial years, the estimated fair values of all the Group's other financial assets and liabilities approximate their carrying values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. EARNINGS PER SHARE

The earnings used to calculate basic and diluted earnings per share is net profit after tax attributable to equity holders of the Parent of $18.1 million (2014: $9.9 million).

The weighted average number of shares used to calculate basic and diluted earnings per share is as follows:

	2015 Shares	2014 Shares
For basic earnings per share	**117,240,092**	117,010,550
Effect of dilution of share options	**-**	-
For diluted earnings per share	**117,240,092**	117,010,550

The following table comprises the share option movements during the year:

	2015 Options	2014 Options
Opening balance of share options	**55,555**	111,111
Options forfeited	**(55,555)**	(55,556)
Closing balance of share options	**-**	55,555
Weighted average number of options	**53,576**	109,285

The basic and diluted earnings per share is 15.4 cents (2014: 8.4 cents).

29. RELATED PARTY TRANSACTIONS

Transactions with joint ventures and associates
The Group has related party transactions with its joint ventures and associates. The details of the transactions are contained in note 19 and note 20 respectively.

Transactions with the Ultimate Parent and its associates
The Group had transactions with the Ultimate Parent during the year amounting to $0.03 million (2014: $nil). The Group also has related party transactions with Obst vom Bodensee Vertriebsgesellschaft, an associate of the Ultimate Parent, and the transactions with this associate are detailed as follows:

	2015 $'000	2014 $'000
Sale of produce by the Group	**5,142**	5,138
Provision of services to the Group	**1,399**	1,540
Receivable by the Group as at 31 December	**141**	119
Payable by the Group as at 31 December	**-**	132

Transactions with Directors and Key Management Personnel
As part of the agreement to purchase the remaining shares in Delica Limited, a subsidiary of the Group, the Group has a $3.9 million payable to the former directors and management of Delica Limited in the form of deferred consideration (2014: $5.8 million).

Mr L. A. Noboa Icaza, who is an alternate director of the Parent, is a related party of the Group. The entity Noboa Group of Ecuador, which he is an associated person of, indirectly owns approximately 11.98% (2014: 12.26%) of the shares of the Group.

The Group purchased imported fruits of $8.7 million supplied by the Noboa Group during the year (2014: $15.8 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel compensation

	2015 $'000	2014 $'000
Short-term employee benefits	**3,501**	3,155
Long-term employee benefits	**392**	163
Termination benefits	**220**	-
Directors' remuneration	**498**	498
Total	**4,611**	3,816

30. INVESTMENT IN SUBSIDIARIES

Significant subsidiaries of the Group are listed below:

Name of entity	Principal activity	Place of business/country of incorporation	2015 %	2014 %
Apollo Apples (2014) Limited	Horticulture operations	New Zealand	**100**	100
Berryfruit New Zealand Limited	Horticulture operations	New Zealand	**100**	100
Delica Limited	Fruit export	New Zealand	**100**	100
Delica Australia Pty Limited	Fruit export	Australia	**100**	100
Delica Domestic Pty Limited	Fruit and produce wholesale distributor	Australia	**80**	100
Delica North America, Inc.	Fruit export	United States of America	**75**	75
Delica (Shanghai) Fruit Trading Company Limited	In-market services and fruit import	China	**100**	100
ENZA Fresh, Inc.	Pipfruit promotion	United States of America	**100**	100
ENZA Investments USA, Inc.	Investment company	United States of America	**100**	100
ENZAFOODS New Zealand Limited	Manufacture of fruit and vegetable by-products	New Zealand	**100**	100
ENZAFRUIT New Zealand (CONTINENT)	Pipfruit marketing	Belgium	**100**	100
ENZAFRUIT New Zealand (U.K.) Limited	Investment company	United Kingdom	**100**	100
ENZAFRUIT New Zealand International Limited	Horticulture operations	New Zealand	**100**	100
ENZAFRUIT Peru S.A.C	Horticulture operations	Peru	**100**	100
ENZAFRUIT Products Inc.	Fruit variety development and propagation	United States of America	**100**	100
Fresh Food Exports 2011 Limited	Fresh produce export	New Zealand	**100**	75
Fruit Distributors Limited	Investment company	New Zealand	**100**	100
Fruitmark NZ Limited	Fruit by-product broking	New Zealand	**100**	100
Fruitmark Pty Limited (1)	Fruit by-product broking	Australia	**100**	100
Fruitmark USA Inc. (2)	Fruit by-product broking	United States of America	**100**	–
Great Lake Tomatoes Limited (3)	Horticulture operations	New Zealand	**100**	–
Rembrandt van Rijen Limited (4)	Horticulture operations	New Zealand	**100**	–
Rianto Limited (4)	Property holdings	New Zealand	**100**	–
Safer Food Technologies Limited	Investment company	New Zealand	**100**	100
Status Produce Limited	Horticulture operations	New Zealand	**100**	100
Status Produce Favona Road Limited	Leased property holding	New Zealand	**100**	100
T&G Vizzarri Farms Pty Limited (5)	Fresh produce wholesale distributor	Australia	**50**	50
Taipa Water Supply Limited	Water supply	New Zealand	**65**	65
Turners & Growers (Fiji) Limited	Fresh produce export	Fiji	**70**	70
Turners & Growers Fresh Limited	Fresh produce wholesale distributor	New Zealand	**100**	100
Turners and Growers Horticulture Limited	Horticulture operations	New Zealand	**100**	100
Turners & Growers New Zealand Limited	Shared services company	New Zealand	**100**	100

The balance date of all subsidiaries is 31 December.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(1) On 20 May 2015, ENZACOR Pty Limited was renamed to Fruitmark Pty Limited.

(2) Fruitmark USA Inc. was created on 15 May 2015 as a wholly-owned subsidiary of Fruitmark Pty Limited.

(3) On 20 October 2015, Great Lake Tomatoes Limited was acquired by the Group. Refer to note 16 for further information.

(4) On 2 November 2015, Rianto Limited and its wholly-owned subsidiary Rembrandt van Rijen Limited were acquired by the Group. Refer to note 16 for further information.

(5) On 30 July 2015, Delica Pty Limited was renamed to T&G Vizzarri Farms Pty Limited. Also on this date, the Group obtained control of the entity which was previously accounted for as a joint venture. Refer to note 16 for further information.

31. EVENTS OCCURING AFTER THE BALANCE DATE

There are no other events post balance date that would cause a material misstatement to the financial information presented in this report.

FIVE YEAR FINANCIAL REVIEW

	2015 $'000	Restated* 2014 $'000	2013 $'000	2012 $'000	2011 $'000
Revenue					
Continuing activities	**812,764**	727,022	732,221	669,137	645,114
Profit					
Pre-tax profit / (loss)	**24,669**	16,840	23,420	(18,054)	(10,765)
Net profit / (loss) after tax	**19,450**	10,614	17,238	(13,278)	(18,881)
Funds employed					
Paid up capital	**170,317**	165,147	165,147	165,147	165,147
Retained earnings and reserves	**147,933**	110,058	102,324	107,951	115,665
Non-controlling interests	**2,696**	1,761	1,200	6,432	5,051
Non-current liabilities	**214,855**	167,951	99,005	98,945	106,617
Current liabilities	**118,167**	106,531	92,140	80,220	90,337
	653,968	551,448	459,816	458,695	482,817
Assets					
Property, plant and equipment	**401,395**	338,299	250,773	253,816	275,517
Other non-current assets	**57,426**	34,937	52,219	48,464	67,955
Current assets	**195,147**	178,212	156,824	156,415	139,345
	653,968	551,448	459,816	458,695	482,817

	2015	Restated* 2014	2013	2012	2011
Statistics					
Number of ordinary shares on issue	**119,803,316**	117,010,550	117,010,550	117,010,550	117,010,550
Earnings per share - cents	**15.4**	8.4	13.8	(13.1)	(17.2)
Net tangible assets per security	**$2.47**	$2.27	$2.19	$2.28	$2.29
Percentage of equity holders funds to total assets	**49%**	50%	58%	61%	59%
Ratio of current assets to current liabilities	**1.65**	1.67	1.70	1.95	1.62
Ratio of debt to equity(1)	**1.04**	0.99	0.71	0.64	0.69
Dividends					
Cents per share on paid up capital	**6**	5	-	-	6(2)
Total dividend paid	**$7,020,633**	$5,850,528	-	-	$5,126,618

(1) Debt includes trade payables.

(2) On electing shares only.

** Refer to note 14 for further information*

DIRECTORY

DIRECTORS

Prof. K.J.Lutz, Chairman and Non-independent Director

Sir John Anderson KBE, Deputy Chairman and Independent Director

C.U.G. Bell, Non-independent Director

C.A. Campbell, Independent Director

R.J. Campbell, Independent Director

A. Helber, Non-independent Director

J.S. Wilson, Independent Director

AUDITORS

Deloitte

PRINCIPAL BANKERS

Bank of New Zealand

HSBC

Rabobank

Westpac New Zealand

PRINCIPAL SOLICITORS

Russell McVeagh

REGISTERED OFFICE

1 Clemow Drive

Mt Wellington

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SHARE REGISTRY

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