LET'S TAKE A CLOSER LOOK...

AT THE NUMBERS

Apata™
TOGETHER WE'RE BETTER

APATA GROUP LIMITED **ANNUAL REPORT** DECEMBER 2015

Apata TOGETHER WE'RE BETTER

BOARD OF DIRECTORS

Apata Group Limited Board of Directors from left to right: Tom Wilson, Mark Mayston (Deputy Chairman), Stuart Weston (Managing Director), Graham Cathie (Chairman), Alan Birley, John Anderson and Sean Carnachan.

CONTENTS

THE YEAR IN REVIEW

IMPROVED PROFITABILITY OFF THE BACK OF A RECORD INDUSTRY KIWIFRUIT HARVEST AND A CONTINUATION OF INDUSTRY LEADING OGR'S FOR ALL VARIETIES OF KIWIFRUIT ARE THE HIGHLIGHTS OF ANOTHER SUCCESSFUL YEAR FOR APATA GROUP LIMITED.

In spite of increasing crop volumes and complexity putting pressure on post harvest the business remains 100% grower focussed as this in turn enables us to look after our shareholders and staff.

ANNUAL REPORT

On behalf of the Apata Group Limited Board of Directors we present our Annual Report for the financial year ended 31 December 2015.

We caution shareholders that the year ended 31 December 2015 is a 12 month financial year but the comparative data for the 31 December 2014 year is for 9 months. The prior year is 9 months as we changed our balance date from 31 March to 31 December to better suit our business cycle and allow us to report to shareholders and hold an AGM before the next kiwifruit season starts.

Accordingly as 2015 is a 12 month year in most cases the revenue and expenses are significantly higher than the 9 month comparative for 2014.

DECEMBER 2015 FINANCIAL RESULT

The Directors are pleased to report a profit for the 12 months before tax of $5.3M primarily due to a record kiwifruit harvest and improved margins.

Packing prices rose in 2015 and must do so again in coming seasons as post harvest continues to invest in both packing and coolstore capability to handle the forecast higher crop numbers. Margins were also improved in 2015 as the large crop resulted in a later loadout profile and more product held in our stores for longer.

For the 12 months ended 31 December 2015 the group net profit after tax was $3.9M on revenues of $50.6M. This compares with a profit after tax of $2.2M on revenues of $40.4M in the previous reporting period. Shareholders are reminded the previous period results are not like for like as they are for 9 months.

EXTERNAL DEBT AND USE OF FUNDS

Our external debt increased from $10.5M to $17.1M due to the acquisition of a second Te Puke site on Old Coach Road, Paengaroa and the completion of a coolstore capable of holding just under a million static trays at Turntable Road. The Old Coach Road site has several hectares of post harvest zoned land available for development, if required. If that site is not developed the holding costs are more than covered by a lease in place on the remainder of the property. Apata Group's debt levels remain comfortable with current trading forecasts.

The Group re financed with ANZ Bank NZ Limited in February 2016, the new facility including $11.9M to complete two new coolstores for the 2016 harvest at Turntable Road with static capacity of around 2 million trays of kiwifruit. The completion of these projects will mean most of the available land at Turntable Road has been developed and future expansion, if required, would be at our Te Puke sites. Expanding at Te Puke makes sense as this is where most of the increasing SunGold volumes are.

We continue to have an extremely good relationship with the ANZ bank as evidenced by their February 2016 3 year commitment of both term and seasonal funding. Future expansion is still possible and ANZ have indicated a willingness to be involved in these projects if they eventuate.

The business is operating within all banking covenants and has a minimum of $3.5M of debt scheduled for repayment in 2016. The board however would like to repay a sum significantly higher than the minimum amount later in the year.

Cash on hand of $5.1M at balance date has increased by $3.2M on last year after the retiring of $2M of term debt and $1.9M of other asset investment outside major projects. The higher cash balance at year end is required as we have a higher provisional tax instalment due in January, a further capital repayment due in February and a dividend to pay in March.

DIVIDEND DECLARED

No dividends were paid during the 2015 year however at its most recent meeting the board resolved to pay a gross dividend

of 14 cents per share with respect to performance for 2015. The dividend will carry imputation credits so equates a 10.08 cents per share dividend fully-imputed, or 9.38 cents per share cash payment to shareholders after Resident Withholding Tax deductions. The dividend will be paid around the 18 March 2016.

The board intends to return to an annual dividend, all things remaining equal, after completion of our external audit at this time each year. The board will balance the dividend payment with further capital expansion and the need to maintain debt at comfortable levels. We anticipate the total cash paid out as dividends to move with the share price so that the percentage return can be expressed over the share price year to year i.e. as the share price increases the dollars to be paid out as dividend will also need to increase so that the percentage return expressed over the share price does not fall and vice versa.

We note that the above is the board's intention but must be weighed against the circumstances of the business at any given time.

The Group retained earnings increased $3.9M (+49%) during the period to $11.8M and shareholder equity increased $4.2M (+18%) to $28.0M as at 31 December 2015.

SHARE VALUE

Share value is linked to company performance and is another metric to indicate the company has performed exceptionally since amalgamation in late 2013. As our shares are assessed by valuation experts Staples Rodway shareholders can rely on their independence with this assessment.

Prior to the amalgamation in November 2013 the Board had the shares of both companies independently assessed and the result was a mid point value of no higher than 25c/share for either company. We are pleased to be able to report that the latest midpoint assessment at 31 December 2015 has come back from Staples Rodway at $1.52/share. The increasing share value is the result of the profitability of the Apata Group business, future prospects of the business and the general increase in confidence within the kiwifruit industry. It is reasonable to assume if trading conditions continue to improve, as they are forecast to do in coming years, the share price will continue to increase over that period.

The dividend declared represents a 9.2% return on the new share value and the board feels it is a good return taking into account the risk of investing in post harvest relative to the risk free rate of having the money in a bank on term deposit, currently around a 3.5% return.

INVESTMENT IN OPERATIONAL AREAS

Just under $2M outside of major projects was invested in Capital items during 2015. In addition to this asset replacement or replenishment capital, new coolstores were built over the summer of 2014/15 to cater for the 2015 crop. We are expecting a 19% uplift in volumes to process from 2015 to 2016 so are building two new coolstores and upgrading the facility in general at Turntable Road in early 2016 to cater for this increase. The total cost of the projects is $12M and the new stores will hold just under 2 million static trays of kiwifruit.

Further expansion beyond this is possible at our Te Puke sites but the board will invest in further significant asset development when we have to, not before, and are cognisant of the need to balance capital required for future expansion with the need to pay dividends to the owners of the business.

ASSOCIATES

PRIMOR PRODUCE LIMITED

Apata Group purchased a cornerstone shareholding in Primor Produce Limited, a produce marketing business located in Auckland, in 2011. Primor are a large part of the highly successful Avoco partnership. Our relationship with Primor continues to strengthen and latterly we have been able to leverage off their marketing capability to improve our position in Class II kiwifruit in Australia and local market avocados in New Zealand.

The gross dividend received in the year of $791,666.70 represents a 49% return on original investment or 33% on the net after tax dividend of $530,416.67, good returns for shareholders. Primor still has 6 months to trade in its current financial year but are tracking to a similar year end result. We are very pleased with how our relationship with Primor has evolved over time and both companies continue to explore other ways to work together.

KIWIFRUIT 2015

THE INDUSTRY HARVESTED A RECORD CROP OF 122M TRAYS UP FROM THE PREVIOUS RECORD PRE PSA OF 115M IN 2011.

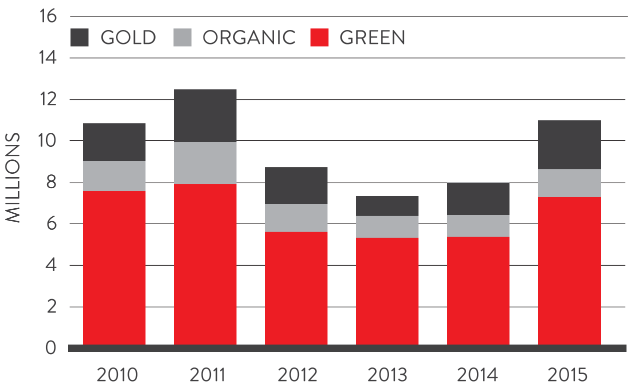
The record crop was due to the continuing development of SunGold canopies, grafted in response to Psa, and an unusually good Hayward growing season. Zespri were surprised with an eventual harvest of 84M trays of Hayward which was well above the pre-Christmas estimate of under 80M trays. The increase was primarily due to an un-seasonally warm autumn allowing fruit to size well into May and left the industry the challenge of encouraging growers to harvest whilst fruit was sizing later than normal and still accumulating dry matter. The outcome of these circumstances was some fruit across the industry was not harvested in the "sweet" spot for storage and late season losses were the worst they have been for some years.

The large crop left Zespri with little opportunity to plan an effective sales programme and significant volumes of fruit remained on shore late, with large losses recorded industry wide beyond week 40. We have a larger Hayward crop estimate for the 2016 harvest but at least Zespri now has the experience of 2015 and an opportunity to plan a programme well in advance so we would envisage a higher percentage of the 2016 crop makes it to market.

The 2015 harvest therefore had it's challenges but overall the crops were very clean and of good size. The Apata Supply Group packed 10.8M Class I export trays in 2015 up 2.8M or 35% on the prior year, representing further recovery from the debilitating effects of Psa.

Supply numbers are expected to increase further in coming years, assuming Psa does not have a material impact on the projected industry volumes.

APATA GROUP SUPPLY: CLASS 1 KIWIFRUIT TRAYS PACKED



THE APATA SUPPLY GROUP COMPRISES APATA (THE GROUP) AND ONE AFFILIATE POST-HARVEST SERVICE PROVIDER

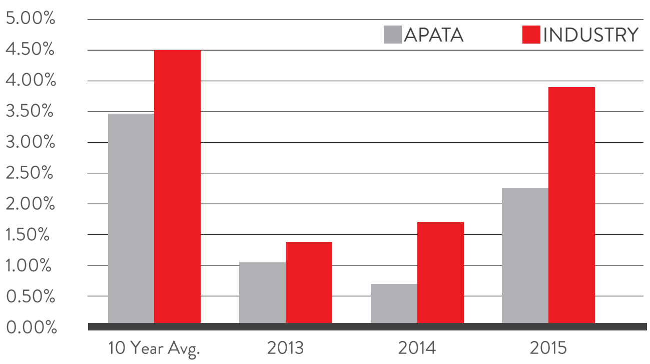
FRUIT LOSS

On shore and off shore fruit loss for Apata Group was nothing short of outstanding in a year where the industry struggled to handle the large Hayward crop. The end of the season was challenging for all post harvest as significant quantities of fruit was required to be held late and the fruit did not store well for that long in many instances.

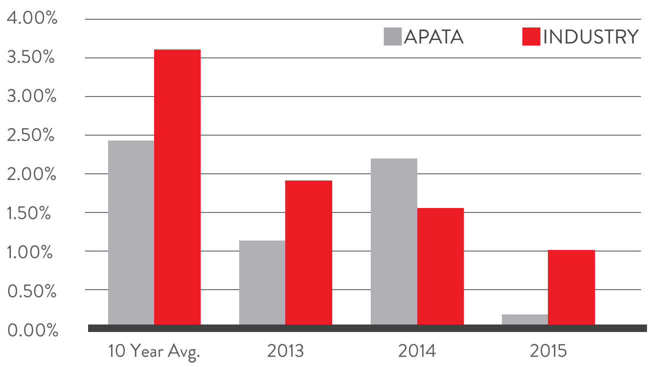
On shore fruit loss across the Hayward variety was 2.24% vs the industry average of 3.89% and for the gold varieties fruit loss was 0.28% vs the industry 1.12%. The Hayward fruit loss is higher across the industry than has been experienced in some time and as noted above, is due to the higher crop numbers and later loadout profile. For similar reasons the gold fruit loss will increase in coming seasons.

Every year higher premiums and penalties apply for off shore fruit quality measured by intercheck and supplier accountability.

HAYWARD FRUIT LOSS



GOLD VARIETIES FRUIT LOSS



The cost of quality in market is a significant cost to the national grower pool so a risk vs reward approach targeted at the suppliers of the fruit to market makes sense and is something Apata Group continues to support.

Apata Group offshore earnings from Intercheck and Supplier Accountability in 2015 were a premium of 8c/tray whereas the industry was in a penalty of -5c/tray. We are pleased with these results in a challenging year and our growers see the direct benefit of the investment we have made in inventory management in their orchard gate returns. We note the 2015 results are not 100% finalised at the time of writing.

POOL RETURNS

As with fruit loss our pool returns are superior to industry and reflect an efficient and cost effective service delivering good results on behalf of growers. The Hayward conventional pool February forecast is $5.43 vs industry at $4.94, a 10% advantage for Apata growers. Our Hayward organic pool is $7.49 vs industry $6.98, a 7% advantage for Apata growers and our Gold pool sits at $8.29 vs industry $8.17. Expressed another way an average Hayward conventional grower with industry average yield would have had a $5,400 per hectare higher return packing at Apata than the average across the industry.

Our team remains focussed firstly on Class I packout then maximising the per tray results once the fruit is in a box to ensure these results are sustainable year on year.

CHANGING TASTE STANDARDS

The Zespri system continues to evolve and in 2015 Zespri sent a clear signal that the markets require great tasting fruit with the tightening of the minimum taste standards for SunGold before the fruit can be harvested.

2016 sees a further change for the Hayward varieties whereby again the minimum standard before harvest is being increased in response to market pressure. In addition a higher percentage of the overall grower payment from 2016 will be linked to taste.

These changes to taste standards and taste payments are a clear indication fruit can and will be left on the vine and means growers more than ever will need to balance crop loads with size and taste profiles.

PSA

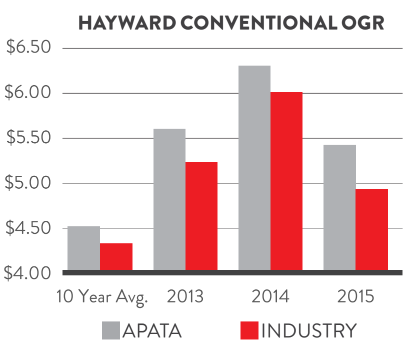
Growers must remain diligent in face of Psa as it is not cured but rather another on orchard risk that must be managed. No cultivars are resistant to Psa but some are more tolerant than others and orchard management and location also impact disease susceptibility.

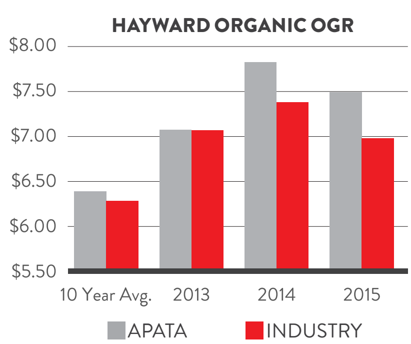
SunGold continues to display more tolerance to Psa than Hort16A and continues to perform well in market. There are signs it may also store well which if proven over longer load out windows makes it a more than acceptable long term replacement for Hort16A. Low dry matter SunGold continues to be an issue for some growers in some sizes and the risk of this fruit not being accepted into inventory is now probably a bigger risk in getting some fruit to market than Psa is to growing it in the first place.

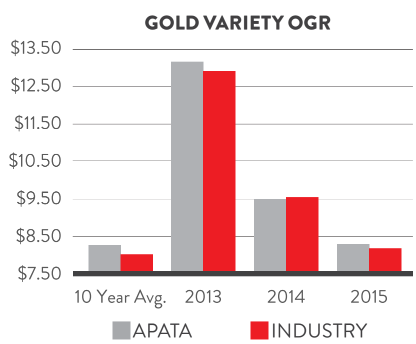
Bud drop over spring continues to be an issue particularly in Hayward but this tends to be regionalised rather than widespread. Adoption of the pre-flower girdle seems to have been highly effective in reducing bud rot incidence in the 2015 season.

Orchard management plays a big role in managing Psa. Importance needs to be given to canopy management, spray programs anticipating weather patterns and the timing of orchard activities, as these often show a difference in the level of Psa impact on orchards in similar conditions.

There are still challenges ahead in Psa management and some orchards in disease prone areas continue to be severely affected by it. We have had several successful growing seasons as it pertains to managing Psa and it remains possible future yields may still be materially affected by Psa, albeit there is little doubt now on orchard practices can help mitigate this risk somewhat. The kiwifruit industry continues to collaborate in ways to combat Psa with work also continuing on Psa resistant cultivars which may be commercially available in the future.







AVOCADOS

THE 2015/2016 EXPORT AVOCADO SEASON DELIVERED BELOW AVERAGE FRUIT NUMBERS BUT EXCELLENT RETURNS FOR GROWERS.

Apata Group packed 0.40M export trays during the six month export season, down from the prior season of 0.83M export trays which was a record industry harvest. Market share of around 30% in the Bay was retained as the industry crop was also significantly lower year on year.

Due to proposed capital upgrades at our Mends Lane, Te Puke site all Apata Group growers whether Primor Produce or Team growers had their fruit packed at our Turntable Road, Katikati site. It's likely with further upgrades planned for Mends Lane in the 2016 spring this arrangement will prevail for the upcoming season as well.

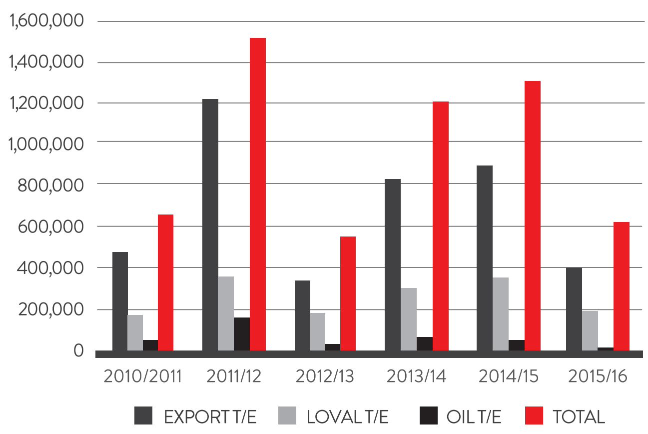
Growers packed exclusively for Avoco, the partnership between Primor Produce and Team Avocado. This venture brings together the marketing skills, customers, relationships and talent of both companies to service markets and provide higher orchard gate returns for our growers. The Avoco marketing machine continues to reward growers with a co-ordinated market access plan and high grower returns. This co-ordinated approach will prove valuable in the upcoming large season.

The Orchard Gate Returns for growers in the 2015/2016 season have not been finalised but indications are export and local market returns will be exceptional due to both the New Zealand and Australian markets being short of fruit, a set of circumstances that happens infrequently. Export returns for larger sizes could be well over $25 per tray and local market could be well over $20 per tray. The respective marketers will finalise their returns in mid April. Returns at this level across the board are unheard of and are unlikely to repeat.

The coming 2016/17 avocado season looks large by all accounts with Apata Group's early crop estimate of 0.90M mirroring the industry prediction of a record harvest. The short markets both domestically and in Australia look like being a thing of the past after only one year and Avoco's clear strategy of maintaining Asian markets, even when the going has been good, will be of great benefit to growers when a relief valve for fruit into Asia may be very useful.

Solving the challenge of biennial bearing in the Bay of Plenty remains a major challenge for the industry.

APATA GROUP AVOCADO SUPPLY



BUSINESS OUTLOOK

2016 KIWIFRUIT HARVEST

At the time of writing (March 2016) the 2016 kiwifruit season is imminent. Apata Supply Group's crop estimate of around 12.8M trays is a 2.0M or 19% increase on last year and we remain diligent in our need to handle every tray in line with industry best practice. We are currently completing new coolstores to handle this crop and all shifts in all sheds will be running earlier and longer than ever before. We are better placed than most with well over 1M trays of controlled atmosphere storage which can extend our packing window into September.

The wider industry crop estimate is 147M up 20% from 2015. The increased industry estimate is fuelled primarily by the SunGold estimate which has risen steeply from 2M trays in 2013 to 11M trays in 2014, 28M trays in 2015 and jumping to an estimate of 50M trays in 2016. The SunGold growth curve is not yet complete with many canopies still maturing. Zespri has released around 5,000 hectares of SunGold license which using a yield target of 15,000 trays per hectare could result in a national crop of 75M trays of SunGold in coming seasons.

The 2016 estimate also has the Hayward conventional estimate increasing 5% year on year from 84M trays to 89M. The interesting dynamic with Hayward is the yield increase over the last few years. In 2009 the industry average yield per hectare was 7,500 trays, improving to 8,300 in 2012, 9,000 in 2014 then jumping up to a record yield of 11,000 trays in 2015. The 2016 estimate implies a yield of over 11,500 trays if these numbers are actually packed. There is no doubt growing conditions have an impact on yield but the evidence of the last few years does indicate the increased yields are due to more than climatic conditions. It's likely due to orchard husbandry as a result of Psa and improvements in growing practices that we will see the long term yields stay above the historic averages.

Finally, good yields on all varieties over the last few year's coupled with greater than $5 per tray OGR's has seen significant planting happen over the last two winters. Some of this planting is dairy conversion, some is investors just getting involved in the kiwifruit success story of the last few years, some is developing grazing land and some is no doubt speculating on release of new varieties. Whatever the reason, significant greenfield plantings have taken place already and more is planned. No reliable data is available but the greenfield sites could be up to 1,000 hectares or well over another 10M trays of kiwifruit to handle in coming seasons, with the prospect of more to be planted in the coming winter.

CAPITAL PLANNING BEYOND 2016

So what does all this mean? Obviously there are considerable challenges ahead with capacity planning, logistics and marketing but these are healthy challenges to be facing as an industry and for our business. The 2016 crop estimate is 147M but it's not difficult to see a day in the near future where the sum of all the above factors means the industry packs well over 170M trays. Not all post-harvest can or will expand. We have looked at our grower database and with existing clients fruit alone we have >1M extra trays of SunGold to pack next season if we are to continue to service all our growers.

What the last two years has taught us is that we cannot sensibly plan for capacity to be freed up by Hayward yields reducing. We also know that our realistic packing capacity at existing sites is between 12M-12.5M so we can't handle our existing grower's fruit supply comfortably beyond 2016, let alone our share of any future industry increases.

First and foremost we must continue to deliver good returns for our growers. Beyond that the board will consider future expansion on our Te Puke sites in the coming months taking into account the best long term outcomes for shareholders and impact on profitability, balance sheet, cashflow, dividends and share price. We want to assure shareholders we will not chase growth for the sake of growth or market share for the sake of market share, the primary focus will be to protect and increase shareholder value.

Any future expansion is likely to be debt funded. Whilst we have a supportive bank and low cost of funds we see no need to raise further capital, though would never completely discount it as an option in the future.

If we do expand it will be on one of our existing sites as we have the land available and believe fruit quality is optimised by keeping the fruit in our care on one of our sites where possible. We will advise shareholders when we have completed these assessments.

OTHER CONSIDERATIONS FOR THE FUTURE

The competition in the labour market remains fierce for both skilled and unskilled workers. Whilst we seek to employ as many New Zealanders as possible our industry remains totally reliant on overseas workers during the season.

Management expertise is also lacking in our industry particularly as we are growing so fast at present. Apata Group is actively trying to employ a range of skills, both with and without, kiwifruit experience. Those new starters without kiwifruit industry knowledge require more on the job training but we have found new eyes with different experiences and knowledge to be invaluable.

We are also investigating new technologies both for handling fruit and providing information. As an example the upcoming kiwifruit season will see a new App rolled out to growers which enables them to monitor their fruit being packed real time. For inventory management the reporting and analysis continues to evolve rapidly as it must do to enable us to effectively manage different varieties in different markets with a range of market restrictions, size, packaging, labelling and other requirements. We invest more in these areas now than at any time in the past.

The delivery of successful capital projects whilst maintaining our reputation for quality and grower returns rests solely with our people and we are committed to looking after them, financially and otherwise. Profitability will follow if we remain focussed on making sure our staff are fairly rewarded for their efforts in our workplace and most importantly they enjoy coming to work.

April 4 2016 sees new health and safety legislation enacted. Whilst many of the requirements on businesses and business practice remain unchanged the penalties for negligence are increasing. Shareholders can rest assured we remain diligent around health and safety as we want all those interacting with our business, staff or otherwise, to leave our premises in the same state they arrived at them.

APATA GROW

Our orchard management division continues to grow under the leadership of Dr Sonia Whiteman and during the year was re branded to Apata GROW. It remains a strategic imperative we grow this part of the business to allow our growers the option to step back from the day to day running of their orchard. It also allows Apata Group to secure future supply, offer further career paths and to enable better inventory management.

We continue to look for syndicated orchard opportunities but a combination of orchard availability and price make this difficult.

MERGER AND ACQUISITIONS

We have plenty in front of us in the next few seasons and whilst not actively hunting will always look at opportunities in this space. Any possible merger or acquisition in the current environment must clearly add value to our business and shareholders.

ACKNOWLEDGEMENTS

We would like to acknowledge our loyal growers and shareholders for their support over the completed season but also for their ongoing support. Its goes without saying we are a grower focussed business so without their support we are nothing.

We also thank the Apata Group staff and contractors across the business. For a seasonal business we seem to get busier, earlier and longer and we appreciate their efforts over what are long kiwifruit and avocado seasons these days.

During the year John Holwerda retired from the Apata Group board. We would like to thank John for his contribution over his two and a half years on the board and thank him for challenging us with fresh thinking and different ideas. We wish him well in his future ventures.

We look forward to the continued success of our business and relish the opportunity in front of us to build a stronger and more robust business in an industry with strong growth potential.

THANK YOU FOR YOUR SUPPORT.

GRAHAM CATHIE
Chairman

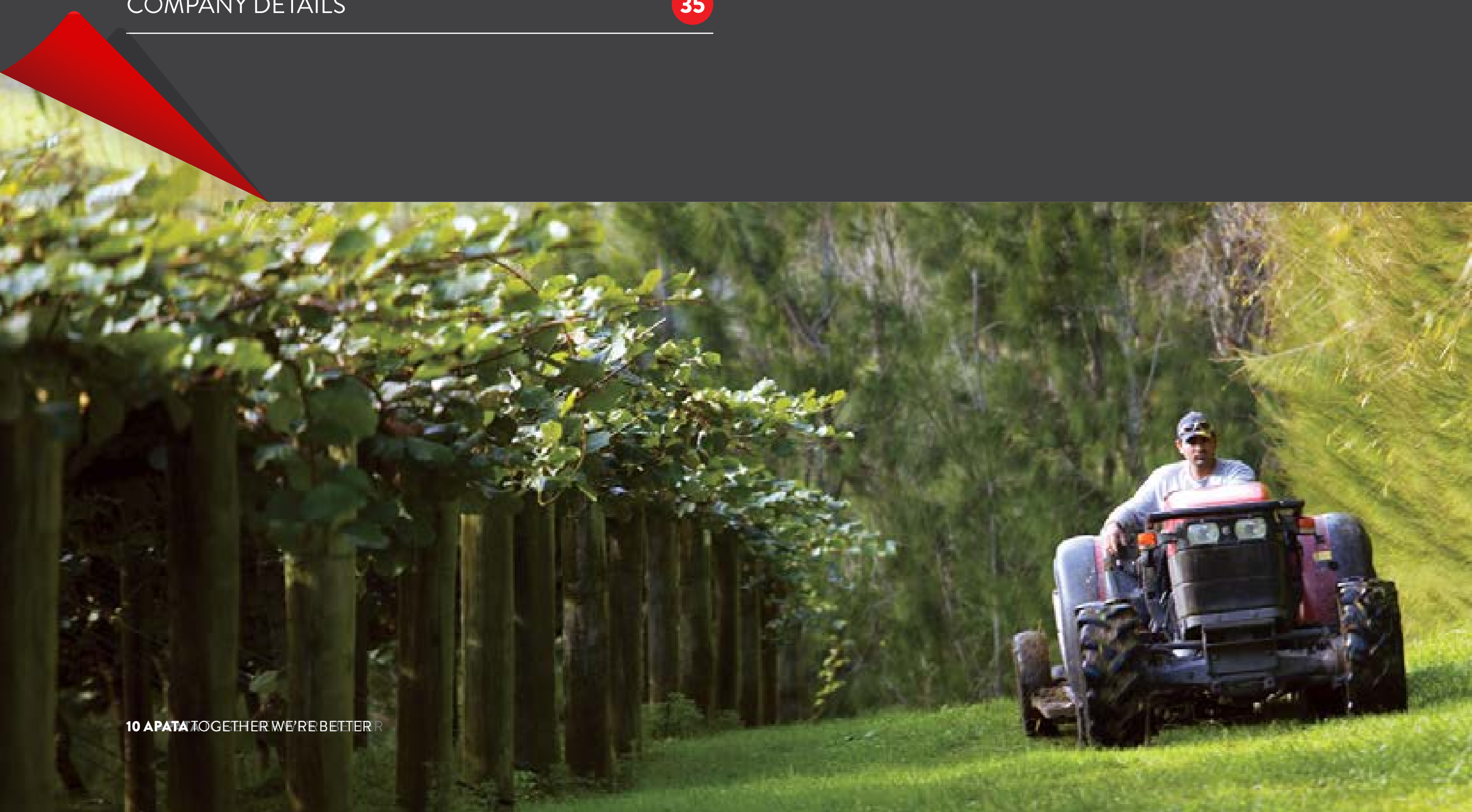
STUART WESTON
Managing Director

TOGETHER WE'RE BETTER

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

INDEX



STATUTORY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2015

1. DIRECTORS AND REMUNERATION

The Group's remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Details of the nature and the amount of each major element of emoluments of each Director of the Company are:

IN NEW ZEALAND DOLLARS	FEES	OTHER BENEFITS	TOTAL
C G CATHIE	40,000	4,000	44,000
J D ANDERSON	20,000	-	20,000
A BIRLEY	20,000	-	20,000
T H WILSON	20,000	-	20,000
C S CARNACHAN	15,000	-	15,000
M N MAYSTON	20,000	3,000	23,000
S B WESTON	-	-	-
J L HOLWERDA (RETIRED BY ROTATION 31 MARCH 2015)	5,000	-	5,000

THE ABOVE PERSONS WERE HOLDING OFFICE AS DIRECTORS OF THE COMPANY AS AT 31 DECEMBER 2015.

M N Mayston and C G Cathie receive director fees for services as a director of Primor Produce Ltd. These have been disclosed above as Other Benefits. S B Weston is an employee and a Director and is not remunerated separately for services as a Director.

2. ENTRIES RECORDED IN THE INTERESTS REGISTER

The following entries were recorded in the interest register of the Group during the period:

DIRECTORS' INTERESTS IN TRANSACTIONS

During the period the Group undertook transactions with the Directors as set out in Note 26 to the financial statements disclosing related party transactions.

USE OF COMPANY INFORMATION

During the period the board received no notices from Directors requesting authority to use group information, which would not otherwise have been available to them.

SHARE DEALINGS OF DIRECTORS

John Anderson sold nil shares during the year ended 31 December 2015. December 2014: 40,000.

Stuart Weston purchased 118,828 shares on 26 February 2015 from Apata Group ESI Trustee Limited. December 2014: nil

Bruntwood Investment Trust, of which Mark Mayston is a Beneficiary, purchased 23,624 shares on 2 July 2015. December 2014: 51,580.

DIRECTORS' SHAREHOLDINGS

Directors held the following shares at 31 December 2015:

JOHN ANDERSON	2,278,462	
JOHN ANDERSON	22,885	SHARES HELD BY THE AEROCOOL TRUST OF WHICH JOHN ANDERSON IS A TRUSTEE AND BENEFICIARY
ALAN BIRLEY	570,334	
ALAN BIRLEY	533,296	SHARES HELD BY ALAN BIRLEY TRUST OF WHICH ALAN BIRLEY IS A TRUSTEE AND BENEFICIARY
ALAN BIRLEY	536,949	SHARES HELD BY PAT BIRLEY TRUST OF WHICH ALAN BIRLEY IS A TRUSTEE AND BENEFICIARY
GRAHAM CATHIE	95,109	SHARES HELD BY KIWIFRUIT MANAGEMENT SERVICES LIMITED OF WHICH GRAHAM CATHIE IS A SHAREHOLDER AND DIRECTOR
MARK MAYSTON	814,759	SHARES HELD BY BRUNTWOOD INVESTMENT TRUST OF WHICH MARK MAYSTON IS A BENEFICIARY
STUART WESTON	118,828	
STUART WESTON	20,000	SHARES HELD BY WESTON INVESTMENT TRUST OF WHICH STUART WESTON IS A TRUSTEE AND BENEFICIARY
SEAN CARNACHAN	58,333	SHARES HELD BY WESTERN ORCHARDS LIMITED OF WHICH SEAN CARNACHAN IS A SHAREHOLDER AND DIRECTOR

LOANS TO DIRECTORS

There were no loans to Directors issued during the year ended 31 December 2015 nor any loans outstanding by Directors at 31 December 2015.

DIRECTORS' INDEMNITY AND INSURANCE

The Group has insured all its Directors against liabilities to other parties (except the Group or a related party of the Group) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

STATUTORY INFORMATION CONTINUED

3. EMPLOYEES' REMUNERATION

During the period the following number of employees received remuneration and benefits of at least $100,000:

NUMBER OF EMPLOYEES	DEC 2015	DEC 2014
100,000 - 109,999	1	0
110,000 – 119,999	2	0
120,000 – 129,999	2	0
130,000 – 139,999	0	1
190,000 – 199,999	1	0
200,000 – 209,999	0	1
280,000 – 289,999	1	0
510,000 – 519,999	1	0

BENEFITS INCLUDE THOSE TRANSFERRED UNDER THE EMPLOYEE SHARE SCHEME OPERATED BY THE GROUP.

4. AUDIT FEES

During the period audit fees were paid as disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

5. DONATIONS

Donations of $18,696 were made during the period.

DIRECTORS' DECLARATION

In the opinion of the Directors of Apata Group Limited, the financial statements and notes, on pages 13 to 33:

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Group as at 31 December 2015 and the results of its operations and cash flows for the year ended on that date.
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgments and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

Internal control procedures are also considered to be sufficient to provide a reasonable assurance as the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Apata Group Limited for the year ended 31 December 2015.

For and on behalf of the Board of Directors:

C G CATHIE
Director
23 February 2016

A BIRLEY
Director
23 February 2016

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		GROUP		COMPANY	
IN NEW ZEALAND DOLLARS	NOTE	**DEC 2015**	**DEC 2014**	**DEC 2015**	**DEC 2014**
ASSETS					
PROPERTY, PLANT AND EQUIPMENT	8	40,037,102	30,506,028	40,037,102	30,506,028
INTANGIBLE ASSETS	9	-	40,686	-	40,686
DEVELOPMENT LEASE RECEIVABLE	10	-	531,039	-	531,039
INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE	12(a)	1,556,250	1,617,165	1,620,000	1,620,000
OTHER INVESTMENTS	12	123,035	100,992	123,135	101,092
TOTAL NON-CURRENT ASSETS		**41,716,387**	**32,795,910**	**41,780,237**	**32,798,845**
INVENTORIES	14	1,674,282	1,451,235	1,674,282	1,451,235
BIOLOGICAL ASSETS	11	330,090	221,439	330,090	221,439
TRADE AND OTHER RECEIVABLES	15	3,607,481	5,010,437	3,656,612	5,135,891
CASH AND CASH EQUIVALENTS	16	5,061,466	1,912,208	3,816,115	756,523
TOTAL CURRENT ASSETS		**10,673,318**	**8,595,320**	**9,477,098**	**7,565,088**
TOTAL ASSETS		**52,389,705**	**41,391,230**	**51,257,336**	**40,363,932**
EQUITY					
SHARE CAPITAL	17	15,358,721	15,147,472	15,358,721	15,147,472
RESERVES	17	773,807	671,547	749,327	647,067
RETAINED EARNINGS	17	11,840,206	7,941,050	11,909,524	7,949,452
TOTAL EQUITY		**27,972,734**	**23,760,069**	**28,017,572**	**23,743,991**
LIABILITIES					
LOANS AND BORROWINGS	18, 21	15,129,426	9,209,000	15,129,426	9,209,000
DEFERRED TAX LIABILITIES	13	48,509	107,462	48,509	107,462
TOTAL NON-CURRENT LIABILITIES		**15,177,935**	**9,316,462**	**15,177,935**	**9,316,462**
LOANS AND BORROWINGS	18, 21	2,000,000	1,250,000	2,000,000	1,250,000
EMPLOYEE BENEFITS PAYABLE	19	336,992	278,515	336,992	278,515
CURRENT TAX LIABILITY		506,129	142,675	509,451	147,025
TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES	20	6,395,915	6,643,507	5,215,385	5,627,939
TOTAL CURRENT LIABILITIES		**9,239,036**	**8,314,698**	**8,061,829**	**7,303,479**
TOTAL LIABILITIES		**24,416,971**	**17,631,160**	**23,239,764**	**16,619,941**
TOTAL EQUITY AND LIABILITIES		**52,389,705**	**41,391,230**	**51,257,336**	**40,363,932**

THE NOTES ON PAGES 17 TO 33 ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

TOGETHER WE'RE BETTER

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		GROUP		COMPANY	
IN NEW ZEALAND DOLLARS	NOTE	DEC 2015 (12 MONTHS)	DEC 2014 (9 MONTHS)	DEC 2015 (12 MONTHS)	DEC 2014 (9 MONTHS)
CONTINUING OPERATIONS					
REVENUE	5	**50,629,527**	**40,351,207**	**50,200,186**	**40,045,103**
WAGES AND SALARIES		14,186,130	11,055,985	14,186,130	11,055,985
DIRECTORS' FEES		147,000	111,000	147,000	111,000
PACKAGING MATERIALS		10,300,204	7,310,988	10,300,204	7,310,988
GROWER PAYMENTS - CLASS 2 AND LOCAL MARKET		3,561,101	4,972,594	3,561,101	4,972,594
DEPRECIATION	8	2,263,390	1,643,104	2,263,390	1,643,104
FINANCE COSTS	6	807,579	573,766	807,579	573,766
OPERATING LEASE EXPENSES		1,242,268	884,429	1,242,268	884,429
AUDITORS' REMUNERATION - AUDIT		28,967	18,954	28,967	18,954
LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		1,073,633	140,654	1,073,633	140,654
OTHER EXPENSES		12,257,640	11,142,278	11,258,299	10,396,175
		45,867,912	**37,853,752**	**44,868,571**	**37,107,649**
SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES, NET OF TAX	12(a)	509,084	440,605	-	-
PROFIT/(LOSS) BEFORE INCOME TAX		**5,270,699**	**2,938,059**	**5,331,615**	**2,937,455**
INCOME TAX EXPENSE / (BENEFIT)	7	1,330,857	724,512	1,330,857	724,512
PROFIT/(LOSS) FOR THE PERIOD		**3,939,842**	**2,213,547**	**4,000,758**	**2,212,942**
OTHER COMPREHENSIVE INCOME					
GAIN/(LOSS) ON REVALUATION OF LAND	8	109,142	229,906	109,142	229,906
NET CHANGE IN FAIR VALUE OF CASHFLOW HEDGE	17	(6,882)	(16,928)	(6,882)	(16,928)
GOODWILL IMPAIRMENT	9	(40,686)	-	(40,686)	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**61,574**	**212,978**	**61,574**	**212,978**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17	4,001,416	2,426,525	4,062,332	2,425,920

THE NOTES ON PAGES 17 TO 33 ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

IN NEW ZEALAND DOLLARS	NOTE	SHARE CAPITAL	SHARE BASED PAYMENTS RESERVE	REVALUATION RESERVE	HEDGING RESERVE	ASSOCIATE RESERVE	RETAINED EARNINGS	TOTAL EQUITY
GROUP FOR THE YEAR ENDED 31 DECEMBER 2015								
OPENING BALANCE 1 APRIL 2014		16,017,519	-	248,095	(25,255)	24,480	5,727,503	21,992,343
PROFIT/(LOSS) FOR THE PERIOD		-	-	-	-	-	2,213,547	2,213,547
OTHER COMPREHENSIVE INCOME		-	-	229,906	(16,928)	-	-	212,978
TRANSACTION WITH OWNERS - TRANSFER TO EMPLOYEE SHARE SCHEME		(870,047)	-	-	-	-	-	(870,047)
EMPLOYEE SHARE SCHEME		-	211,249	-	-	-	-	211,249
CLOSING BALANCE AT 31 DECEMBER 2014 (9 MONTHS)		**15,147,472**	**211,249**	**478,001**	**(42,183)**	**24,480**	**7,941,051**	**23,760,069**
PROFIT/(LOSS) FOR THE PERIOD		-	-	-	-	-	3,939,842	3,939,842
OTHER COMPREHENSIVE INCOME		-	-	109,142	(6,882)	-	(40,686)	61,574
EMPLOYEE SHARE SCHEME		211,249	-	-	-	-	-	211,249
CLOSING BALANCE AT 31 DECEMBER 2015 (12 MONTHS)	**17**	**15,358,721**	**211,249**	**587,143**	**(49,065)**	**24,480**	**11,840,207**	**27,972,734**
COMPANY FOR THE YEAR ENDED 31 DECEMBER 2015								
OPENING BALANCE 1 APRIL 2014		16,017,519	-	248,095	(25,255)	-	5,736,510	21,976,869
PROFIT/(LOSS) FOR THE PERIOD		-	-	-	-	-	2,212,942	2,212,942
OTHER COMPREHENSIVE INCOME		-	-	229,906	(16,928)	-	-	212,978
TRANSACTION WITH OWNERS - TRANSFER TO EMPLOYEE SHARE SCHEME		(870,047)	-	-	-	-	-	(870,047)
EMPLOYEE SHARE SCHEME		-	211,249	-	-	-	-	211,249
CLOSING BALANCE AT 31 DECEMBER 2014 (9 MONTHS)		**15,147,472**	**211,249**	**478,001**	**(42,183)**	**-**	**7,949,452**	**23,743,991**
PROFIT/(LOSS) FOR THE PERIOD		-	-	-	-	-	4,000,758	4,000,758
OTHER COMPREHENSIVE INCOME		-	-	109,142	(6,882)	-	(40,686)	61,574
EMPLOYEE SHARE SCHEME		211,249	-	-	-	-	-	211,249
CLOSING BALANCE AT 31 DECEMBER 2015 (12 MONTHS)	**17**	**15,358,721**	**211,249**	**587,143**	**(49,065)**	**-**	**11,909,524**	**28,017,572**

THE NOTES ON PAGES 17 TO 33 ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

IN NEW ZEALAND DOLLARS	NOTE	GROUP DEC 2015 (12 MONTHS)	GROUP DEC 2014 (9 MONTHS)	COMPANY DEC 2015 (12 MONTHS)	COMPANY DEC 2014 (9 MONTHS)
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIPTS FROM CUSTOMERS		54,788,098	40,310,689	52,904,056	38,969,405
CASH PAID TO SUPPLIERS AND EMPLOYEES		(45,356,947)	(36,241,015)	(43,549,678)	(35,905,194)
INTEREST PAID		(796,303)	(555,473)	(796,303)	(555,473)
INCOME TAX RECEIVED (PAID)		(1,026,357)	(125,019)	(1,027,384)	(125,360)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**25**	**7,608,491**	**3,389,183**	**7,530,690**	**2,383,378**
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST RECEIVED		173,702	29,086	161,837	21,766
DIVIDENDS RECEIVED		601,762	446,977	601,762	446,977
PROCEEDS FROM SALE OF PROPERTY, PLANT & EQUIPMENT		6,448	8,435	6,448	8,435
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT		(12,100,777)	(920,619)	(12,100,777)	(920,619)
ACQUISITION OF OTHER INVESTMENTS		(22,043)	(1,704)	(22,043)	(1,704)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**(11,340,908)**	**(437,825)**	**(11,352,773)**	**(445,145)**
CASH FLOWS FROM FINANCING ACTIVITIES					
DRAWDOWN OF LOANS		8,670,426	-	8,670,426	-
REPAYMENT OF LOANS		(2,000,000)	(1,250,000)	(2,000,000)	(1,250,000)
RE-ISSUE OF SHARE CAPITAL		211,249	-	211,249	-
RE-PURCHASE OF SHARE CAPITAL		-	(870,047)	-	(870,047)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**6,881,675**	**(2,120,047)**	**6,881,675**	**(2,120,047)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,149,258	831,310	3,059,592	(181,815)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,912,208	1,080,898	756,523	938,338
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**16**	**5,061,466**	**1,912,208**	**3,816,115**	**756,523**

THE NOTES ON PAGES 17 TO 33 ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Apata Group Limited (the "Company") is a company domiciled and incorporated in New Zealand, registered under the Companies Act 1993. The Company is an issuer in terms of the Financial Reporting Act 1993.

The financial statements presented are those of Apata Group Limited and its wholly owned subsidiaries, Apata Suppliers Limited and Apata Group ESI Trustee Limited (collectively "the Group") as at and for the year ended 31 December 2015.

The December 2014 values are for nine months of the Company and Group. The financial reporting period was changed because the Board considered it to be a better fit to the business cycle. This also aligns the balance date with other major businesses in the kiwifruit post harvest sector.

The two periods presented are not comparable because of the change in reporting period during December 2014. The December 2015 values are for a twelve month period, while the December 2014 values are for a nine month period.

The Group is primarily involved in the packing and coolstorage of kiwifruit and avocados.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), and with International Financial Reporting Standards ("IFRS"). The financial statements have also been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993. The Group is profit oriented. The financial statements have been prepared on a going concern basis as the Group continues to recover from the financial impact of Pseudomonas syringae pv actinidiae (Psa). Following the outbreak of Psa in 2010, it is now generally accepted that Psa can be managed on orchard by using established best practice procedures and as evidenced by increasing kiwifruit volumes. Whilst Psa remains a risk to the industry confidence in managing it long term is higher than in previous years and the Group will continue to apply best practice in its operations and will support growers in doing the same.

The financial statements were approved by the Board of Directors on 23 February 2016.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- non-derivative financial instruments at fair value through profit or loss are measured at fair value
- biological assets are measured at fair value, approximated by cost
- land is measured at fair value
- The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the Group's functional currency. All financial information has been rounded to the nearest dollar.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 8 – valuation of property
- Note 11 – valuation of biological assets
- Note 21 – valuation of financial instruments

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are entities over which the Group has significant influence but not control, generally evidenced by a holding of 20% to 50% of the voting rights or in combination with other forms of influence, such as representation on the Board of Directors. Investments in associates are accounted for in the Parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post acquisition profits or losses are recognised in the Statement of Profit or Loss, and its share of post acquisition movements in reserves are recognised in Other Comprehensive Income. The cumulative post acquisition movements are adjusted against the carrying value of the investment. Dividends received from associates in the consolidated financial statements reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other secured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(iii) Transactions eliminated on consolidation

Intra-group balances, transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the entity.

(iv) Business combinations

The acquisition method of accounting is used to account for all

business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given and shares issued at the date of exchange. Acquisition costs such as professional advisor fees are not included in the costs of acquisition but are recognised as an expense in the period in which they are incurred. Where equity instruments are issued in an acquisition, these are measured at the fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration at acquisition date over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

(b) Property, plant and equipment

(i) Recognition and measurement

Except for land, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is measured at fair value on an annual basis. Movements in fair value are recognised directly in equity to the extent that the reserve balance is positive. Any negative balance in the revaluation reserve is transferred to the Statement of Profit or Loss and Other Comprehensive Income.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a diminishing value or straight-line basis over the estimated useful life. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

- buildings,4 - 50 years
- vehicles and plant, 1 - 40 years
- office equipment,3 - 8 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(c) Biological assets

Biological assets relate to the rights to kiwifruit grown under orchard lease arrangements and are measured at fair value. Any change in fair value is recognised in the Statement of Profit or Loss and Other Comprehensive Income. Due to the stage of growth at reporting date, the Group has determined that cost approximates fair value. Costs include labour, materials and other direct costs allocated to the asset.

(d) Leased property development costs

Where the Group enters into long term lease agreements of an orchard and part of the lease agreement is for the Group to develop the orchard, development costs incurred by the Group will be recognised as a long term receivable and will be recovered from crop proceeds over time.

(e) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership would be classified as finance leases. Upon initial recognition the leased asset would be measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset would be accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's Statement of Financial Position.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of items transferred from biological assets is their fair value less point-of-sale costs at the date of transfer.

(g) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

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 as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Accounting for finance income and expense is discussed in note 3(l).

<u>Instruments at fair value through profit or loss</u>

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the Statement of Profit or Loss when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

<u>Trade and other receivables</u>

Trade and other receivables are stated at their cost less impairment losses.

Loans and borrowings
Loans and borrowings are classified as other non-derivative financial instruments.

Trade and other payables
Trade and other payables are stated at cost.

(ii) Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

(iii) Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in Other Comprehensive Income and presented in equity in the hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the Statement of Profit or Loss and Other Comprehensive Income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. The amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

(iv) Share capital
Ordinary shares
Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

(h) Impairment
The carrying amounts of the Group's assets that are not recognised at fair value through profit or loss are reviewed at each reporting date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(i) Impairment of equity instruments
Equity instruments are deemed to be impaired whenever there is a significant or prolonged decline in fair value below the original purchase price. For this purpose prolonged is regarded as any period longer than nine months and significant as more than 20 percent of the original purchase price of the equity instrument.

Any subsequent recovery of an impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Impairment of debt instruments and receivables
Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

Receivables that are not individually significant and debt instruments for which, based on the individual assessment, it was determined that no objective evidence of impairment existed, are collectively assessed for impairment.

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods would be assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss would be reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss would be reversed only to the extent that the asset's carrying amount did not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits
Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

(i) Employee share scheme
The Group operates a share based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, as determined by the directors.

The Group operates an Employee Share Scheme (ESS) under which shares are held by a trustee company which is a subsidiary of the Company. Certain employees have an option to subscribe to shares held by the trustee company and this benefit is recognised as a share based payment and recorded as an expense over the vesting period.

The total amount expensed is recognised over the period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance date, the Group revises its estimates of the number of options that are expected to vest based on the market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Profit or Loss and Other Comprehensive Income.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options vest.

The scheme is a trust administered by a company established in 2014 and directors of the trustee company (Apata Group ESI Trustee Limited) also hold office as directors of Apata Group Limited.

Shares may be issued at the Directors' discretion at a price set by the Directors', except that the ESS cannot be issued with further shares if that issue would result in the ESS having an interest of more than 9% of the issued capital of the Company.

The ESS has a non-beneficial interest in all the shares allocated to employees. Annually the Company will review the scheme and decide upon any further allocation of shares to employees and the fair value of those shares. All shares allocated are fully paid up. The Trustees of the ESS are not appointed for any term and may be removed by the Company at any time.

The shares held by the ESS carry the same voting rights as other issued ordinary shares, however the Trust Deed prohibits the

Trustees from exercising any votes on the shares. Further, the employees participating in the ESS are unable to exercise voting rights while monies are owed on the shares.

(j) Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Revenue
(i) Services
Revenue from services rendered is recognised in the accounting period in which the services are rendered.

(ii) Commissions
When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(iii) Goods sold
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(l) Lease payments
Payments made under operating leases are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases would be apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense would be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Finance income and expenses
Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and gains on hedging instruments that are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on hedging instruments that are recognised in the statement of profit or loss and other comprehensive income. All borrowing costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

(n) Income tax expense
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Intangible assets
Goodwill represents the excess purchase consideration over fair value of the net tangible assets acquired at time of acquisition of the business. Goodwill is tested annually for impairment.

(p) New standards adopted and interpretations not yet adopted
(i) Application of new and revised New Zealand International Financial Reporting Standards

There were no new standards effective for the period ended 31 December 2015 that had a material impact on the financial reporting.

(ii) Standards and interpretations issued, not yet effective
Standards, amendments, and interpretations issued but not yet effective which are relevant to the Company are:

• NZ IFRS 9 Financial Instruments (effective for years beginning from 1 January 2018) – NZ IFRS 9 is to replace IAS 39. The new standard is being issued in phases, with early adoption available as each phase is issued. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and financial liabilities have been issued. The latest in the series of chapters issued introduced amendments to Hedge Accounting, which supersedes the general hedging requirements in NZ IAS 39. Management has yet to assess the impact the standard is likely to have on the Group.

• NZ IFRS 15 – Revenue from Contracts with Customers (effective date from 1 January 2017) – The new standard establishes principles for reporting about the nature, amount, timing and uncertainty of revenue arising from an entity's contracts with customers. It prescribes when an entity will recognise revenue, how much revenue to recognise, and what disclosures to make about revenue. Management has yet to assess the impact the standard is likely to have on the Group. However, based on the short-period of the average revenue contract entered into by the Group, the new standard is not expected to have a significant impact on the timing of current revenue recognition.

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, plant and equipment
The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings for disclosure purposes is based on the Director's valuation.

(b) Biological assets
Kiwifruit on vine is valued at fair value at reporting date in accordance with NZ IAS 41 Agriculture. Because there is no active market for kiwifruit while attached to the vine,and based on current and forecasted market returns for harvested fruit, the fair value of the fruit is not significantly greater than the costs incurred to grow the crop.

(c) Investments in equity securities
The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date, if available, or otherwise by reference to other market information.

(d) Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(e) Derivatives
The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(f) Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5 REVENUE

	GROUP		COMPANY	
	DEC 2015	**DEC 2014**	**DEC 2015**	**DEC 2014**
SERVICES	38,327,350	30,709,966	37,339,874	29,971,183
SALES	11,891,309	9,514,587	11,891,309	9,514,587
COMMISSION	205,403	90,590	205,403	90,590
INTEREST & DIVIDEND	205,465	36,063	763,600	468,743
TOTAL REVENUES	**50,629,527**	**40,351,207**	**50,200,186**	**40,045,103**

6 FINANCE INCOME AND EXPENSE

	GROUP		COMPANY	
	DEC 2015	**DEC 2014**	**DEC 2015**	**DEC 2014**
INTEREST INCOME	173,702	29,086	161,837	21,766
SHARES AND DIVIDEND INCOME	31,762	6,977	601,762	446,977
FINANCE INCOME	**205,465**	**36,063**	**763,600**	**468,743**
INTEREST EXPENSE ON FINANCIAL LIABILITIES	807,579	573,766	807,579	573,766
FINANCE EXPENSE	**807,579**	**573,766**	**807,579**	**573,766**
NET FINANCE COSTS	**602,115**	**537,703**	**43,980**	**105,023**

7 INCOME TAX EXPENSE IN THE INCOME STATEMENT

	GROUP		COMPANY	
	DEC 2015	DEC 2014	DEC 2015	DEC 2014
CURRENT TAX EXPENSE				
CURRENT PERIOD	1,389,810	296,657	1,389,810	296,657
	1,389,810	**296,657**	1,389,810	**296,657**
DEFERRED TAX EXPENSE				
ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	(58,953)	(93,681)	(58,953)	(93,681)
LOSSES CARRIED FORWARD TAX BENEFIT	-	521,536	-	521,536
	(58,953)	**427,855**	**(58,953)**	**427,855**
TOTAL INCOME TAX EXPENSE / (BENEFIT)	**1,330,857**	**724,512**	**1,330,857**	**724,512**

RECONCILIATION OF EFFECTIVE TAX RATE				
PROFIT BEFORE INCOME TAX	5,270,699	2,938,059	5,331,615	2,937,455
IMPUTATION CREDITS ON DIVIDENDS RECEIVED	11,464	1,999	233,130	173,110
TAXABLE INCOME	**5,282,163**	**2,940,058**	**5,564,745**	**3,110,565**
INCOME TAX USING THE GROUP'S DOMESTIC TAX RATE 28% (DECEMBER 2014 28%)	1,479,006	823,216	1,558,129	870,958
NON-DEDUCTIBLE EXPENSES	6,356	8,077	6,356	8,077
IMPUTATION CREDITS RECEIVED	(11,464)	(1,999)	(233,130)	(173,110)
LESS TAX ON SHARE OF ASSOCIATES PROFIT RECORDED NET OF TAX	(142,544)	(123,369)	-	-
PRIOR PERIOD ADJUSTMENT	(497)	18,587	(497)	18,587
	1,330,857	**724,512**	**1,330,857**	**724,512**
IMPUTATION CREDITS				
IMPUTATION CREDITS AT THE BEGINNING OF THE PERIOD	354,352	55,881	354,352	55,881
TAX PAYMENTS, NET OF REFUNDS	1,027,384	125,360	1,027,384	125,360
IMPUTATION CREDITS ATTACHED TO DIVIDENDS RECEIVED	233,130	173,110	233,130	173,110
IMPUTATION CREDITS AT THE END OF THE YEAR	**1,614,867**	**354,352**	**1,614,867**	**354,352**

8 PROPERTY, PLANT AND EQUIPMENT (COMPANY & GROUP)

	LAND	BUILDINGS	VEHICLES & PLANT	OFFICE EQUIPMENT	TOTAL
COMPANY AND GROUP					
COST					
BALANCE AT 1 JANUARY 2015	3,863,000	22,803,549	12,228,640	942,889	39,838,078
ADDITIONS	1,333,702	9,960,310	1,262,557	208,835	12,765,403
DISPOSALS	-	(36,806)	(2,436,095)	(124,309)	(2,597,209)
INCREASE FROM REVALUATIONS	109,142	-	-	-	109,142
BALANCE AT 31 DECEMBER 2015	**5,305,844**	**32,727,054**	**11,055,103**	**1,027,415**	**50,115,415**
BALANCE AT 1 APRIL 2014	3,664,220	22,167,498	12,341,607	620,910	38,794,234
ADDITIONS	5,762	572,362	382,990	90,080	1,051,195
DISPOSALS	(5,092)	-	(228,865)	(3,300)	(237,256)
RECLASSIFICATION	(31,797)	63,690	(267,092)	235,199	-
INCREASE FROM REVALUATIONS	229,906	-	-	-	229,906
BALANCE AT 31 DECEMBER 2014	**3,863,000**	**22,803,549**	**12,228,640**	**942,889**	**39,838,078**
DEPRECIATION AND IMPAIRMENT LOSSES					
BALANCE AT 1 JANUARY 2015	-	3,764,522	4,998,466	569,062	9,332,050
DEPRECIATION FOR THE PERIOD	-	1,076,652	1,001,548	185,190	2,263,390
DISPOSALS	-	(3,566)	(1,402,953)	(110,609)	(1,517,128)
BALANCE AT 31 DECEMBER 2015	**-**	**4,837,608**	**4,597,060**	**643,643**	**10,078,312**
BALANCE AT 1 APRIL 2014	423	3,081,516	4,447,472	238,617	7,768,029
DEPRECIATION FOR THE PERIOD	-	639,665	841,565	161,873	1,643,104
DISPOSALS	(51)	-	(77,361)	(1,670)	(79,082)
RECLASSIFICATION	(372)	43,340	(213,210)	170,242	-
BALANCE AT 31 DECEMBER 2014	**-**	**3,764,522**	**4,998,466**	**569,062**	**9,332,050**
CARRYING AMOUNTS					
AT 31 DECEMBER 2015	5,305,844	27,889,445	6,458,043	383,773	40,037,102
AT 31 DECEMBER 2014	3,863,000	19,039,028	7,230,175	373,827	30,506,028

Security
At 31 December 2015 land and buildings with a carrying amount of $33,195,289 (December 2014: $22,902,028) are subject to a registered debenture to secure bank loans (see note 18 & 21).

Revaluation
The land values were assessed by Property Solutions Limited at 31 December 2015 (independent valuers, ANZIV), using a market value of $31.88 per square metre or $1,390,000 for the Te Puke facility (December 2014: $29.43 per square metre or $1,283,000) and a market value of $29.01 per square metre or $2,675,000 for the Apata facility (December 2014: $27.98 per square metre or $2,580,000). The Old Coach Road facility was assessed by Property Solutions Limited in July 2015, using a market value of $21.25 per square metre or $1,240,844.

Fully depreciated assets
Assets with a cost of $176,564 (December 2014: nil) are fully depreciated.

Fair values
For property, plant and equipment that are carried at cost less accumulated depreciation and impairment losses, the Directors have determined that the fair value is not significantly different from the carrying amounts above.

9 INTANGIBLE ASSETS (COMPANY AND GROUP)

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
OPENING BALANCE	40,686	40,686
AMORTISED DURING THE YEAR	(40,686)	-
CLOSING BALANCE	**-**	**40,686**

The Intangible asset related to the CropGro brand used by the orcharding operations of the Group. During the year the orchard operations were rebranded to Apata Grow. As a result of this the Group has fully amortised the intangible asset.

10 DEVELOPMENT LEASE RECEIVABLE (COMPANY AND GROUP)

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
OPENING BALANCE	531,039	397,547
ORCHARD COSTS	82,551	133,492
FUNDS RECEIVED	(613,590)	-
CLOSING BALANCE	**-**	**531,039**

The development lease property was put on the market by the owners. The Group chose not to exercise the right of first refusal. Consequently the property was sold in June 2015 and the Group received all funds owed to it.

11 CONSUMABLE BIOLOGICAL ASSETS (COMPANY AND GROUP)

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
OPENING BALANCE	221,439	500,390
INCREASE DUE TO EXPENDITURE ON THE VINES	330,090	221,439
HARVESTED KIWIFRUIT TRANSFERRED TO INVENTORIES	(221,439)	(500,390)
CLOSING BALANCE	**330,090**	**221,439**

At 31 December 2015 biological assets consists of kiwifruit on leased vines. Leased orchards are expected to produce an estimated 139,000 tray equivalents for the 2016 season crop (2015 season: 115,000 tray equivalents). These will be harvested between April and June 2016.
All biological assets are subject to a general security arrangement referred to in note 18.

The Group is exposed to a number of risks related to the kiwifruit on vines:

Supply and demand risks
The Group is exposed to risks arising from fluctuations in the price and volume of kiwifruit produced and sale price obtained. Where possible the Group manages this risk by aligning its crop management practices to maximise returns. The price is determined by global markets.

Climate and other risks
The Group's kiwifruit on vine is exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular inspections and preventative measures on the vines.
The Group also insures itself against natural disasters.

12 OTHER INVESTMENTS

	GROUP		COMPANY	
	DEC 2015	**DEC 2014**	**DEC 2015**	**DEC 2014**
AVAILABLE FOR SALE INVESTMENTS				
MG MARKETING LIMITED	80,316	58,273	80,316	58,273
UPNZ LIMITED	27,625	27,625	27,625	27,625
BALANCE AGRI-NUTRIENTS LIMITED	12,981	12,981	12,981	12,981
FARMLANDS	2,113	2,113	2,113	2,113
TOTAL AVAILABLE FOR SALE INVESTMENTS	**123,035**	**100,992**	**123,035**	**100,992**
INVESTMENTS IN SUBSIDIARIES (AT COST AND ELEMINATED ON CONSOLIDATION)				
APATA SUPPLIERS LIMITED	-	-	100	100
TOTAL OTHER INVESTMENTS	**123,035**	**100,992**	**123,135**	**101,092**

Investments in associates are accounted for in the Parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

(A) INVESTMENTS IN ASSOCIATES

		SHARE OF ISSUED CAPITAL AND VOTING RIGHTS	
THE GROUP'S ASSOCIATES ARE:	**BUSINESS ACTIVITY**	**DEC 2015**	**DEC 2014**
PRIMOR PRODUCE LIMITED	FRUIT MARKETING	33%	33%

Primor Produce Limited is incorporated in New Zealand and has a 30th June balance date. The Group does not have significant influence over the management of the associate, but does have Board representation. There are no restrictions on the ability of Primor to distribute funds.

	GROUP		COMPANY	
	DEC 2015	**DEC 2014**	**DEC 2015**	**DEC 2014**
RESULTS OF ASSOCIATE COMPANIES				
SHARE OF PROFIT BEFORE INCOME TAX	679,855	611,951	-	-
INCOME TAX	(170,770)	(171,346)	-	-
NET PROFIT	**509,084**	**440,605**	**-**	**-**
MOVEMENT IN CARRYING VALUE OF ASSOCIATES				
CARRYING VALUE AT BEGINNING OF PERIOD	1,617,165	1,616,561	1,620,000	1,620,000
NET EARNINGS	509,084	440,605	-	-
DIVIDENDS RECEIVED	(570,000)	(440,000)	-	-
BALANCE AT END OF PERIOD	**1,556,250**	**1,617,165**	**1,620,000**	**1,620,000**

ASSOCIATES SUMMARY FINANCIAL INFORMATION

OWNERSHIP			ASSETS 31 DECEMBER	LIABILITIES 31 DECEMBER	NET ASSETS 31 DECEMBER	INCOME	EXPENSES	PROFIT (NET OF TAX)	GROUP SHARE NET ASSETS 31 DECEMBER	GROUP SHARE OF PROFIT (NET OF TAX)
DEC 2015										
PRIMOR PRODUCE LIMITED	33%	TOTAL	9,119,846	4,451,097	4,668,749	37,173,234	35,645,981	1,527,253	1,556,250	509,084
		CURRENT	8,303,188	4,143,600	-	-	-	-	-	-

OWNERSHIP			ASSETS 31 DECEMBER	LIABILITIES 31 DECEMBER	NET ASSETS 31 DECEMBER	INCOME	EXPENSES	PROFIT (NET OF TAX)	GROUP SHARE NET ASSETS 31 DECEMBER	GROUP SHARE OF PROFIT (NET OF TAX)
DEC 2014										
PRIMOR PRODUCE LIMITED	33%	TOTAL	5,556,274	704,777	4,851,496	27,465,675	26,143,861	1,321,814	1,617,165	440,605
		CURRENT	4,674,773	327,046	-	-	-	-	-	-

13 DEFERRED TAX ASSETS AND LIABILITIES (COMPANY AND GROUP)

RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES
DEFERRED TAX ASSETS AND LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWING:

	ASSETS		LIABILITIES		NET	
	DEC 2015	DEC 2014	DEC 2015	DEC 2014	DEC 2015	DEC 2014
PROPERTY, PLANT AND EQUIPMENT	(15,271)	(100,830)	-	-	(15,271)	(100,830)
BIOLOGICAL ASSETS	-	-	92,425	62,003	(92,425)	(62,003)
OTHER ITEMS	59,188	55,370	-	-	59,188	55,370
TAX ASSETS/(LIABILITIES)	**43,917**	**(45,459)**	**92,425**	**62,003**	**(48,509)**	**(107,462)**
SET OFF OF TAX	**(43,917)**	**45,459**	**(43,917)**	**45,459**	**-**	**-**
NET TAX ASSETS/(LIABILITIES)	**-**	**-**	**48,509**	**107,462**	**(48,509)**	**(107,462)**

MOVEMENT IN TEMPORARY DIFFERENCES DURING THE PERIOD	BALANCE	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN EQUITY	BALANCE
	1 JANUARY 2015			31 DECEMBER 2015
DEC 2015				
PROPERTY, PLANT AND EQUIPMENT	(100,830)	85,559	-	(15,271)
BIOLOGICAL ASSETS	(62,003)	(30,422)	-	(92,425)
OTHER ITEMS	55,370	3,817	-	59,188
	(107,462)	**58,954**	**-**	**(48,509)**

	1 APRIL 2014			31 DECEMBER 2014
DEC 2014				
PROPERTY, PLANT AND EQUIPMENT	(108,035)	7,205	-	(100,830)
BIOLOGICAL ASSETS	(140,109)	78,106	-	(62,003)
OTHER ITEMS	47,000	8,370	-	55,370
TAX LOSSES CARRIED FORWARD	521,536	(521,536)	-	-
	320,392	**(427,855)**	**-**	**(107,462)**

14 INVENTORIES (COMPANY AND GROUP)

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
PACKAGING MATERIALS	1,674,282	1,451,235

In 2015 raw materials, consumables and changes in inventory recognised as cost of sales amounted to $10,944,128 (December 2014: $7,310,988). In 2015 the write-down of inventories to net realisable value amounted to $108,607 (December 2014: nil). No inventories are subject to retention of title clauses (December 2014: nil). All inventories are subject to a general security arrangement referred to in note 18.

15 TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
	NOTE	DEC 2015	DEC 2014	DEC 2015	DEC 2014
TRADE RECEIVABLES DUE FROM RELATED PARTIES	26	631,795	691,784	631,795	691,784
OTHER TRADE RECEIVABLES		1,046,055	1,130,760	1,034,380	1,118,758
OTHER RECEIVABLES		1,929,631	3,187,893	1,990,437	3,325,348
		3,607,481	**5,010,437**	**3,656,612**	**5,135,891**

All trade and other receivables are subject to a general security arrangement referred to in note 18.

16 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	DEC 2015	DEC 2014	DEC 2015	DEC 2014
BANK BALANCES	1,436,997	1,836,120	191,646	680,435
CALL DEPOSITS	3,624,469	76,088	3,624,469	76,088
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	**5,061,466**	**1,912,208**	**3,816,115**	**756,523**

The average effective interest rate on call deposits in 2015 was 2.0 percent (December 2014: 2.0 percent). All cash and cash equivalents are subject to a general security arrangement referred to in note 18. In addition, all balances are subject to set off against loans.

17 CAPITAL AND RESERVES

RECONCILIATION OF MOVEMENT IN CAPITAL AND RESERVES

	SHARE CAPITAL	TREASURY SHARE CAPITAL	SHARE BASED PAYMENTS RESERVE	REVALUATION RESERVE	HEDGING RESERVE	ASSOCIATES RESERVE	RETAINED EARNINGS	TOTAL EQUITY
GROUP								
BALANCE AT 1 JANUARY 2015	16,017,519	(870,047)	211,249	478,001	(42,183)	24,480	7,941,050	23,760,069
TOTAL COMPREHENSIVE INCOME	-	-	-	109,142	(6,882)	-	3,899,156	4,001,416
EMPLOYEE SHARE SCHEME	38,025	173,224	-	-	-	-	-	211,249
BALANCE AT 31 DECEMBER 2015	**16,055,544**	**(696,823)**	**211,249**	**587,143**	**(49,065)**	**24,480**	**11,840,206**	**27,972,734**
BALANCE AT 1 APRIL 2014	16,017,519	-	-	248,095	(25,255)	24,480	5,727,503	21,992,343
TOTAL COMPREHENSIVE INCOME	-	-	-	229,906	(16,928)	-	2,213,547	2,426,525
SHARE BUY-BACK	-	(870,047)	-	-	-	-	-	(870,047)
EMPLOYEE SHARE SCHEME	-	-	211,249	-	-	-	-	211,249
BALANCE AT 31 DECEMBER 2014	**16,017,519**	**(870,047)**	**211,249**	**478,001**	**(42,183)**	**24,480**	**7,941,050**	**23,760,069**
COMPANY								
BALANCE AT 1 JANUARY 2015	16,017,519	(870,047)	211,249	478,001	(42,183)	-	7,949,452	23,743,991
TOTAL COMPREHENSIVE INCOME	-	-	-	109,142	(6,882)	-	3,960,072	4,062,332
EMPLOYEE SHARE SCHEME	38,025	173,224	-	-	-	-	-	211,249
BALANCE AT 31 DECEMBER 2015	**16,055,544**	**(696,823)**	**211,249**	**587,143**	**(49,065)**	**-**	**11,909,524**	**28,017,572**
BALANCE AT 1 APRIL 2014	16,017,519	-	-	248,095	(25,255)	-	5,736,509	21,976,869
TOTAL COMPREHENSIVE INCOME	-	-	-	229,906	(16,928)	-	2,212,942	2,425,920
SHARE BUY-BACK	-	(870,047)	-	-	-	-	-	(870,047)
EMPLOYEE SHARE SCHEME	-	-	211,249	-	-	-	-	211,249
BALANCE AT 31 DECEMBER 2014	**16,017,519**	**(870,047)**	**211,249**	**478,001**	**(42,183)**	**-**	**7,949,452**	**23,743,991**

AUTHORISED AND ISSUED SHARE CAPITAL

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
ORDINARY SHARES	10,891,112	10,679,863
TREASURY SHARES	845,001	1,056,250
	11,736,113	**11,736,113**

All authorised shares have been issued and all issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time, rank equally with regard to the Group's residual assets and are entitled to one vote per share at meetings of the Company. Treasury shares relate to the employee share scheme and are held in trust by Apata Group ESI Trustee Limited.

The shares have no par value.

Revaluation reserve
The revaluation reserve relates to the revaluation of land. Apata Group Limited is restricted in distributing this unrealised reserve.

Share based payments reserve
The Group operates an employee share scheme under which shares are held by a trustee company which is a subsidiary of the Company. Certain employees have an option to subscribe to shares held by the trustee company and this benefit is recognised as a share based payment and recorded as an expense over the vesting period.

At 31 December 2015 the number of shares in which options have been granted to employees and remain outstanding under the scheme was 633,747, representing 5.4% of the issued shares of the Company.

Options are granted periodically to employees, subject to availability and board discretion and no consideration is payable on the grant of an option. The vesting period is between one and four years from grant date. Options granted under the scheme carry no voting rights and are granted at fair value as determined by the directors of the Company.

Options granted but not vested do carry a dividend, though the dividend is paid to and held by the trustee of the share scheme. For the options granted on 31 December 2014, the Board assessed fair value to be $1.00 per share, which was based on the share buy back value used in October 2014. During the period shares to the value of $211,249 vested with employees.

The scheme came into operation in December 2014. The first grant date was 31 December 2014 with the first vesting date being in February 2015.

DIVIDENDS (COMPANY AND GROUP)

THE FOLLOWING DIVIDENDS WERE DECLARED AND PAID BY THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2015:

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
NIL PER QUALIFYING ORDINARY SHARE (DECEMBER 2014: NIL)	-	-

On the 23rd February 2016 the Directors declared a gross dividend of $0.1400 or $0.1008 per share fully imputed.

18 LOANS AND BORROWINGS

THIS NOTE PROVIDES INFORMATION ABOUT THE CONTRACTUAL TERMS OF THE GROUP'S LOANS AND BORROWINGS. FOR MORE INFORMATION ABOUT THE GROUP'S EXPOSURE TO INTEREST RATE RISK, SEE NOTE 21.

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
NON-CURRENT LIABILITIES		
SECURED BANK LOANS	15,129,426	9,209,000
CURRENT LIABILITIES		
SECURED BANK LOAN	2,000,000	1,250,000

The Group's borrowings consist of four loans, one for $4,000,000 which matures in June 2018, one for $6,459,000 which matures in June 2018, one for $5,020,426 which matures in March 2018 and one for $1,650,000 which matures in July 2018. The current portion represents payments due within twelve months from reporting date. The interest rate at 31 December 2015 on the secured borrowings is 4.59% (December 2014: 6.09%).

TERMS AND DEBT REPAYMENT SCHEDULE

TERMS AND CONDITIONS OF OUTSTANDING LOANS WERE AS FOLLOWS

	FACE VALUE DEC 2015	CARRYING AMOUNT DEC 2015	FACE VALUE DEC 2014	CARRYING AMOUNT DEC 2014
SECURED BANK LOANS	17,129,426	17,129,426	10,459,000	10,459,000
TOTAL INTEREST-BEARING LIABILITIES	**17,129,426**	**17,129,426**	**10,459,000**	**10,459,000**

The bank loans are secured over land and buildings with a carrying amount of $33,195,289 (December 2014: $22,902,028). The bank has a first ranking general security arrangement over all present and acquired property.

19 EMPLOYEE BENEFITS PAYABLE

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
ANNUAL LEAVE	336,992	278,515
TOTAL EMPLOYEE BENEFITS PAYABLE	**336,992**	**278,515**

20 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	DEC 2015	DEC 2014	DEC 2015	DEC 2014
OTHER TRADE PAYABLES	2,458,268	1,185,262	2,050,023	1,173,474
NON-TRADE PAYABLES AND ACCRUED EXPENSES	3,937,647	5,458,246	3,165,362	4,454,465
	6,395,915	**6,643,507**	**5,215,385**	**5,627,939**

21 FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Group's business.

Credit risk
In order to determine which customers are classified as having payment difficulties, the Group applies a mix of duration and frequency of default. The Group does not require collateral in respect of trade and other receivables.
The Group's exposure to credit risk is mainly influenced by its customer base. The majority of revenue is generated from transactions with growers. However, payment for packing, packaging and coolstorage is received directly by the Group via third parties as a deduction from returns to growers.

Liquidity risk
Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Interest rate risk
The Group is exposed to interest rate risk primarily through its cash balances, bank overdrafts and borrowings. The Group enters into derivative arrangements in the ordinary course of business to manage these interest rate risks. The corporate services manager, managing director and Board of Directors are responsible for overseeing the management of interest rate risk, derivative activities, monitoring and reporting.

Quantitative disclosures
Credit risk
The carrying amount of financial assets represents the Group's maximum credit exposure. There are considered to be no impairment of financial assets at the reporting date, and therefore no impairment allowance has been recorded (December 2014: nil). Within trade receivables there is $22,864 of past due receivables between 30 and 120 days (December 2014: $116,001).

Liquidity risk
The Groups contractual cashflows for financial assets and liabilities excluding secured bank loans fall within 12 months. The following table sets out the contractual cash flows for secured bank loans as at the reporting date.

	STATEMENT OF FINANCIAL POSITION	CONTRACTUAL CASH FLOWS	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
DEC 2015							
SECURED BANK LOANS	17,129,426	24,011,588	392,782	2,392,782	2,785,564	18,440,460	-
TRADE AND OTHER PAYABLES	6,395,915	6,395,915	6,395,915	-	-	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**23,525,341**	**30,407,503**	**6,788,697**	**2,392,782**	**2,785,564**	**18,440,460**	**-**
DEC 2014							
SECURED BANK LOANS	10,459,000	11,578,327	318,477	1,568,477	9,691,374	-	-
TRADE AND OTHER PAYABLES	6,643,507	6,643,507	6,643,507	-	-	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**17,102,507**	**18,221,834**	**6,961,984**	**1,568,477**	**9,691,374**	**-**	**-**

21 FINANCIAL INSTRUMENTS *CONTINUED*

Interest rate risk – repricing analysis
The Group has an interest rate swap in place for $4,000,000 (2014: $4,000,000) which matures on 26 September 2016 and has an interest rate of 6.85%.

Capital management
The Group's capital includes share capital, reserves and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

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

The Group's policies in respect to capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Group's management of capital during the period.

Sensitivity analysis
In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in interest rates will have an impact on profit.

At 31 December 2015 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before income tax by approximately $131,000 (December 2014: $65,000).

CLASSIFICATION AND FAIR VALUES (GROUP)	NOTE	DESIGNATED AT FAIR VALUE	AVAILABLE FOR SALE	LOANS & RECEIVABLES	OTHER AMORTISED COST	TOTAL CARRYING AMOUNT	FAIR VALUE
DEC 2015							
ASSETS							
INVESTMENTS	12	1,556,250	123,035	-	-	1,679,285	1,679,285
TOTAL NON-CURRENT ASSETS		**1,556,250**	**123,035**	**-**	**-**	**1,679,285**	**1,679,285**
TRADE AND OTHER RECEIVABLES	15	-	-	3,607,481	-	3,607,481	3,607,481
CASH AND CASH EQUIVALENTS	16	-	-	-	5,061,466	5,061,466	5,061,466
TOTAL CURRENT ASSETS		**-**	**-**	**3,607,481**	**5,061,466**	**8,668,947**	**8,668,947**
TOTAL ASSETS		**1,556,250**	**123,035**	**3,607,481**	**5,061,466**	**10,348,231**	**10,348,231**
LIABILITIES							
LOANS AND BORROWINGS	18	-	-	-	15,129,426	15,129,426	15,129,426
TOTAL NON-CURRENT LIABILITIES		**-**	**-**	**-**	**15,129,426**	**15,129,426**	**15,129,426**
LOANS AND BORROWINGS	18	-	-	-	2,000,000	2,000,000	2,000,000
DERIVATIVES	20	49,065	-	-	-	49,065	49,065
TRADE AND OTHER PAYABLES	20	-	-	-	6,346,850	6,346,850	6,346,850
TOTAL CURRENT LIABILITIES		**49,065**	**-**	**-**	**8,346,850**	**8,395,915**	**8,395,915**
TOTAL LIABILITIES		**49,065**	**-**	**-**	**23,476,276**	**23,525,341**	**23,525,341**
DEC 2014							
ASSETS							
INVESTMENTS	12	1,617,165	100,992	-	-	1,718,157	1,718,157
TOTAL NON-CURRENT ASSETS		**1,617,165**	**100,992**	**-**	**-**	**1,718,157**	**1,718,157**
TRADE AND OTHER RECEIVABLES	15	-	-	5,010,437	-	5,010,437	5,010,437
CASH AND CASH EQUIVALENTS	16	-	-	-	1,912,208	1,912,208	1,912,208
TOTAL CURRENT ASSETS		**-**	**-**	**5,010,437**	**1,912,208**	**6,922,646**	**6,922,646**
TOTAL ASSETS		**1,617,165**	**100,992**	**5,010,437**	**1,912,208**	**8,640,803**	**8,640,803**
LIABILITIES							
LOANS AND BORROWINGS	18	-	-	-	10,459,000	10,459,000	10,459,000
DERIVATIVES	20	42,183	-	-	-	42,183	42,183
TRADE AND OTHER PAYABLES	20	-	-	-	6,601,325	6,601,325	6,601,325
TOTAL CURRENT LIABILITIES		**42,183**	**-**	**-**	**17,060,325**	**17,102,507**	**17,102,507**
TOTAL LIABILITIES		**42,183**	**-**	**-**	**17,060,325**	**17,102,507**	**17,102,507**

21 FINANCIAL INSTRUMENTS *CONTINUED*

Estimation of fair values
The methods used in determining the fair values of financial instruments are discussed in note 4.

Fair Value Hierarchy
The table below analyses, by valuation method, those financial instruments carried at fair value. The different levels have been defined as follows:

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

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
DEC 2015 (GROUP)				
FINANCIAL ASSETS CLASSIFIED AS AVAILABLE FOR SALE	-	123,035	-	123,035
FINANCIAL ASSETS IN ASSOCIATES	-	1,556,250	-	1,556,250
DERIVATIVE FINANCIAL LIABILITIES	-	(49,065)	-	(49,065)
	-	**1,630,220**	**-**	**1,630,220**
DEC 2014 (GROUP)	.			
FINANCIAL ASSETS CLASSIFIED AS AVAILABLE FOR SALE	-	100,992	-	100,992
FINANCIAL ASSETS IN ASSOCIATES	-	1,617,165	-	1,617,165
DERIVATIVE FINANCIAL LIABILITIES	-	(42,183)	-	(42,183)
	-	**1,675,975**	**-**	**1,675,975**

22 OPERATING LEASES

LEASES AS LESSEE
NON-CANCELLABLE OPERATING LEASE RENTALS ARE PAYABLE AS FOLLOWS:

	COMPANY AND GROUP	
	DEC 2015	DEC 2014
LESS THAN ONE YEAR	676,161	463,288
BETWEEN ONE AND FIVE YEARS	1,670,776	1,116,937
MORE THAN FIVE YEARS	376,125	588,892
	2,723,061	**2,169,117**

The Group leases orchards to grow kiwifruit. The leases typically run for a period of 1-3 years, with an option to renew the lease after that date. The leases require that returns are shared with the owners once certain profit levels are attained. In addition, the Group has entered into leases whereby the Group is committed to pay up to $0.50 per Class 1 tray based on fruit packed at Apata Group Limited. The amount of the liability can only be quantified once the fruit has been packed, or when the amount of profits from the orchard have been determined. Material leases include the site lease at Wairoa Road, from Whakapapa Coolstores Limited. During the period ended 31 December 2015, payments amounting to $104,167 (December 2014: nil) were made to Whakapapa Coolstores Limited.

23 CAPITAL COMMITMENTS

During the period ended 31 December 2015 the Group entered into Capital contracts of which $9,200,000 (December 2014: $4,114,755) has yet to be completed by period-end. The majority of the capital contracts relate to a new coolstores being built at the Turntable Road site. The new complex will have a static capacity of approximately 1.9M trays.

24 CONTINGENCIES

There are no contingencies at December 2015 (December 2014: nil).

25 RECONCILIATION OF THE PROFIT FOR THE PERIOD WITH THE NET CASH FROM OPERATING ACTIVITIES

		GROUP		COMPANY	
	NOTE	DEC 2015	DEC 2014	DEC 2015	DEC 2014
PROFIT FOR THE PERIOD	PAGE 14	3,939,842	2,213,547	4,000,758	2,212,942
ADJUST FOR:					
DEPRECIATION	8	2,263,390	1,643,104	2,263,390	1,643,104
NET FINANCE COSTS	6	602,115	537,703	43,980	105,023
LOSS (GAIN) ON SALE OF PROPERTY, PLANT AND EQUIPMENT		1,073,633	140,654	1,073,633	140,654
LOSS (GAIN) ON DISPOSAL OF INVESTMENT		-	7,200	-	7,200
SHARE OF PROFIT OF EQUITY ACCOUNTED INVESTEES	12	(509,084)	(440,605)	-	-
INCOME TAX EXPENSE	7	1,330,857	724,512	1,330,857	724,512
CHANGE IN INVENTORIES	14	(223,047)	841,329	(223,047)	841,329
CHANGE IN CURRENT BIOLOGICAL ASSETS DUE TO ACQUISITIONS & SALES	11	(108,651)	278,951	(108,651)	278,951
CHANGE IN TRADE AND OTHER RECEIVABLES	15	2,054,223	(1,506,009)	2,019,759	(1,520,135)
CHANGE IN PREPAYMENTS		(9,441)	(116,927)	(9,441)	(116,927)
CHANGE IN TRADE AND OTHER PAYABLES	20	(1,029,887)	(536,769)	(1,084,061)	(1,535,426)
CHANGE IN TRADE AND OTHER PAYABLES RELATING TO FINANCING ACTIVITIES		(11,276)	(18,293)	(11,276)	(18,293)
CHANGE IN EMPLOYEE BENEFITS	19	58,477	90,028	58,477	90,028
CHANGE IN SHARE BASED PAYMENT RECEIVABLE		-	211,249	-	211,249
INTEREST PAID		(796,303)	(555,473)	(796,303)	(555,473)
INCOME TAX RECEIVED/(PAID)		(1,026,357)	(125,019)	(1,027,384)	(125,360)
NET CASH FROM OPERATING ACTIVITIES	**PAGE 16**	**7,608,491**	**3,389,183**	**7,530,690**	**2,383,378**

26 RELATED PARTIES

Transactions with Directors and key management personnel
Key management personnel are defined as all Directors and senior executives that set strategic direction and manage the Group. The Group undertakes transactions with these persons in the normal course of business on normal commercial terms. Included in expenses is an amount of $1,385,471 (December 2014: $727,041) for salaries, benefits and Directors fees and of this $343,536 relates to share-based transfers under the employee share scheme.

Loans to directors
There were no loans to Directors issued during the period ended 31 December 2015 nor any loans outstanding by Directors at 31 December 2015 (December 2014: nil).

Other transactions with directors and key management personnel
Directors of the Group control 42.7 percent of the voting shares of the Group at 31 December 2015 (December 2014: 41.3 percent).

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to directors and key management personnel and entities over which they have control or significant influence were as follows:

		TRANSACTION VALUE FOR PERIOD ENDED		BALANCE OUTSTANDING AS AT	
	NOTE	DEC 2015	DEC 2014	DEC 2015	DEC 2014
DIRECTORS					
J D ANDERSON					
PACKING & COOLSTORAGE AND ORCHARD SERVICES REVENUE	(I)	1,829,700	1,842,261	-	-
PURCHASE OF MOTOR VEHICLE	(II)	29,000	-	-	-
A BIRLEY					
PACKING & COOLSTORAGE AND ORCHARD SERVICES REVENUE	(III)	1,422,891	1,213,050	-	30,923

26 RELATED PARTIES *CONTINUED*

	NOTE	TRANSACTION VALUE FOR PERIOD ENDED DEC 2015	TRANSACTION VALUE FOR PERIOD ENDED DEC 2014	BALANCE OUTSTANDING AS AT DEC 2015	BALANCE OUTSTANDING AS AT DEC 2014
S CARNACHAN					
PACKING & COOLSTORAGE SERVICES REVENUE	(IV)	61,688	-	-	-
SALE OF PACKAGING MATERIALS	(V)	520,378	-	22,728	-
M MAYSTON					
PACKING & COOLSTORAGE AND ORCHARD SERVICES REVENUE	(VI)	977,118	767,228	-	452
KIWIFRUIT HARVEST SERVICES	(VII)	31,636	-	-	-
G CATHIE					
PACKING & COOLSTORAGE AND ORCHARD SERVICES REVENUE	(VIII)	1,072,444	459,175	682	-
COOLSTORE LEASE	(IX)	88,500	66,375	-	-
SENIOR EXECUTIVES					
E CROSBY					
PACKING & COOLSTORAGE AND ORCHARD SERVICES REVENUE	(X)	24,124	-	-	-
ASSOCIATES					
PRIMOR PRODUCE LIMITED	(XI)	2,491,483	3,234,910	608,384	660,409
SUBSIDIARIES					
APATA SUPPLIERS LTD	(XII)	862,102	610,124	60,806	171,593

(i) During the period the Group provided packing, coolstorage and orchard services to Aerocool Horticulture Limited, of which John Anderson, Director of Apata Group Limited, is a director, at standard commercial terms and conditions.

(ii) During the period the Group purchased a motor vehicle from Aquasplash Limited, of which John Anderson is a director, for a cost of $29,000.

(iii) During the period the Group provided packing, coolstorage and orchard services to Birleys Family Trust, of which Alan Birley, Director of Apata Group Limited, is a trustee, at standard commercial packing, coolstoring and orchard services terms and conditions.

(iv) During the period the Group provided packing and coolstorage services to Twin Kauri Orchards Limited, of which Sean Carnachan, Director of Apata Group Limited, is a director, at standard commercial packing and coolstoring terms and conditions.

(v) During the period the Group sold packaging materials to Western Orchards Limited, of which Sean Carnachan is a director, at standard commercial terms and conditions.

(vi) During the period the Group provided packing, coolstorage and orchard services to Bruntwood Farms Limited, of which Mark Mayston, Director of Apata Group Limited, is a director, at standard commercial packing, coolstoring and orchard services terms and conditions.

(vii) During the period the Group received kiwifruit harvest services from Bruntwood Farms Limited, of which Mark Mayston is a director, at standard commercial terms and conditions.

(viii) During the period the Group provided packing, coolstorage and orchard services to Lowland Greenstone Orchard Trust, of which Graham Cathie, Director of Apata Group Limited, is a trustee, at standard commercial packing, coolstoring and orchard services terms and conditions.

(ix) The Group leases a coolstore from Omniscient Holdings Ltd of which Graham Cathie, Director of Apata Group Limited, is a director, at standard commercial terms and conditions.

(x) During the period the Group provided packing, coolstorage and orchard services to Race Limited, of which Eugene Crosby, senior executive of Apata Group Limited, is a director, at standard commercial packing, coolstoring and orchard services terms and conditions.

(xi) During the period the Group provided packing and coolstorage sercices to Primor Produce Ltd, of which the Group owns 33%, at standard commercial terms and conditions.

(xii) During the period the Group provided administration services to Apata Suppliers Limited, a wholly owned subsidiary of Apata Group Limited, at standard commercial terms and conditions.

From time to time Directors and key management personnel of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

Apata Suppliers Entity Limited

Apata Suppliers Entity Limited (ASEL) is a separate legal entity with directors elected by Apata Group growers and appointed by the Group and other independent coolstore facilities. This entity does not form part of the Group. During the year to 31 December 2015, the Group received $35,331,266 (31 December 2014: $23,860,521) from ASEL in respect of post-harvest services and fruit proceeds, the amount outstanding as at 31 December 2015 is nil (31 December 2014: nil). Payments were made to ASEL of $2,179,218 (31 December 2014: nil) in respect of post-harvest services, the amount outstanding at 31 December 2015: nil (31 December 2014: nil).

27 SUBSEQUENT EVENT

Refinance of business

In February 2016 the Company refinanced the business with ANZ Bank NZ Limited. The new funding includes additional finance of $11.96M for the building of the new coolstores at the Turntable Road site.

Dividend

On the 23rd February 2016 the Directors declared a gross dividend of $0.1400 or $0.1008 per share fully imputed. (December 2014: nil).

To the Shareholders of Apata Group Limited

Report on the Financial Statements
We have audited the financial statements of Apata Group Limited (the "Company") and Group on pages 13 to 33, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Group comprises the Company and the entities it controlled at 31 December 2015 or from time to time during the financial period.

Directors' Responsibility for the Financial Statements
The directors are responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand, being the New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company and the Group's preparation of financial statements that give a true and fair view of the matters to which they relate, 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 Company and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the 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, we were engaged to provide taxation services for the Company and Group. This matter has not impaired our independence as auditors of the Company and Group. We have no other relationship with, or interest in, Apata Group Limited or any of its subsidiaries or associates.

Opinion
In our opinion, the financial statements on pages 13 to 33:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2015, and the financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements
In accordance with sections 16 (1) (d) and 16 (1) (e) of the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations we have required.
- In our opinion proper accounting records have been kept by the Company and the Group as far as appears from our examination of those records.

Ingham Mora

INGHAM MORA
Tauranga
2 March 2016

COMPANY DETAILS

COMPANY NAME
Apata Group Limited

COMPANY NUMBER
1107843

DATE OF INCORPORATION
02 February 2001

NATURE OF BUSINESS
Packhouse and coolstore operators

DIRECTORS APATA GROUP LIMITED AS AT 31 DECEMBER 2015
John David Anderson
Alan Birley
Colin Graham Cathie
Clinton Sean Carnachan
Mark Nolan Mayston
Stuart Barry Weston
Thomas Haines Wilson

EXECUTIVE
Stuart Weston, Managing Director
Eugene Crosby, CFO and Company Secretary
Neale Cameron, Grower Services Manager
Kate Trufitt, Avocado Business Manager and Group Compliance and Safety Manager
Dr Sonia Whiteman, GM Orchards
Damian Young, GM Operations

AUDITORS
Ingham Mora, Tauranga

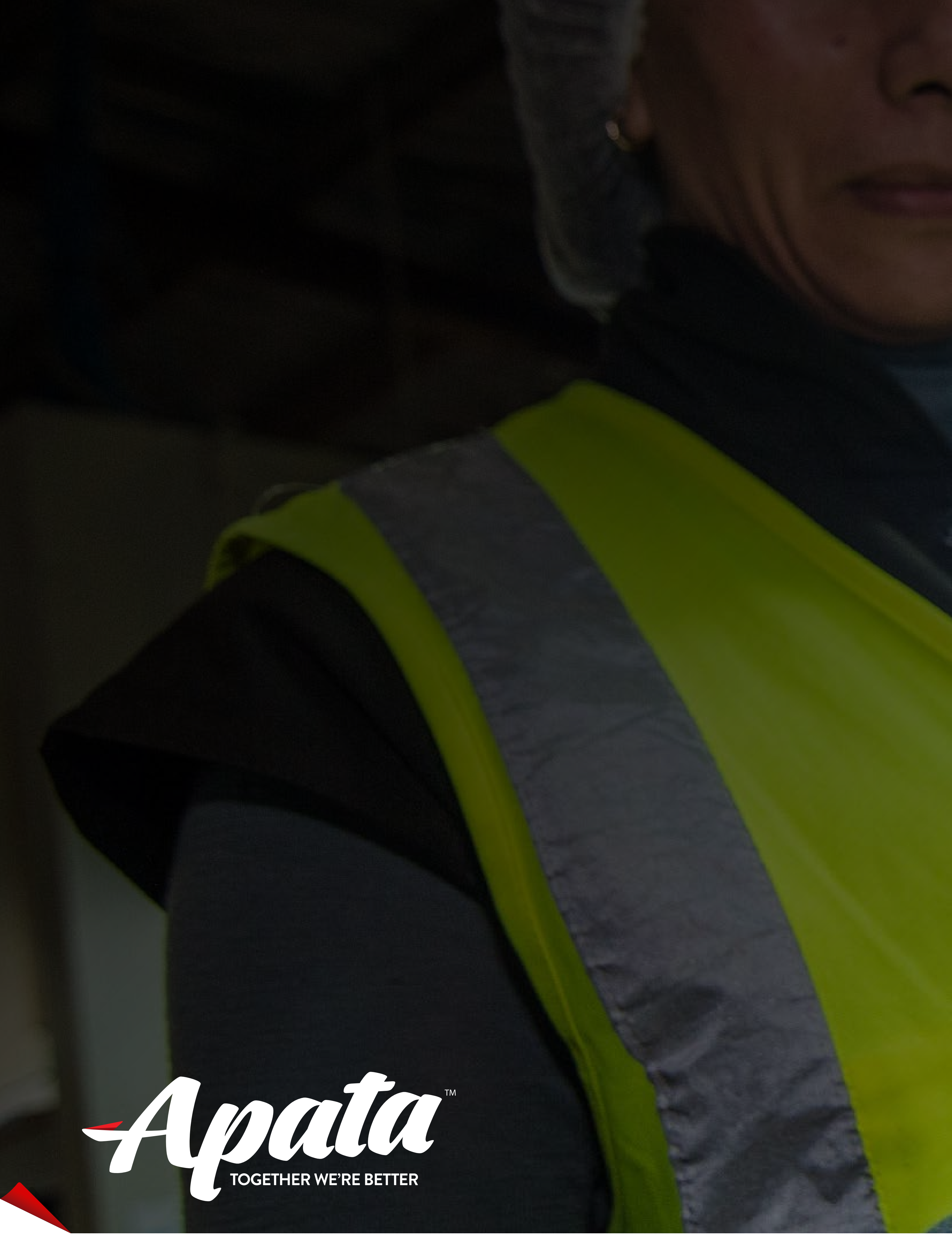
SOLICITORS
Sharp Tudhope, Tauranga

REGISTERED OFFICE
9 Turntable Hill Road, RD 4, Katikati, 3181.

NUMBER OF SHARES
11,736,113

DISTRIBUTION OF SHAREHOLDING – AS AT 2 MARCH 2016

SHARE RANGE	NO OF SHAREHOLDERS	SHARES HELD	% OF SHAREHOLDING	% OF SHARES	AVERAGE HOLDING
UP TO 1,999 SHARES	10	15,179	0%	4%	1,518
2,000 TO 9,999	157	808,550	7%	59%	5,150
10,000 TO 24,999	52	798,504	7%	19%	15,356
25,000 TO 99,999	29	1,556,042	13%	11%	53,657
100,000 PLUS	19	8,557,838	73%	7%	450,413
TOTALS	**267**	**11,736,113**	**100%**	**100%**	**43,955**



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