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*

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*

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*

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*

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

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.

** Refer to note 14 for further information*

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.

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 1 to 49, 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 1 to 49 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.

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*