Del Monte Pacific Limited
and its Subsidiaries

Registration Number: 326349

Financial Statements
Period from 1 January 2014 to 30 April 2014

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DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively, the "Group") comprising the statements of financial position, income statements, statements of comprehensive income, statements of changes in equity and the cash flow statements of the Group and Company for the financial period from 1 January 2014 to 30 April 2014.

Directors

The Directors in office at the date of this report are as follows:

Mr Rolando C Gapud
Mr Joselito D Campos, Jr
Mr Edgardo M Cruz, Jr
Mr Patrick L Go
Dr Emil Q Javier
Mr Benedict Kwek Gim Song
Mr Godfrey E Scotchbrook

Change of financial year end

During the financial period, the Company changed its financial year-end from 31 December to 30 April to align its financial year-end with that of its subsidiary, Del Monte Foods Holding Limited, which the Company acquired on 18 February 2014.

Arrangements to enable Directors to acquire shares or debentures

Except as disclosed under the "Share Option and Incentive Plans" section of this report, neither at the end of, nor at any time during the financial period, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

Directors' interests

According to the registers kept by the Company, particulars of interests of Directors who held office at the end of the financial period (including those held by their spouses and infant children) in shares and share options in the Company are as follows:

Directors' Interest in Shares:

	Direct interests		Deemed interests	
	Holding at beginning of the period	Holdings at end of the period	Holding at beginning of the period	Holdings at end of the period
<u>The Company</u>				
Ordinary shares of US$0.01 each				
Mr Rolando C Gapud	980,000	980,000	–	–
Mr Joselito D Campos, Jr	5,104,800	5,104,800	869,315,246	869,315,246
Mr Edgardo M Cruz, Jr	1,962,900	2,362,900	–	–
Mr Patrick L Go	–	–	–	–
Dr Emil Q Javier	358,240	358,240	–	–
Mr Benedict Kwek Gim Song	–	–	–	–
Mr Godfrey E Scotchbrook	–	–	–	–

Directors' Interest in Options:

	Direct interests		Deemed interests	
	Holding at beginning of the period	Holdings at end of the period	Holding at beginning of the period	Holdings at end of the period
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018				
Mr Rolando C Gapud	–	–	–	–
Mr Joselito D Campos, Jr	–	–	–	–
Mr Edgardo M Cruz, Jr	–	–	–	–
Mr Patrick L Go	240,000	240,000	–	–
Dr Emil Q Javier	–	–	–	–
Mr Benedict Kwek Gim Song	300,000	300,000	–	–
Mr Godfrey E Scotchbrook	360,000	360,000	–	–

* *Mr Edgardo M Cruz, Jr and Dr Emil Q Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400 each. Mr Rolando C Gapud had exercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.*

Directors' interests (cont'd)

Directors' Interest in Share Awards:

	Direct interest			Deemed interest		
	1 January 2014	30 April 2014	21 May 2014	1 January 2014	30 April 2014	21 May 2014
Grant of 688,000 share awards at S$0.84 per share vesting period from 22/08/2013 onwards* **						
Mr Rolando C Gapud	211,000	211,000	211,000	–	–	–
Mr Joselito D Campos, Jr	–	–	–	–	–	–
Mr Edgardo M Cruz, Jr	95,000	95,000	95,000	–	–	–
Mr Patrick L Go	95,000	95,000	95,000	–	–	–
Dr Emil Q Javier	71,000	71,000	71,000	–	–	–
Mr Benedict Kwek Gim Song	108,000	108,000	108,000	–	–	–
Mr Godfrey E Scotchbrook	108,000	108,000	108,000	–	–	–

*** *Up to 60% of share awards granted (i.e. 412,800) will be released upon completion of vesting on or after 21 August 2016. Remaining 40% of share awards granted (i.e. 275,200 shares) will be released upon completion of vesting on or after 21 August 2017.*

Except as disclosed in this report, no Director who held office at the end of the financial period had interests in shares, debentures, warrants, share options or share-based incentives of the Company, or of related corporations, either at the beginning of the financial period, or at the end of the financial period.

Directors' contractual benefits

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Notes 32 and 37 to the financial statements, since the end of the last financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") of the Company was approved and amended by its shareholders at general meetings held on 30 July 1999 and 21 February 2002, respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

Share option and incentive plans (cont'd)

The ESOP and Share Plans are administered by the Remuneration and Share Option Committee ("RSOC") comprising of the following members:

Mr Godfrey E Scotchbrook	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Benedict Kwek Gim Song	(Lead Independent Director)

Other information regarding the ESOP is set out below:

Under the ESOP, 2 types of options were granted:

- Initial Public Offering Options ("IPO Options")
- Market Price Options

IPO Options

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

Market Price Options

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Share option and incentive plans (cont'd)

Del Monte Pacific RSP

Other information regarding the Del Monte Pacific RSP is set out below:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 per share to Mr Joselito D Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr Joselito D Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 per share.

On 30 April 2013, the Company approved the grant of 150,000 stock options to three Non-Executive Directors at an exercise price of S$0.627 each; and 486,880 share awards to Mr Joselito D Campos, Jr and five employees of related companies at a market price of S$0.81 per share, representing a 20% adjustment to the number of unexercised stock options and unvested share awards.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.84 per share to Messrs Rolando C Gapud, Edgardo M Cruz, Jr, Emil Q Javier, Benedict Kwek Gim Song, Patrick L Go and Godfrey E Scotchbrook.

As at the date of this report, no share awards had been granted to Directors or employees of related companies.

Del Monte Pacific PSP

Other information regarding the Del Monte Pacific PSP is set out below:

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

Share option and incentive plans (cont'd)

At the end of the financial period, details of the options granted under the ESOP on the unissued ordinary shares of the Company, are as follows:

Date of Grant	Exercise Price S$	Number of options outstanding at 1 January 2014	Options granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 30 April 2014	Number of option holders at 30 April 2014	Exercise period
07/03/2008	0.627	750,000	–	–	–	750,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2018
30/04/2013	0.627	150,000	–	–	–	150,000	3	100% from 07/03/2011 onwards
						900,000		

At the end of the financial period, details of share awards granted under the Del Monte Pacific RSP are as follows:

Date of grant	Market price on date of grant S$	Number of share awards granted as at 30 April 2014	Number of share award holders at 30 April 2014	Vesting period
07/03/2008	0.615	1,725,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2012
20/05/2008	0.680	1,611,000	1	Up to 60%: 20/05/2010 – 19/05/2011 40%: 20/05/2011 – 19/05/2012
12/05/2009	0.540	3,749,000	6	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 – 11/05/2013
29/04/2011	0.485	2,643,000	1	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 – 11/05/2013
21/11/2011	0.455	67,700	1	No vesting period imposed, shares were released to the grantee on 12 December 2011
30/04/2013	0.810	486,880	6	No vesting period imposed, shares were released to the grantee on 12 May 2013.
22/08/2013	0.840	688,000	6	Up to 60%: 22/08/2013 – 21/08/2016 40%: 22/08/2016 – 21/08/2017
		10,970,580		

Share option and incentive plans (cont'd)

Details of options granted to Directors of the Company under the ESOP are as follows:

Name of Director	Options granted in financial period ended 30 April 2014	*Aggregate options granted since commencement of ESOP to 30 April 2014	*Aggregate options exercised since commencement of ESOP to 30 April 2014	Aggregate options outstanding as at 30 April 2014
Mr Rolando C Gapud	–	400,000	400,000	–
Mr Edgardo M Cruz, Jr	–	200,000	200,000	–
Mr Patrick L Go	–	240,000	–	240,000
Dr Emil Q Javier	–	200,000	200,000	–
Mr Benedict Kwek Gim Song	–	300,000	–	300,000
Mr Godfrey E Scotchbrook	–	360,000	–	360,000
	–	1,700,000	800,000	900,000

* *Excludes options granted prior to the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006, all of which have either been exercised or have lapsed.*

Details of share awards granted to Directors of the Company under the Del Monte Pacific RSP are as follows:

Name of Director	Share awards granted in financial period ended 30 April 2014	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards outstanding at as 30 April 2014
Mr Rolando C Gapud	–	211,000	211,000
Mr Joselito D Campos, Jr	–	4,465,440	–
Mr Edgardo M Cruz, Jr	–	95,000	95,000
Mr Patrick L Go	–	95,000	95,000
Dr Emil Q Javier	–	138,700	71,000
Mr Benedict Kwek Gim Song	–	108,000	108,000
Mr Godfrey E Scotchbrook	–	108,000	108,000

Except as disclosed above, no options or share awards have been granted to the controlling shareholders of the Company or their associates, or to Directors, or to employees of the Group, and no participant under the ESOP and Del Monte Pacific RSP has been granted 5% or more of the total options available under the ESOP and Del Monte Pacific RSP.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial period.

Audit Committee

The Audit Committee ("AC") comprises five board members, four of whom are Non-Executive Directors. A majority of members, including the chairman, are independent. Members of the AC in the financial period and at the date of this report are:

Mr Benedict Kwek Gim Song	(Chairman and Lead Independent Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

The AC held five (5) meetings since the last Directors' report. The AC reviews the effectiveness of the systems of internal controls in the Group, its accounting policies, annual financial statements and quarterly reports, the effectiveness of the internal audit function, and the findings of both the external and internal auditors. The AC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the AC to ensure that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and are not be prejudicial to the Company's minority shareholders.

In performing its functions, the AC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The AC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of internal controls. The AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial period ended 30 April 2014 as well as the external auditors' report thereon.

The AC has full access to and cooperation of Management and the internal auditors. It also has full discretion to invite any Director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the AC. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

Internal controls

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate as at 30 April 2014.

DIRECTORS' REPORT

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

15 May 2015

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 13 to 106 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2014 and the results, changes in equity and cash flows of the Group and of the Company for the financial period from 1 January 2014 to 30 April 2014 in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

15 May 2015

INDEPENDENT AUDITORS' REPORT

Members of the Company Del Monte Pacific Limited

Report on the financial statements

We have audited the accompanying financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 April 2014, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial period from 1 January 2014 to 30 April 2014, a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 106.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the financial statements of the Group and of the Company are properly drawn up in accordance with International Financial Reporting Standards to present fairly, in all material respects, the state of affairs of the Group and of the Company as at 30 April 2014 and the results, changes in equity and the cash flows of the Group and of the Company for the financial period from 1 January 2014 to 30 April 2014.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
15 May 2015

STATEMENTS OF FINANCIAL POSITION

As at 30 April 2014

	Note	<----------- Group ----------->		<--------- Company --------->	
		30 April 2014	31 December 2013	30 April 2014	31 December 2013
		US$'000	US$'000	US$'000	US$'000
Non-current assets					
Property, plant and equipment	6	501,400	99,465	–	–
Subsidiaries	7	–	–	715,942	85,442
Joint venture	8	21,008	20,193	–	–
Intangible assets and goodwill	9	747,827	14,862	–	–
Deferred tax assets	10	45,064	10,555	–	–
Employee benefits	22	10,673	–	–	–
Other assets	11	23,688	13,208	–	–
Biological assets	12	1,613	1,685	–	–
		1,351,273	159,968	715,942	85,442
Current assets					
Inventories	13	814,257	98,162	–	–
Biological assets	12	118,310	111,489	–	–
Trade and other receivables	14	215,808	115,104	104,555	110,927
Cash and cash equivalents	17	28,401	132,921	232	100,293
		1,176,776	457,676	104,787	211,220
Total assets		2,528,049	617,644	820,729	296,662
Equity					
Share capital	18	12,975	12,975	12,975	12,975
Reserves	19	170,301	217,681	82,868	90,587
Equity attributable to owners of the Company		183,276	230,656	95,843	103,562
Non-controlling interests		67,603	(2,273)	–	–
Total equity		250,879	228,383	95,843	103,562
Non-current liabilities					
Financial liabilities	20	934,385	11,260	–	–
Other non-current liabilities	21	41,807	1,036	–	–
Employee benefits	22	101,704	1,876	–	–
Derivative liabilities		4,368	–	–	–
Environmental remediation liabilities	24	4,241	–	–	–
		1,086,505	14,172	–	–
Current liabilities					
Trade and other payables	23	257,749	104,539	122,395	193,100
Financial liabilities	20	919,579	265,404	602,491	–
Current tax liabilities		126	5,146	–	–
Employee benefits - current	22	13,211	–	–	–
		1,190,665	375,089	724,886	193,100
Total liabilities		2,277,170	389,261	724,886	193,100
Total equity and liabilities		2,528,049	617,644	820,729	296,662

The accompanying notes form an integral part of these non-statutory financial statements.

INCOME STATEMENTS

Period from 1 January 2014 to 30 April 2014

	Note	<---------------- Group	---------------->		<---------------- Company	---------------->	
	Note	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue	25	378,799	492,177	459,711	–	25,000	35,000
Cost of sales		(342,698)	(376,567)	(346,912)	–	–	–
Gross profit		36,101	115,610	112,799	–	25,000	35,000
Distribution and selling expenses		(32,541)	(33,980)	(31,537)	–	–	–
General and administrative expenses		(47,455)	(52,248)	(28,211)	(2,024)	(5,283)	(4,794)
Other expenses		(5,923)	(1,906)	(3,383)	(190)	(1,796)	(550)
Results from operating activities		(49,818)	27,476	49,668	(2,214)	17,921	29,656
Finance income		391	395	824	21	–	–
Finance expense		(18,247)	(5,478)	(3,883)	(5,574)	–	–
Net finance expense	27	(17,856)	(5,083)	(3,059)	(5,553)	–	–
Share of loss of joint venture, net of tax	8	(1,154)	(4,908)	(6,090)	–	–	–
(Loss)/Profit before taxation		(68,828)	17,485	40,519	(7,767)	17,921	29,656
Tax credit/(expense)	28	22,339	(1,710)	(9,030)	–	–	–
(Loss)/Profit for the period/year	26	(46,489)	15,775	31,489	(7,767)	17,921	29,656
Profit attributable to:							
Non-controlling interests		(4,725)	(334)	(465)	–	–	–
Owners of the Company		(41,764)	16,109	31,954	(7,767)	17,921	29,656
		(46,489)	15,775	31,489	(7,767)	17,921	29,656
Earnings per share							
Basic (loss)/earnings per share (US cents)	29	(3.22)	1.24	2.47			
Diluted (loss)/earnings per share (US cents)	29	(3.22)	1.24	2.46			

The accompanying notes form an integral part of these non-statutory financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Period from 1 January 2014 to 30 April 2014

	<---------- Group	---------->		<---------- Company	---------->	
	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
(Loss)/Profit for the period/year	(46,489)	15,775	31,489	(7,767)	17,921	29,656
Other comprehensive income						
Items that will or may be reclassified subsequently to profit or loss:						
Currency translation differences, net of tax	696	(20,408)	15,398	–	–	–
Effective portion of changes in fair value of cash flow hedges, net of tax	(2,708)	–	–	–	–	–
Items that will not be reclassified to profit or loss:						
Remeasurement of retirement plans, net of tax	(3,551)	2,057	1,167	–	–	–
Gain on property revaluation, net of tax	–	5,912	–	–	–	–
Other comprehensive income for the period/year, net of tax	(5,563)	(12,439)	16,565	–	–	–
Total comprehensive income for the period/year	(52,052)	3,336	48,054	(7,767)	17,921	29,656
Total comprehensive income attributable to:						
Non-controlling interests	(4,624)	(334)	(465)	–	–	–
Owners of the Company	(47,428)	3,670	48,519	(7,767)	17,921	29,656
	(52,052)	3,336	48,054	(7,767)	17,921	29,656

The accompanying notes form an integral part of these non-statutory financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2014 to 30 April 2014

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<---------- Attributable to owners of the Company ---------->										
2012												
At 1 January 2012		10,818	69,073	(40,363)	3,594	(3,853)	2,367	(2,054)	187,258	226,840	(1,474)	225,366
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	31,954	31,954	(465)	31,489
Other comprehensive income												
Currency translation differences		–	–	15,398	–	–	–	–	–	15,398	–	15,398
Remeasurement of retirement plans		–	–	–	–	1,167	–	–	–	1,167	–	1,167
Total other comprehensive income		–	–	15,398	–	1,167	–	–	–	16,565	–	16,565
Total comprehensive income for the year		–	–	15,398	–	1,167	–	–	31,954	48,519	(465)	48,054
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Dividends declared	30	–	–	–	–	–	–	–	(23,370)	(23,370)	–	(23,370)
Share-based payment transactions		–	470	–	–	–	(2,020)	1,550	–	–	–	–
Value of employee services received for issue of share options	32	–	–	–	–	–	606	–	–	606	–	606
Total contributions by and distributions to owners		–	470	–	–	–	(1,414)	1,550	(23,370)	(22,764)	–	(22,764)
At 31 December 2012		10,818	69,543	(24,965)	3,594	(2,686)	953	(504)	195,842	252,595	(1,939)	250,656

The accompanying notes form an integral part of these non-statutory financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2014 to 30 April 2014

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasure-ment of retirement plans US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<---------- Attributable to owners of the Company ---------->										
2013												
At 1 January 2013		10,818	69,543	(24,965)	3,594	(2,686)	953	(504)	195,842	252,595	(1,939)	250,656
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	16,109	16,109	(334)	15,775
Other comprehensive income												
Currency translation differences		–	–	(20,408)	–	–	–	–	–	(20,408)	–	(20,408)
Gain on property revaluation		–	–	–	5,912	–	–	–	–	5,912	–	5,912
Remeasurement of retirement plans		–	–	–	–	2,057	–	–	–	2,057	–	2,057
Total other comprehensive income		–	–	(20,408)	5,912	2,057	–	–	–	(12,439)	–	(12,439)
Total comprehensive income for the year		–	–	(20,408)	5,912	2,057	–	–	16,109	3,670	(334)	3,336
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Share bonus issue		2,157	–	–	–	–	–	–	(2,157)	–	–	–
Dividends declared	30	–	–	–	–	–	–	–	(24,319)	(24,319)	–	(24,319)
Acquisition of treasury shares		–	–	–	–	–	–	(2,188)	–	(2,188)	–	(2,188)
Share options exercised		–	225	–	–	–	(76)	255	–	404	–	404
Share-based payment transactions		–	(563)	–	–	–	(1,245)	1,808	–	–	–	–
Value of employee services received for issue of share options	32	–	–	–	–	–	494	–	–	494	–	494
Total contributions by and distributions to owners		2,157	(338)	–	–	–	(827)	(125)	(26,476)	(25,609)	–	(25,609)
At 31 December 2013		12,975	69,205	(45,373)	9,506	(629)	126	(629)	185,475	230,656	(2,273)	228,383

The accompanying notes form an integral part of these non-statutory financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2014 to 30 April 2014

Group	Note	<--- Attributable to owners of the Company									--->		
		Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014													
At 1 January 2014		12,975	69,205	(45,373)	9,506	(629)	–	126	(629)	185,475	230,656	(2,273)	228,383
Total comprehensive income for the period													
Loss for the period		–	–	–	–	–	–	–	–	(41,764)	(41,764)	(4,725)	(46,489)
Other comprehensive income													
Currency translation differences		–	–	499	–	–	–	–	–	–	499	197	696
Remeasurement of retirement plans		–	–	–	–	(3,741)	–	–	–	–	(3,741)	190	(3,551)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(2,422)	–	–	–	(2,422)	(286)	(2,708)
Total other comprehensive income		–	–	499	–	(3,741)	(2,422)	–	–	–	(5,664)	101	(5,563)
Total comprehensive income for the period		–	–	499	–	(3,741)	(2,422)	–	–	(41,764)	(47,428)	(4,624)	(52,052)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	74,500	74,500
Value of employee services received for issue of share options	32	–	–	–	–	–	–	48	–	–	48	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48	74,500	74,548
At 30 April 2014		12,975	69,205	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,276	67,603	250,879

The accompanying notes form an integral part of these non-statutory financial statements.

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2014 to 30 April 2014

	Note	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company							
2012							
At 1 January 2012		10,818	69,212	2,367	(2,054)	24,015	104,358
Profit for the year, representing total comprehensive income for the year		–	–	–	–	29,656	29,656
Transactions with owners of the Company recognised directly in equity							
Contributions by and distributions to owners							
Dividends declared	30	–	–	–	–	(23,370)	(23,370)
Share-based payment transactions		–	470	(2,020)	1,550	–	–
Value of employee services received for issue of share options	32	–	–	606	–	–	606
Total contributions by and distributions to owners of the Company		–	470	(1,414)	1,550	(23,370)	(22,764)
At 31 December 2012		10,818	69,682	953	(504)	30,301	111,250
2013							
At 1 January 2013		10,818	69,682	953	(504)	30,301	111,250
Profit for the year, representing total comprehensive income for the year		–	–	–	–	17,921	17,921
Transactions with owners of the Company recognised directly in equity							
Contributions by and distributions to owners							
Share bonus issue		2,157	–	–	–	(2,157)	–
Dividends declared	30	–	–	–	–	(24,319)	(24,319)
Acquisition of treasury shares		–	–	–	(2,188)	–	(2,188)
Share options exercised		–	225	(76)	255	–	404
Share-based payment transactions		–	(563)	(1,245)	1,808	–	–
Value of employee services received for issue of share options	32	–	–	494	–	–	494
Total contributions by and distributions to owners of the Company		2,157	(338)	(827)	(125)	(26,476)	(25,609)
At 31 December 2013		12,975	69,344	126	(629)	21,746	103,562

The accompanying notes form an integral part of these non-statutory financial statements.

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2014 to 30 April 2014

	Note	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company							
2014							
At 1 January 2014		12,975	69,344	126	(629)	21,746	103,562
Loss for the period, representing total comprehensive income for the period		–	–	–	–	(7,767)	(7,767)
Transactions with owners of the Company recognised directly in equity							
Contributions by and distributions to owners							
Value of employee services received for issue of share options	32	–	–	48	–	–	48
Total contributions by and distributions to owners of the Company		–	–	48	–	–	48
At 30 April 2014		12,975	69,344	174	(629)	13,979	95,843

The accompanying notes form an integral part of these non-statutory financial statements.

STATEMENTS OF CASH FLOWS

Period from 1 January 2014 to 30 April 2014

		Group			Company		
	Note	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities							
(Loss)/Profit for the period/year		(46,489)	15,775	31,489	(7,767)	17,921	29,656
Adjustments for:							
Amortisation of intangible assets	9	1,434	571	571	–	–	–
Depreciation of property, plant and equipment	6	13,803	18,826	15,081	–	–	–
(Reversal)/recognition of impairment loss on property, plant and equipment	6	(172)	(313)	267	–	–	–
Gain on disposal of property, plant and equipment		(61)	(141)	(136)	–	–	–
Equity-settled share-based payment transactions		48	494	606	48	494	606
Share of loss of joint venture, net of tax		1,154	4,908	6,090	–	–	–
Dividend income		–	–	–	–	(25,000)	(35,000)
Finance income	27	(391)	(395)	(824)	(21)	–	–
Finance expense	27	18,247	5,478	3,883	5,574	–	–
Tax (credit)/expense	28	(22,339)	1,710	9,030	–	–	–
		(34,766)	46,913	66,057	(2,166)	(6,585)	(4,738)
Changes in:							
Other assets		(5,506)	188	(3,130)	–	–	–
Inventories		82,620	7,229	(18,079)	–	–	–
Biological assets		(6,750)	(12,182)	(11,537)	–	–	–
Trade and other receivables		31,808	(18,000)	(15,772)	(40)	1	(2)
Trade and other payables		(8,368)	15,470	8,233	4,390	(103)	(112)
Amounts due to subsidiaries (non-trade)		–	–	–	–	38,620	28,352
Amounts due from subsidiaries (non-trade)		–	–	–	6,412	(5,769)	(109)
Employee benefits		1,321	(1,004)	(72)	–	–	–
Operating cash flows		60,359	38,614	25,700	8,596	26,164	23,391
Taxes paid		(5,982)	(10,846)	(6,180)	–	–	–
Net cash flows from operating activities		54,377	27,768	19,520	8,596	26,164	23,391
Cash flows from investing activities							
Interest received		111	370	578	21	–	–
Proceeds from disposal of property, plant and equipment		63	444	192	–	–	–
Purchase of property, plant and equipment		(17,980)	(24,739)	(17,322)	–	–	–
Additional investment in joint venture	8	(2,271)	(3,594)	(3,575)	–	–	–
Acquisition of Consumer Food Business, net of cash acquired	5	(1,782,337)	–	–	(630,500)	–	–
Withdrawal/(Deposit) to escrow account related to the Acquisition of Consumer Food Business		100,000	(100,000)	–	100,000	(100,000)	–
Net cash flows used in investing activities		(1,702,414)	(127,519)	(20,127)	(530,479)	(100,000)	–

The accompanying notes form an integral part of these non-statutory financial statements.

STATEMENTS OF CASH FLOWS

Period from 1 January 2014 to 30 April 2014

	Note	<------------- Group	---------------	--------------->	<------------ Company	------------	------------>
		Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cash flows from financing activities							
Interest paid		(7,650)	(3,644)	(4,096)	(5,574)	–	–
Proceeds from borrowings		2,133,766	1,107,203	1,268,396	602,491	–	–
Repayment of borrowings		(558,176)	(956,638)	(1,245,912)	–	–	–
Loans from subsidiaries		–	–	–	–	100,000	–
Repayment of loans to subsidiaries		–	–	–	(75,095)	–	–
Capital injection by non-controlling interests		74,500	–	–	–	–	–
Proceeds from exercise of share options		–	404	–	–	404	–
Acquisition of treasury shares		–	(2,188)	–	–	(2,188)	–
Dividends paid	30	–	(24,319)	(23,370)	–	(24,319)	(23,370)
Net cash flows from/(used in) financing activities		1,642,440	120,818	(4,982)	521,822	73,897	(23,370)
Net (decrease)/increase in cash and cash equivalents		(5,597)	21,067	(5,589)	(61)	61	21
Cash and cash equivalents at beginning of period/year		32,921	24,555	20,877	293	232	211
Effect of exchange rate changes on balances held in foreign currency		1,077	(12,701)	9,267	–	–	–
Cash and cash equivalents at end of period/year	17	28,401	32,921	24,555	232	293	232

The accompanying notes form an integral part of these non-statutory financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 May 2015.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 10 June 2013, the Company was also listed on the Philippine Stock exchange ("PSE"). The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is that of investment holding. Its subsidiaries are principally engaged in growing, processing, developing, manufacturing, marketing, distributing and selling packaged fruits and vegetables, canned and fresh pineapples, pineapple concentrate, tropical mixed fruit, tomato-based products, broth and certain other food products mainly under the brand names of *"Del Monte", "S&W"*, *"Contadina*", *"College Inn"* and other brands.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc and Well Grounded Limited, which at 30 April 2014 held 57.78% and 42.22% (31 December 2013: 57.78% and 42.22%) interest in NutriAsia Pacific Limited respectively, through their intermediary company, NutriAsia Holdings Limited. NutriAsia Pacific Limited, NutriAsia Inc and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements of the Company as at and for the year ended 30 April 2014 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in a joint venture.

2. Going concern

The Group's current liabilities exceeded its current assets by US$13.9 million as at 30 April 2014. Notwithstanding this, the consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to pay its liabilities as and when they fall due.

Management believes that the use of going concern assumption is appropriate based on the Group's unutilised bank facilities of US$224.4 million as at 30 April 2014 which are available for the Group's unrestricted use, and taking into account the following:

- The offering of rights shares to shareholders on 9 February 2015 (the "Rights Issue") which has been closed on 10 March 2015. The Rights Issue raised net proceeds of S$202.5 million, after deducting estimated expenses of approximately S$6.1 million.
- The ability of the Group to extend the maturity dates of certain of its financing facilities to more than twelve months after the reporting date;
- The ability of the Group to raise additional equity through issuance of subordinated perpetual securities to the shareholders in the next twelve months; and
- The Group expects to generate positive cash flows from its operations.

2. Going concern (cont'd)

The financial statements do not contain any adjustments that would be required if the consolidated financial statements were not drawn up on a going concern basis. If required these adjustments would be made to the consolidated statement of financial position of the Group to increase or reduce the recoverable amounts of assets, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

3. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Following the completion of the acquisition of the Consumer Food Business on 18 February 2014, the Group has changed its financial year end from 31 December to 30 April. The current period of the financial statements cover the four month period from 1 January 2014 to 30 April 2014. Thereafter, the financial year of the Company will end on 30 April annually, with 30 April 2015 being the next full financial year.

3.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.2 Functional and presentation currency

These financial statements are presented in United States ("US") dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

3.3 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, 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 estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 – Acquisition of business: fair value measured on a provisional basis
Note 6 – Useful lives of property, plant and equipment
Note 8 – Recoverability of investment in joint venture
Note 9 – Impairment assessment of intangible assets and goodwill
Note 13 – Net realisable values of inventories
Note 15 – Recoverability of trade receivables
Note 22 – Measurement of employee benefit obligations
Note 28 – Measurement of tax

3. Basis of preparation (cont'd)

3.4 Changes in accounting policies

Adoption of new standards and interpretations

The Group has adopted all the new standards, amendments to standards, including any consequential amendments to other standards, and interpretations with a date of initial application of 1 January 2014. The adoption of these new standards, amendments to standards, interpretations has no significant impact to the Group.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

4.1 Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:
- the fair value of consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisition under common control

The formation of the Group in 1999 was accounted for as a reorganisation of companies under common control using merger accounting. The financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries contributed to the Company have been reflected at predecessor cost in these financial statements.

(iv) Investment in joint venture (equity-accounted investee)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is initially recognised at cost, which includes transactions costs. Subsequent to the initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the equity-accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences which are recognised in OCI arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes on only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

4. Significant accounting policies (cont'd)

4.2 Foreign currency (cont'd)

(ii) Foreign operations (cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(iii) Foreign operation in hyperinflationary economy

Financial statements of a foreign entity with a functional currency of a country that has a highly inflationary economy, are restated to reflect changes in the general price level or index in that country before translation into US Dollars.

In adjusting for hyperinflation, a general price index is applied to all non-monetary items in the financial statements (including equity) and the resulting gain or loss, which is the gain or loss on the entity's net monetary position, is recognised in profit or loss. Monetary items in the closing statement of financial position, which are defined as money held and items to be received or paid in money, are not adjusted.

Based upon the three-year cumulative inflation rate, the Group began treating Venezuela as a highly inflationary economy effective as of 18 February 2014, the date of the completion of the acquisition of the Consumer Food Business of Del Monte Corporation. Accordingly, the functional currency for the Group's Venezuelan subsidiary is the U.S. dollar. As the Venezuelan economy is deemed to be hyperinflationary, IAS 29 must be applied. Management has restated the subsidiaries' financial statements, whereby financial information recorded in the hyperinflationary currency is adjusted using the current cost approach by applying the Venezuelan National Consumer Price Index to calculate the inflation adjustment factor of 1.10 and expressed this in the measuring unit (the hyperinflationary currency) current at the end of the reporting period. The Group used the official Serviço de Intervenção nos Comportamentos Aditivos e nas Dependências (SICAD) I rate to translate these financial statements for purposes of consolidation. The financial statements for the South American entity have been prepared on the historical cost basis.

4.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

4. Significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets comprise of loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, and restricted cash. For the purpose of the statement of cash flows, restricted cash is excluded.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities comprise loans and borrowings, and trade and other payables.

(iii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are recognised initially at fair value; any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

4. Significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

(iii) Derivative financial instruments, including hedge accounting (cont'd)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

(iv) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional valuers regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in the revaluation amount is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognised in profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to revenue reserves and is not taken into account in arriving at the gain or loss on disposal.

4. Significant accounting policies (cont'd)

4.4 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Cost includes expenditure that is 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 assets to a working condition for their intended use, when the Group has an obligation to remove the asset or restore the site as estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. 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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount in the revaluation reserve is transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a component 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 component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current period and comparative years are as follows:

Buildings on freehold land	–	15 to 45 years
Buildings, land improvements and leasehold improvements	–	3 to 50 years
Machinery and equipment	–	3 to 30 years
Dairy and breeding herd	–	3½ years to 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. Significant accounting policies (cont'd)

4.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill of initial recognition, see note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the joint venture, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint venture.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Indefinite life trademarks

Indefinite life trademarks are trademarks acquired as part of a business combination determined using the relief from royalty method, which is based on the estimated rent or royalty that would have been paid for the use of a brand name if the Group did not own it, discounted at the risk-adjusted weighted average cost of capital. These trademarks have indefinite useful lives.

Subsequent measurement

Indefinite life trademarks are measured at cost less accumulated impairment losses.

(iv) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

4. Significant accounting policies (cont'd)

4.5 Intangible assets and goodwill (cont'd)

(vi) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

Trademarks – 10 to 40 years
Customer relationships – 10 to 20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.6 Biological assets

Biological assets comprise growing crops and livestock.

Biological assets (growing crops), for which fair values cannot be measured reliably, are measured at cost less accumulated impairment losses. Expenditure on growing crops includes land preparation expenses and other direct expenses incurred during the cultivation period of the primary and ratoon crops. These expenditures on growing crops are deferred and taken into inventories based on the estimated total yield during the estimated growth cycle of three years.

The cost method of valuation was used since fair value cannot be measured reliably. The growing crops have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Growing crops are classified as current assets in the statement of financial position.

At the point of harvest, the fair value of the agricultural produce that are used in processed products can be estimated using a cost plus margin basis. The margin is the estimated average margin of the processed products (which comprise concentrates, sliced pineapples, etc.). The fair value of the remaining agricultural produce can be determined and the harvest crop are measured at fair value less cost to sell. The difference between estimated cost of the harvested agricultural produce and fair value less cost to sell is recorded in profit or loss in the period in which they arise. The fair value of the harvested agricultural produce is determined based on the market value of the agricultural produce at the point of harvest.

4.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is 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 is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

4. Significant accounting policies (cont'd)

4.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of finished goods is based on the weighted average method, while the cost of production materials and storeroom items is based on the weighted moving average method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of conversion include costs directly related to the units of production, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The allocation of fixed production overheads is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average for the periods or seasons under normal circumstances, taking into account the seasonal business cycle of the Group.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4.9 Impairment

(i) Non-derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

4. Significant accounting policies (cont'd)

4.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.11(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) 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. For goodwill, and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

4. Significant accounting policies (cont'd)

4.9 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

4.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

A defined benefit pension plan requires contributions to be made to separately administered funds. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

4. Significant accounting policies (cont'd)

4.10 Employee benefits (cont'd)

(ii) Defined benefit pension plan (cont'd)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

When the plan amendment or curtailment occurs, the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees.

(iii) Other plans

The Company has various other non-qualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Company's qualified retirement plans. These plans are unfunded and comply with IRS rules for non-qualified plans.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

4. Significant accounting policies (cont'd)

4.10 Employee benefits (cont'd)

(v) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(vi) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

(vii) Share-based payment transactions

The Group grants share awards and share options for the shares of the Company to employees of the Group. The fair value of incentives granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is spread over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is spread over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share premium when the options are exercised.

4.11 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 pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4. Significant accounting policies (cont'd)

4.11 Provisions (cont'd)

(i) Coupon redemption

The Group accrues coupon redemption costs in the period in which the coupons are offered based on estimates of redemption rates that are developed by management. Management's estimates are based on recommendations from independent coupon redemption clearing-houses as well as historical information. Should actual redemption rates vary from amounts estimated, adjustments to liabilities may be required. Coupon redemption costs are recorded as a reduction to gross sales.

(ii) Environment remediation liabilities

In accordance with the Group's environment policy and applicable legal requirements, a provision for environmental remediation obligations and the related expense, is recognised when such losses are probable and the amounts of such losses can be estimated reliably. Accruals for estimated losses for environmental remediation obligations are recognised no later than the completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change.

(iii) Retained insurance liabilities

The Group accrues for retained-insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations. A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks (primarily worker's compensation). Additionally, the Group's estimate of retained-insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

(iv) Asset retirement obligations

Certain of the Group's production facilities may contain asbestos that would have to be removed if such facilities were to be demolished or undergo a major renovation and certain of the Group's production facilities utilise wastewater ponds that would require closure activities should the ponds' use be discontinued. The Group cannot reasonably estimate the fair value of the liability for asbestos removal or wastewater pond closure at its production facilities, and because the timing of the settlement of any such liability is not currently determinable, has not recorded an asset retirement obligation for these matters.

(v) Deferred rent

Rent expense is being recognised on a straight-line basis over the life of the lease. The difference between rent expense recognised and rental payments, as stipulated in the lease, is reflected as deferred rent in the statements of financial position.

4. Significant accounting policies (cont'd)

4.12 Revenue recognition

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities 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 customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measure reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of transfers of risks and rewards varies depending on the individual terms of the contract of sale but usually occurs when the customer receives the product.

(ii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

4.13 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so at to produce a constant periodic rate of interest on the remaining balance of the liability.

4.14 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4. Significant accounting policies (cont'd)

4.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of 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:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.16 Dividends

A liability to make dividend payments is recognised when the Group declares dividend payments to the shareholders. The proposed dividends are disclosed if the Group declares the dividends to the shareholders after the reporting date.

4. Significant accounting policies (cont'd)

4.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise restricted share plan and share options granted to employees.

4.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.19 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

5. Acquisition of business

On 10 October 2013, the Company and the Company's wholly owned subsidiary, Del Monte Foods, Inc (”DMFI”) entered into a purchase agreement with Del Monte Corporation, now known as Big Heart Pet Brands, (“the Seller”) to acquire all of the shares of certain subsidiaries of the Seller and acquire certain assets and assume certain liabilities related to the Seller's consumer food business (“Consumer Food Business”) for a purchase price of US$1,675.0 million subject to a post-closing working capital adjustment (the “Acquisition”). The transaction was completed on 18 February 2014.

The Consumer Food Business sells products under the *Del Monte, Contadina, College Inn, S&W* and other brand names, as well as private label products, to key customers. The Consumer Food Business is one of the largest marketers of processed fruit, vegetables and tomatoes in the United States, with the leading market share for branded products in both fruit and vegetable.

As a result of the acquisition, the Group expects to gain access to a well-established, attractive and profitable branded consumer business in the US. The Group anticipates generating significant value creation opportunities in the US market through the expansion of the Consumer Food Business' current product offering to include beverage and culinary products. Furthermore, with greater access for its products, the Group expects to realise synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time.

In order to support the continued and uninterrupted operation of the Consumer Food Business following the close date, a transition services agreement, dated 18 February 2014 was made by and between the Seller, DMFI and the Company. Beginning on the close date, the Seller provided transition services relating to warehousing, transportation, customer financial services, IT services/use of system and administration (accounting/finance).

5. Acquisition of business (cont'd)

In the period between the acquisition on 18 February 2014 and 30 April 2014, the Consumer Food Business contributed revenue of US$293.0 million and loss of US$43.3 million to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue would have been US$525.0 million, and consolidated loss for the period would have been US$58.0 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

(a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	US$'000
Original purchase price	1,675,000
Working capital adjustments	110,981
Total cash consideration	1,785,981
Settlement of pre-existing relationship	(1,160)
Total consideration transferred	1,784,821

The cash consideration includes the post-closing working capital adjustments of US$111.0 million which was calculated based on the difference between the target working capital stipulated in the purchase agreement and the Seller's good faith estimate of working capital and was paid upon the completion of the acquisition on 18 February 2014.

Based on the Seller's calculation of working capital, the Seller requested an additional upward adjustment to the post-closing working capital adjustment of US$16.4 million plus interest accrued from 18 February 2014 through to the date of payment. The US$16.4 million has not accrued by the Group. DMFI served its Notice of Disagreement asserting that the Sellers' statement setting forth its calculation of closing working capital is in breach of several provisions of the Agreement and that the Seller is not entitled to any adjustment to the purchase price on account of working capital, including the additional post-closing working capital adjustment of US$16.4 million plus interest accrued, and the post-closing adjustment amount must be returned.

DMFI and the Seller have now submitted the dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement.

Settlement of pre-existing relationship

The Group and the Seller were parties to a long-term supply contract in respect of processed foods (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean.

On the completion of the acquisition on 18 February 2014, the Seller's rights and obligations under the supply contract between the Company and the Seller were transferred to DMFI. The loss of US$1.2 million on settlement of the pre-existing relationship has been included the amount in 'other expenses' in the unaudited consolidated income statement and unaudited consolidated statement of comprehensive income. This amount is the lower of the termination amount and the value of the off-market element of the contract. The fair value of the agreement at the date of acquisition was approximately US$1.2 million which relates to the unfavourable aspect of the contract to the Group relative to market prices.

5. Acquisition of business (cont'd)

(b) Acquisition-related costs

The Group incurred a total of US$32.2 million of acquisition-related costs in respect of the Acquisition, of which US$9.5 million were incurred in the four months ended 30 April 2014. These costs include external legal fees and due diligence costs, and have been included in 'administrative expenses' in the income statements and statements of comprehensive income.

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the fair values of identifiable assets acquired and liabilities assumed at the date of acquisition.

	Note	US$'000
Property, plant and equipment	6	395,268
Intangible assets	9	529,000
Other assets		22,619
Deferred taxes	10	8,534
Inventories		797,459
Cash and cash equivalents		2,484
Trade and other receivables		124,698
Trade and other payables		(144,335)
Current employee benefits		(4,563)
Other liabilities		(46,277)
Non-current employee benefits		(105,465)
Total identifiable net assets acquired		1,579,422
Goodwill	9	205,399
Total consideration transferred		1,784,821
Less: Cash and cash equivalents acquired		(2,484)
Acquisition of Consumer Food Business, net of cash acquired		1,782,337

Trade and other receivables comprised gross contractual amounts due of US$125.0 million of which US$0.6 million, was expected to be uncollectible at the date of acquisition. Of the US$529.0 million of acquired intangible assets, US$111.0 million was assigned to customer relationships and US$418.0 million was assigned to trademarks. Customer relationships and amortisable trademarks will be amortised over 10-20 years.

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	Note	US$'000
Total consideration transferred		1,784,821
Fair value of identifiable net assets		1,579,422
Goodwill	9	205,399

The goodwill is attributable mainly to the significant value creation opportunities in the US market through the expansion of the Consumer Food Business' current product offering to include beverage and culinary products as well as synergies between the Consumer Food Business and the different subsidiaries under the DMPL group. Furthermore, with greater access for its products, the Group expects to realise synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time. Goodwill is deductible for tax purposes in the US.

6. Property, plant and equipment

	<---------- At cost				---------->	Valuation	
	Buildings on freehold land	Buildings, land improvements and leasehold improvements	Machinery and equipment	Dairy and breeding herd	Construction -in-progress	Freehold land	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group							
Cost/Valuation							
At 1 January 2013	20,594	11,131	152,706	249	20,559	8,604	213,843
Additions	946	3,813	6,819	–	13,161	–	24,739
Disposals	(103)	(125)	(5,650)	–	–	–	(5,878)
Reclassifications	(595)	854	14,284	–	(15,661)	1,118	–
Surplus on revaluation	–	–	–	–	–	6,387	6,387
Currency realignment	(1,176)	(1,105)	(11,394)	(19)	(1,537)	(727)	(15,958)
At 31 December 2013	19,666	14,568	156,765	230	16,522	15,382	223,133
At 1 January 2014	19,666	14,568	156,765	230	16,522	15,382	223,133
Additions through business combinations	–	145,613	199,750	–	11,283	38,622	395,268
Additions	11	14	368	–	19,380	–	19,773
Disposals	–	–	(373)	–	–	–	(373)
Reclassifications	88	1,970	12,014	–	(14,072)	–	–
Currency realignment	(60)	(55)	372	(1)	(51)	(21)	184
At 30 April 2014	19,705	162,110	368,896	229	33,062	53,983	637,985

6. **Property, plant and equipment (cont'd)**

	<---------- At cost					----------> Valuation	
	Buildings on freehold land	Buildings, land improvements and leasehold improvements	Machinery and equipment	Dairy and breeding herd	Construction -in-progress	Freehold land	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Accumulated depreciation and impairment losses							
At 1 January 2013	6,580	4,947	108,717	249	–	–	120,493
Charge for the year	648	2,352	15,826	–	–	–	18,826
Reversal of impairment loss	(26)	(23)	(264)	–	–	–	(313)
Disposals	(100)	(87)	(5,388)	–	–	–	(5,575)
Currency realignment	(434)	(117)	(9,193)	(19)	–	–	(9,763)
At 31 December 2013	6,668	7,072	109,698	230	–	–	123,668
At 1 January 2014	6,668	7,072	109,698	230	–	–	123,668
Charge for the period	433	1,852	11,518	–	–	–	13,803
Reversal of impairment loss	(3)	(64)	(105)	–	–	–	(172)
Disposals	–	–	(371)	–	–	–	(371)
Currency realignment	(12)	(32)	(298)	(1)	–	–	(343)
At 30 April 2014	7,086	8,828	120,442	229	–	–	136,585
Carrying amounts							
At 1 January 2013	14,014	6,184	43,989	–	20,559	8,604	93,350
At 31 December 2013	12,998	7,496	47,067	–	16,522	15,382	99,465
At 30 April 2014	12,619	153,282	248,454	–	33,062	53,983	501,400

As at 30 April 2014, the net carrying amount of leased plant and equipment was US$0.15 million (31 December 2013: US$0.17 million).

As at 30 April 2014, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

Freehold land of the Group located in the Philippines is stated at fair value of US$6.9 million as at 31 December 2013 based on an independent valuation by Cuervo Appraisers Inc, Pasig City, Philippines, on a sales comparison approach close to 31 December 2013.

Freehold land of the Group located in Singapore is stated at fair value of US$8.5 million as at 31 December 2013 based on an independent valuation by CB Richard Ellis, Singapore, on a sales comparison approach close to 31 December 2013.

Freehold land of the Group located in the United States is stated at fair value at US$39.4 million based on the valuation made on the Consumer Foods Business upon acquisition on 18 February 2014.

6. Property, plant and equipment (cont'd)

As at 31 December 2013, management recognised additional gain on revaluation of freehold land of US$6.4 million credited to "Other comprehensive income" in the equity portion of the statement of financial position.

The carrying amount of the freehold land as at 30 April 2014 would be US$2.3 million (31 December 2013: US$2.3 million) had the freehold land been carried at cost less impairment losses.

Source of estimation uncertainty

The costs of property, plant and equipment, except for freehold land, are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 50 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets.

7. Subsidiaries

	Company	
	30 April 2014	**31 December 2013**
	US$'000	**US$'000**
Unquoted equity shares, at cost	640,699	10,199
Amounts due from subsidiaries (non-trade)	75,243	75,243
	715,942	85,442

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investment in the subsidiaries. Accordingly, they are stated at cost less accumulated impairment losses.

7. Subsidiaries (cont'd)

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2014 %	Effective equity held by the Group 31 December 2013 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [4]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [1]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd ("DMS") [1]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited ("GTL") [1]	Trading food products mainly under the brand names, "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [1]	Selling processed and fresh food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [4]	Investment holding	British Virgin Islands	89.43	100.00
Held by DMPRL				
Central American Resources, Inc ("CARI") [1]	Investment holding	Panama	100.00	100.00
Held by CARI				
Del Monte Philippines, Inc ("DMPI") [2]	Growing, processing and distribution of food products mainly under the brand names "Del Monte".	Philippines	100.00	100.00
Dewey Limited ("Dewey") [4]	Owner of trademarks in various countries; investment holding	Bermuda	100.00	100.00
Pacific Brands Philippines, Inc [4]	Inactive	State of Delaware, USA	100.00	100.00
Held by DMPLI				
Del Monte Foods India Private Limited ("DMFIPL") [a] [3]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00
DMPL India Limited [3]	Investment holding	Mauritius	93.90	93.50

7. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2014 %	31 December 2013 %
Held by DMPI				
Philippines Packing Management Services Corporation [2]	Management, logistics and support services	Philippines	100.00	100.00
Held by Dewey				
Dewey Sdn. Bhd. [2]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMPLFHL") [2]	Investment holding	British Virgin Islands	100.00	100.00
Held by DMPLFHL				
Del Monte Foods Inc. ("DMFI") [2]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, USA	100.00	100.00
Held by DMFI				
Del Monte Andina C.A. [2]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	100.00	–
Del Monte Colombiana S.A. [2]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	99.97	–
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [2]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	100.00	–
Del Monte Peru S.A.C. [2]	Distribution food, beverages and other related products	Peru	100.00	–
Del Monte Ecuador DME C.A. [2]	Distribution food, beverages and other related products	Ecuador	100.00	–
Hi-Continental Corp. [2]	Lessee of real property	State of California, USA	100.00	–
College Inn Foods [2]	Inactive	State of California, USA	100.00	–
Contadina Foods, Inc. [2]	Inactive	State of Delaware, USA	100.00	–
S&W Fine Foods, Inc [2]	Inactive	State of Delaware, USA	100.00	–

7. Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2014	31 December 2013
			%	%
Held by Del Monte Andina C.A. (Venezuela)				
Del Monte Argentina S.A. [2]	Inactive	Argentina	100.00	–

(a) 0.1% held by DMPRL.
[1] Audited by KPMG LLP Singapore.
[2] Audited by member firm of KPMG International.
[3] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[4] Not required to be audited in the country of incorporation.

8. Joint venture

Details of the joint venture that is held by DMPL India Limited are as follows:

Name of company	:	FieldFresh Foods Private Limited ("FFPL") *
Principal activities	:	Production and sale of fresh and processed fruits and vegetables food products
Country of incorporation/business	:	India
Effective equity held by the Group	:	46.95% (31 December 2013: 46.70%)

* *Audited by Deloitte Haskins & Sells, Gurgaon, India.*

The summarised financial information of the joint venture, not adjusted for the percentage ownership held by the Group, is as follows:

	Group 30 April 2014	31 December 2013
	US$'000	US$'000
Revenue	18,966	47,080
Expenses	(21,274)	(56,896)
Loss after taxation	(2,308)	(9,816)
Includes:		
– depreciation of US$28,000 (2013: US$24,000)		
– interest expense of US$275,000 (2013: US$277,000)		
– income tax expense of US$nil (2013: US$nil)		
Non-current assets	20,319	22,985
Current assets	19,906	18,126
Total assets	40,225	41,111

8. Joint venture (cont'd)

	Group	
	30 April 2014	**31 December 2013**
	US$'000	**US$'000**
Current liabilities	8,720	11,578
Non-current liabilities	29,277	28,935
Total liabilities	37,997	40,513
Net assets	2,228	598

Includes:

- cash and cash equivalents of US$40,000 (2013: US$77,000).
- non-current financial liabilities (excluding trade and other payables and provisions) of US$29,277,000 (2013: US$28,935,000).
- current financial liabilities (excluding trade and other payables and provisions) of US$5,151,000 (2013: US$8,278,000).

	30 April 2014 US$'000	31 December 2013 US$'000
Group's interest in net assets of investee at beginning of the period/year	299	1,256
Share of total comprehensive income	(1,456)	(4,551)
Capital injection during the year	2,271	3,594
Goodwill	19,894	19,894
Carrying amount of interest in investee at end of the period/year	21,008	20,193

Deferred tax assets have not been recognised by the joint venture in respect of the following items:

	Group	
	30 April 2014	**31 December 2013**
	US$'000	**US$'000**
Tax losses	64,264	61,668
Deductible temporary differences	(3,345)	(585)
	60,919	61,083

Management has not recognised the deferred tax assets because a trend of profitable growth in the joint venture is not yet established. Once profitable growth can be clearly determined, the unrecognised deferred tax asset will be recognised by the Group, resulting in the Group's share of tax income of US$9.4 million (31 December 2013: US$9.4 million).

8. Joint venture (cont'd)

FieldFresh tax losses of US$2.3 million (31 December 2013: US$0.5 million) have expired as of 30 April 2014.

Expiration (FieldFresh)	Operating loss Carry forwards US$'000
Within one year	3,967
After one year but within five years	25,078
After five years	21,306

The remaining tax losses and the deductible temporary differences do not expire under current tax legislation.

In respect of the Group's investment in the joint venture, the joint venture is committed to incur capital expenditure of US$0.1 million (31 December 2013: US$0.5 million), of which the Group's share of commitment is US$0.05 million (31 December 2013: US$0.26 million). The Group is itself committed to incur capital expenditure of US$0.85 million (31 December 2013: US$1.6 million) in relation to its interest in the joint venture, which is expected to be settled by end 2014.

Source of estimation uncertainty

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark (Note 9) and the investment in FFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections approved by FFPL's Board of Directors.

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates and terminal value growth rate. The values assigned to the key assumptions represented management assessment of future trends in the industries and were based on both external and internal sources.

Discount rate: 14.3%

The discount rate is a post-tax measure estimated based on past experience, and industry average weighted average cost of capital, which is based on a possible rate of debt leveraging of 57% at a market interest rate of 12.2%.

8. Joint venture (cont'd)

Revenue growth rate: 22% - 40%

Revenue growth rate is expressed as a compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 40% based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for the years 2015 to 2018 was projected at the range from 22% to 27% based on the historical growth in volume and prices and industry growth.

Terminal value growth rate: 5%

A long-term growth rate into perpetuity has been determined based on management's estimate of the long-term compound annual growth rate in EBITDA which management believed was consistent with the assumption that a market participant would make.

Sensitivity to changes in assumptions

The estimated recoverable amount exceeds its carrying amount of investment and trade mark (Note 9) and accordingly no impairment loss is recorded.

Management has identified two key assumptions that could possibly change by a reasonable range, which could cause the carrying amount to exceed the recoverable amount. The impacts on the recoverable amounts at the end of reporting period as a result of a change in the respective assumptions are follows:

30 April 2014

- A 4% decrease in forecasted revenue and 2% decrease in gross profit margin for the years 2015 to 2018 would decrease the recoverable amount by 32%.

- A 1.4% point increase in discount rate would decrease the recoverable amount by 16%.

31 December 2013

- A 5% decrease in revenue growth rate for the years 2015 to 2018 would decrease the recoverable amount by 50%.

- A 1.4% point increase in discount rate would decrease the recoverable amount by 25%.

This analysis assumes that all other variables remain constant.

9. Intangible assets and goodwill

	Goodwill	Indefinite life trademarks	Amortisable trademarks	Customer relationships	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 January 2013 and 31 December 2013	–	–	22,310	–	22,310
At 1 January 2014	–	–	22,310	–	22,310
Additions through business combinations	205,399	394,000	24,000	111,000	734,399
At 30 April 2014	205,399	394,000	46,310	111,000	756,709
Accumulated amortisation					
At 1 January 2013	–	–	6,877	–	6,877
Amortisation	–	–	571	–	571
At 31 December 2013	–	–	7,448	–	7,448
At 1 January 2014	–	–	7,448	–	7,448
Amortisation	–	–	430	1,004	1,434
At 30 April 2014	–	–	7,878	1,004	8,882
Carrying amounts					
At 1 January 2013	–	–	15,433	–	15,433
At 31 December 2013	–	–	14,862	–	14,862
At 30 April 2014	205,399	394,000	38,432	109,996	747,827

The amortisation of amortisable trademarks and customer relationship is recognised under "Other expenses" in the income statement.

Goodwill

Goodwill arising from the Acquisition (Note 5) is allocated to DMFI and its subsidiaries, which as a whole is considered as one CGU.

When conducting the annual impairment test for goodwill, the Group compares the estimated recoverable amounts of the CGU containing goodwill to its carrying value. Goodwill is treated as an indefinite live asset and evaluated for impairment annually. Given that the goodwill arises from a recent acquisition on 18 February 2014, no impairment assessment was performed as at 30 April 2014.

Indefinite life trademarks

The indefinite life trademarks arising from the Acquisition (Note 5) relate to those of DMFI for the use of the *"Del Monte"* trademark in the United States and South America market, and the *"College Inn"* trademark in the United States, Australia, Canada and Mexico.

As at 30 April 2014, the carrying amounts of the trademarks with indefinite useful lives are US$394 million. Given that the indefinite life trademarks arise from a recent acquisition on 18 February 2014, no impairment assessment was performed as at 30 April 2014.

9. Intangible assets and goodwill (cont'd)

Amortisable trademarks

Indian sub-continent trademark

In November 1996, a subsidiary, DMPRL, entered into a sub-license agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademark in the Indian sub-continent territories in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licences to others ("Indian sub-continent trademark"). This led to the acquisition of the joint venture, FFPL in 2007 and the grant of trademarks to FFPL to market the company's product under the "Del Monte" brand name.

The net carrying amount and the remaining amortisation period of the Indian sub-continent trademark as at 30 April 2014 are US$4.30 million and 22.67 years (31 December 2013: US$4.36 million and 23 years) respectively.

The Indian sub-continent trademark and the investment in FFPL were allocated to Indian sub-continent CGU. See Note 8 for the assessment of the recoverable amount of this CGU.

Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("Philippines trademarks"). The net carrying amount and the remaining amortisation period of the Philippines trademarks as at 30 April 2014 are US$1.89 million and 16.67 years (31 December 2013: US$1.9 million and 17 years) respectively.

Management has reviewed for indicators of impairment for the Philippines trademarks and concluded that no indication of impairment exist at the reporting date.

Asia S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited, entered into an agreement with Del Monte Corporation to acquire the exclusive right to use the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa for a total consideration of US$10.0 million. The net carrying amount and the remaining amortisation period of the "S&W" trademark as at 30 April 2014 are US$8.4 million and 33.67 years (31 December 2013: US$8.49 million and 34 years) respectively.

Management has reviewed for indicators of impairment for the Asia "S&W" trademark and concluded that no indication of impairment exist at the reporting date.

America trademarks

The amortisable trademarks arising from the Acquisition (Note 5) relate to the exclusive right to use the *"S&W"* trademark in the United States, Canada, Mexico and certain countries in Central and South America and *"Contadina"* trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market. The net carrying amount and the remaining amortisation period of the "S&W" trademark as at 30 April 2014 are US$1.96 million and 9.8 years respectively. The net carrying amount and the remaining amortisation period of the "Contadina" trademark as at 30 April 2014 are US$21.8 million and 19.8 years respectively.

Management has reviewed for indicators of impairment for the amortisable trademarks and concluded that no indication of impairment exists at the reporting date.

9. Intangible assets and goodwill (cont'd)

Customer relationships

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the Americas market through contracts. The net carrying amount and the remaining amortisation period of the customer relationships as at 30 April 2014 are US$110 million and 19.8 years respectively.

Management has reviewed for indicators of impairment for the customer relationships and concluded that no indication of impairment exists at the reporting date.

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment annually or whenever there are indicators of impairment. The impairment assessment requires an estimation of the value-in-use of the cash-generating units to which the goodwill and indefinite life trademarks are allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate suitable discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

10. Deferred tax assets

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**	
	30 April 2014	**31 December 2013**	**30 April 2014**	**31 December 2013**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Group				
Provisions	9,820	12,473	–	–
Employee benefits	7,901	562	–	–
Property, plant and equipment	3,813	256	(8,363)	(2,616)
Intangible assets and goodwill	–	–	(4,393)	–
Foreign exchange differences	909	886	–	–
Tax loss carry-forwards	39,641	–	–	–
Effective portion of changes in fair value of cash flow hedges	1,660	–	–	–
Inventories	–	–	(5,176)	–
Biological assets	–	–	(748)	(1,006)
Deferred tax assets/(liabilities)	63,744	14,177	(18,680)	(3,622)
Set off of tax	(18,680)	(3,622)	18,680	3,622
Net deferred tax assets	45,064	10,555	–	–

10. Deferred tax assets (cont'd)

Movements in deferred tax assets and liabilities of the Group during the period are as follows:

	At 1 January 2014	Recognised in profit or loss (Note 28)	Recognised in other comprehensive income	Acquired in business combinations (Note 5)	Currency realignment	At 30 April 2014
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
30 April 2014						
Deferred tax assets						
Provisions	12,473	(5,262)	–	2,658	(49)	9,820
Employee benefits	562	1,057	1,192	5,092	(2)	7,901
Property, plant and equipment	(2,360)	(2,988)	–	784	14	(4,550)
Intangible assets and goodwill	–	(4,393)	–	–	–	(4,393)
Foreign exchange differences	886	26	–	–	(3)	909
Effective portion of changes in fair value of cash flow hedges	–	–	1,660	–	–	1,660
Tax loss carry-forwards	–	39,641	–	–	–	39,641
Inventories	–	(5,176)	–	–	–	(5,176)
Biological assets	(1,006)	254	–	–	4	(748)
	10,555	23,159	2,852	8,534	(36)	45,064

	At 1 January 2013	Recognised in profit or loss (Note 28)	Recognised in other comprehensive income	Currency realignment	At 31 December 2013
	US$'000	US$'000	US$'000	US$'000	US$'000
Group					
At 31 December 2013					
Deferred tax assets					
Provisions	4,964	7,885	(1)	(375)	12,473
Employee benefits	1,562	(14)	(882)	(104)	562
Property, plant and equipment	(2,409)	294	(412)	167	(2,360)
Foreign exchange differences	114	772	–	–	886
Biological assets	(2,400)	1,201	–	193	(1,006)
	1,831	10,138	(1,295)	(119)	10,555

The total amount of potential income tax consequences that would arise from the payment of dividends to the shareholders of the Company, on the total revenue reserve as at 30 April 2014, is approximately US$6.0 million (31 December 2013: US$8.2 million). No provision has been made in respect of this potential income tax as it is the Company's intention to permanently reinvest these reserves and not to distribute them as dividends.

10. Deferred tax assets (cont'd)

Deferred tax assets amounting to US$39.6 million have been recognised in respect of the tax loss carry forwards because it is probable that future taxable profit will be available against which the Group can utilise those benefits. The Group recognised the deferred tax assets because management expects profitable growth coming from revenue enhancements, cost efficiency programs and different synergies within the DMPL group.

The expiration for the net operating loss carry-forwards as at 30 April 2014 are as follows:

	US$'000	Year
Federal net operating loss carry-forwards	103,746	2034
State net operating loss carry-forwards	61,586	2019
Foreign net operating loss carry-forwards	4,716	2015 and 2018

11. Other assets

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Advances to growers	7,691	7,411
Excess insurance	5,843	–
Advance rentals and deposits	5,271	2,970
Land expansion (development costs of acquired leased areas)	2,229	2,374
Prepayments	1,621	–
Others	1,033	453
	23,688	13,208

The advances to growers may be applied against the minimum guaranteed profits to growers.

Excess insurance are reimbursements from insurers to cover the workers' compensation (Note 21).

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised on a straight-line basis over the lease periods of 10 years (31 December 2013: 10 years).

Others comprise land development costs incurred on leased land used for the cultivation of growing crops. These costs are amortised over a period of 10 years (31 December 2013: 10 years).

12. Biological assets

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Growing crops (at cost)		
At 1 January	111,489	108,067
Additions	27,370	82,831
Harvested	(20,202)	(71,329)
Currency realignment	(347)	(8,080)
At 30 April 2014/31 December 2013	118,310	111,489
Livestock (at cost)		
At 1 January	1,685	1,598
Purchases of livestock	191	488
Changes in fair value attributable to price changes	–	182
Sales of livestock	(257)	(462)
Currency realignment	(6)	(121)
At 30 April 2014/31 December 2013	1,613	1,685

The fair value of agricultural produce harvested during the four months ended 30 April 2014 amounted to US$21.8 million (year ended 31 December 2013: US$83.2 million).

Growing crops

Hectares planted with growing crops are as follows:

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Pineapples	14,922	14,744
Papaya	211	170

Fruits harvested, in metric tons, from the growing crops are as follows:

	Group	
	Four months ended 30 April 2014	Year ended 31 December 2013
Pineapples	170,561	704,620
Papaya	1,613	4,668

12. Biological assets (cont'd)

Source of estimation uncertainty

Growing crops is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the estimated cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the estimated cost of the actual volume of fruits harvested in a given period. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence actual growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labour requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated cost of harvested fruits regularly. Increases in cost of harvested fruits increases the value of inventories in the statement of financial position and reduces the carrying amount of growing costs reflected as biological assets.

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Source of estimation uncertainty

The fair value of cattle for slaughter is based on the market prices from various relevant markets. Fair value of the cattle for slaughter is measured on initial recognition and at each reporting date, with changes in fair value recognised in profit or loss. The fair value is based on market prices of mature cattle ready for slaughter. Since market prices used as the basis for fair value refer to mature cattle, the market price for immature cattle already identified for slaughter is adjusted to account for the growing cost to be incurred for the immature cattle for slaughter to mature.

13. Inventories

	Group	
	30 April 2014	**31 December 2013**
	US$'000	**US$'000**
Finished goods		
– at cost	601,851	11,892
– at net realisable value	20,611	14,794
Semi-finished goods		
– at cost	866	1,244
– at net realisable value	10,354	8,620
Raw materials and packaging supplies		
– at net realisable value	180,575	61,612
	814,257	98,162

13. Inventories (cont'd)

For the four months ended 30 April 2014, raw materials, consumables and changes in finished goods and semi-finished goods recognised as cost of sales amounted to US$199.1 million (31 December 2013: US$277.1 million).

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the financial period are as follows:

	Note	Group	
		30 April 2014	31 December 2013
		US$'000	US$'000
At 1 January		7,868	12,156
Allowance for the period/year	26	2,650	1,259
Write-off against allowance		(2,516)	(4,565)
Currency realignment		(20)	(982)
At 30 April/31 December		7,982	7,868

Source of estimation uncertainty

The Group recognises allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

14. Trade and other receivables

	Note	Group		Company	
		30 April 2014	31 December 2013	30 April 2014	31 December 2013
		US$'000	US$'000	US$'000	US$'000
Trade receivables, net	15	148,273	90,358	–	–
Deposits, prepayments and other receivables	16	67,535	24,746	43	3
Amounts due from subsidiaries (non-trade)		–	–	104,512	110,924
Trade and other receivables		215,808	115,104	104,555	110,927
Prepayments	16	(40,046)	(12,702)	–	–
Downpayment to contractors		(8,414)	(9,167)	–	–
Loans and receivables		167,348	93,235	104,555	110,927

14. Trade and other receivables (cont'd)

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

The ageing of loans and receivables at the reporting date is:

	Group			
	30 April 2014		31 December 2013	
	Gross	Impairment losses	Gross	Impairment losses
	US$'000	US$'000	US$'000	US$'000
Not past due	131,848	–	75,771	(11)
Past due 0 - 60 days	27,974	(197)	15,090	–
Past due 61 - 90 days	1,576	–	1,163	–
Past due 91 - 120 days	326	(3)	270	–
More than 120 days	13,052	(7,228)	7,452	(6,500)
	174,776	(7,428)	99,746	(6,511)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

15. Trade receivables

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Trade receivables, gross	155,701	96,869
Less: Allowance for impairment	(7,428)	(6,511)
	148,273	90,358

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical region) is:

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Asia Pacific	28,623	66,017
Europe and North America	119,650	24,341
	148,273	90,358

15. Trade receivables (cont'd)

Movements in allowance for impairment during the financial period are as follows:

	Note	Group	
		30 April 2014	31 December 2013
		US$'000	US$'000
At 1 January 2014/1 January 2013		6,511	3,983
Allowance recognised	26	1,220	2,971
Write-off against allowance		(282)	(185)
Currency realignment		(21)	(258)
At 30 April 2014/31 December 2013		7,428	6,511

Source of estimation uncertainty

The Group maintains allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilised different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

16. Deposits, prepayments and other receivables

	Group		Company	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000
Prepayments	40,046	12,702	–	–
Downpayment to contractors	8,414	9,167	–	–
Other recoverables	19,075	2,877	43	3
	67,535	24,746	43	3

Other recoverables consist of advance to suppliers, value-added tax receivables, deferred transportation expense, etc.

17. Cash and cash equivalents

	Group		Company	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000
Cash and cash equivalents	28,401	132,921	232	100,293
Less: Restricted cash	–	(100,000)	–	(100,000)
Cash and cash equivalents in the statement of cash flows	28,401	32,921	232	293

Cash and cash equivalents comprise cash balances and restricted cash. Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.45% (31 December 2013: 0.40% to 4.50%) per annum.

In 2013, the Company deposited US$100 million into an escrow account, which could be released to the Seller in the event that the Company does not complete the Acquisition under certain circumstances. Upon the completion of the Acquisition, the withdrawal from escrow account was used to settle the cash consideration for the Acquisition (Note 5).

18. Share capital

	30 April 2014		31 December 2013	
	No. of shares	US$'000	No. of shares	US$'000
Authorised:				
Ordinary shares of US$0.01 each	3,000,000,000	30,000	2,000,000,000	20,000
Preference shares of US$1.00 each	600,000,000	600,000	–	–
	3,600,000,000	630,000	2,000,000,000	20,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,297,500,491	12,975	1,297,500,491	12,975

On 19 April 2013, US$2.2 million or 215,719,000 shares were granted as bonus shares to the shareholders of the Company.

The Company has also issued share awards under the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") (Note 32) during the current financial period.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

In April 2014, the Company increased its authorised share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board of Directors may designate.

18. Share capital (cont'd)

Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital and reserves. The Board of Directors monitors the return on capital, which the Group defines as profit for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

There were no changes in the Group's approach to capital management during the period.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

19. Reserves

	Group		Company	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000
Share premium	69,205	69,205	69,344	69,344
Translation reserve	(44,874)	(45,373)	–	–
Revaluation reserve	9,506	9,506	–	–
Remeasurement of retirement plan	(4,370)	(629)	–	–
Hedging reserve	(2,422)	–	–	–
Share option reserve	174	126	174	126
Retained earnings	143,711	185,475	13,979	21,746
Reserve for own shares	(629)	(629)	(629)	(629)
	170,301	217,681	82,868	90,587

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and revenue reserve form part of the Company's surplus account that may be available for dividend distribution. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, Del Monte Pacific Resources Limited, under common control in 1999.

Share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium account, net of any related income tax benefits.

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The remeasurement of retirement plan relates to the actuarial gains and losses for the defined benefit plan.

19. Reserves (cont'd)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 30 April 2014, the Group held 900,000 of the Company's shares (31 December 2013: 900,000).

20. Financial liabilities

	Group		Company	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000
Current liabilities				
Unsecured bank loans	807,271	265,404	602,491	–
Secured bank loans	112,308	–	–	–
	919,579	265,404	602,491	–
Non-current liabilities				
Unsecured bank loans	11,225	11,260	–	–
Secured bank loans	923,160	–	–	–
	934,385	11,260	–	–
	1,853,964	276,664	602,491	–

20. Financial liabilities (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	30 April 2014 Face value	30 April 2014 Carrying amount	31 December 2013 Face value	31 December 2013 Carrying amount
		%		US$'000	US$'000	US$'000	US$'000
Group							
Unsecured bank loans	PHP	1.70-2.90	2015	80,473	80,473	87,824	87,824
Unsecured bank loans	BSF	9.00	2015	1,400	1,709	–	–
Unsecured bank loans	USD	1.61-2.06	2015	122,597	122,597	177,580	177,580
Unsecured bridging loans	USD	1.50% - 4.00%	2015	605,000	602,492	–	–
Unsecured bank loan	PHP	3-Mos PDSTF + 1/95 (GRT)	2016	11,225	11,225	11,260	11,260
Secured bank loan under ABL Credit Agreement	USD	2.15	2015	109,000	103,693	–	–
Secured First Lien Term Loan	USD	Higher of Libor +3.25% or 4.25%	2015-2022	710,000	685,602	–	–
Secured Second Lien Term Loan	USD	Higher of Libor + 7.25% or 8.25%	2022	260,000	246,173	–	–
				1,899,695	1,853,964	276,664	276,664

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

	Currency	Nominal interest rate	Year of maturity	30 April 2014 Face value	30 April 2014 Carrying amount	31 December 2013 Face value	31 December 2013 Carrying amount
		%		US$'000	US$'000	US$'000	US$'000
Company							
Unsecured bridging loans	USD	1.50% - 4.00%	2015	605,000	602,491	–	–
				605,000	602,491	–	–

The unsecured bridging loans of US$605.0 million were obtained by the Company to finance the Acquisition (Note 5) and its related costs. US$165.0 million of the bridging loans was guaranteed by the immediate holding company.

The loan under ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and trade receivables and by a second priority lien on substantially all other assets.

The First Lien Term Loan is generally secured by (i) a first priority pledge of all of the equity interests of DMFI, (ii) a second priority lien on all ABL Priority Collateral of DMFI's inventories and trade receivables and (iii) a first priority lien on substantially all other properties and assets of DMFI.

The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of DMFI, (ii) a third priority lien on all ABL Priority Collateral of DMFI's inventories and trade receivables and (iii) a second priority lien on substantially all other properties and assets of DMFI.

20. Financial liabilities (cont'd)

Ability to incur additional bank facilities

The Group excluding DMFI has unsecured lines of credit amounting to US$1,043.1 million, of which US$224.4 million are undrawn as at 30 April 2014.

The commitment under the ABL Credit Agreement may be increased, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitment does not exceed US$450.0 million.

DMFI has the right to request an additional US$100.0 million under the First Lien Term Loan and Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary condition precedent.

Restrictive covenants of ABL Credit Agreement and Term loans Credit Agreement

The restrictive covenants in the ABL Credit Agreement and the Term Loan Credit Agreement include covenants limiting DMFI's ability, and the abilities of DMFI's restricted subsidiaries, to incur additional bank facilities, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or purchase DMFI's capital stock, make investments, loans or advances, prepay certain liabilities, engage in certain transactions with affiliates, amend agreements governing certain subordinated liabilities adverse to the lenders, and change DMFI's lines of business.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2014					
Derivative financial liabilities					
Interest rate swaps used for hedging, net-settled	4,368	8,460	–	9,994	(1,534)
Non-derivative financial liabilities					
Unsecured bank loans					
- Short-term	807,271	811,522	811,522	–	–
- Long-term	11,225	11,297	72	11,225	–
Secured bank loans					
- Short-term	112,308	117,875	117,875	–	–
- Long-term	923,160	1,361,181	51,418	327,125	982,638
Trade and other payables	257,749	257,749	257,749	–	–
	2,116,081	2,568,084	1,238,636	348,344	981,104

20. Financial liabilities (cont'd)

Group	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
31 December 2013					
Non-derivative financial liabilities					
Unsecured bank loans					
– Short-term	265,404	265,978	265,978	–	–
– Long-term	11,260	11,600	233	11,367	–
Accrued lease liabilities	810	810	–	–	810
Other payables	226	226	140	86	–
Trade and other payables	104,539	104,539	104,539	–	–
	382,239	383,153	370,890	11,453	810
Company					
30 April 2014					
Non-derivative financial liabilities					
Unsecured short-term loan	602,491	609,949	609,949	–	–
Trade and other payables	122,395	122,395	122,395	–	–
	724,886	732,344	732,344	–	–
31 December 2013					
Non-derivative financial liabilities					
Trade and other payables	193,100	193,100	193,100	–	–
	193,100	193,100	193,100	–	–

21. Other non-current liabilities

	Group	
	30 April 2014 US$'000	31 December 2013 US$'000
Workers' compensation	30,921	–
Deferred rental liabilities	7,466	–
Accrued lease liabilities	968	810
Other payables	2,452	226
	41,807	1,036

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

22. Employee benefits

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Net defined benefit asset (DMFI)	10,673	–
Total employee benefit asset	10,673	–
Post-retirement benefit obligation (DMFI)	88,506	–
Supplemental Executive Retirement Plan (DMFI)	8,943	–
Other plans (DMFI)	3,728	–
Liability for bonus plan (DMFI)	4,240	–
Net defined benefit liability (DMPI)	9,498	1,876
Total net defined benefit liability	114,915	1,876

Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Balance as 1 January	42,275	43,297	(40,399)	(38,089)	1,876	5,208
Included in profit or loss						
Current service cost	2,266	2,335	–	–	2,266	2,335
Interest cost/(income)	4,752	3,428	(3,923)	(3,183)	829	245
	49,293	49,060	(44,322)	(41,272)	4,971	7,788
Included in OCI						
Remeasurements loss/(gain)						
– Actuarial loss/(gain) arising from:						
– financial assumptions	4,532	2,854	–	–	4,532	2,854
– demographic assumptions	765	–	–	–	765	–
– experience adjustment	(2,755)	(1,725)	–	–	(2,755)	(1,725)
– Return on plan assets excluding interest income	–	–	2,138	(4,068)	2,138	(4,068)
Effect of movements in exchange rates	(111)	(3,270)	149	2,924	38	(346)
	2,431	(2,141)	2,287	(1,144)	4,718	(3,285)

22. Employee benefits (cont'd)

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Other						
Additions through business combinations	435,127	–	(356,163)	–	78,964	–
Contributions paid into the plan	–	–	(857)	(2,627)	(857)	(2,627)
Benefits paid	(4,630)	(4,644)	4,165	4,644	(465)	–
	430,497	(4,644)	(352,855)	2,017	77,642	(2,627)
Balance at 31 December	482,221	42,275	(394,890)	(40,399)	87,331	1,876

Represented by:

	30 April 2014	31 December 2013
	US$'000	US$'000
Net defined benefit asset (DMFI)	(10,673)	–
Post-retirement benefit obligation (DMFI)	88,506	1,876
Net defined benefit liability (DMPI)	9,498	–
	87,331	1,876

Plan assets

Plan assets comprise:

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Government securities	61,212	20,458
Real estate	9,659	9,859
Equities	80,470	5,611
Debt instruments	50,265	2,888
Unit investment trust funds and other funds	133,205	839
Bank deposits	2,032	204
Others	17,593	540
Investment at fair value	354,436	40,399
Add: Residual fair value of plan assets to be transferred	40,454	–
Fair value of plan assets	394,890	40,399

22. Employee benefits (cont'd)

In accordance with the Purchase Agreement, an initial transfer representing the fair value of plan assets related to the Consumer Products Business was completed in connection with the closing date of 18 February 2014. The fair value of plan assets includes the estimated residual fair value of plan assets to be transferred within 270 days after the acquisition date (Note 5).

DMFI

DMFI has adopted the fair value provisions for the plan assets of its defined benefit pension plan.

The subsidiary's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due. The Company believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. The Company's investment policies and procedures are designed to ensure that the plan's investments are in compliance with ERISA.

DMPI

DMPI's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any. DMPI expects to pay US$3.1 million in contributions to the pension plan in fiscal year 2015.

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2014 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2014.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	DMFI		**DMPL**	
	30 April 2014	**31 December 2013**	**30 April 2014**	**31 December 2013**
Discount rate (per annum)	4.60% - 4.75%	–	5.27%	5.08%
Future salary increases (per annum)	3.63% - 4.00%	–	6.00%	6.00%
Expected return on plan assets (per annum)	7.00%	–	5.27%	7.00%
Current health care cost trend rate	7.80%/8.30%	–	–	–
Ultimate health care cost trend rate	4.00%	–	–	–

The plan exposes the Group to market risk.

22. Employee benefits (cont'd)

The Board of Directors reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

The Board of Directors approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of Directors may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of reporting period would have increased/(decreased) as a result of a change in the respective assumptions by the respective percentages below.

DMFI	**Defined benefit obligation**	
	0.5 percent increase	**0.5 percent decrease**
	US$'000	**US$'000**
Discount rate (per annum)	(13,672)	14,781
Future salary increases (per annum)	1,289	(1,246)

DMFI	**Post-retirement benefit obligation**	
	1.0 percent increase	**1.0 percent decrease**
	US$'000	**US$'000**
Health care cost trend rates (per annum)	10,359	(8,560)

DMPI	**Defined benefit obligation**	
	1 percent increase	**1 percent decrease**
	US$'000	**US$'000**
Discount rate (per annum)	(2,484)	2,871
Future salary increases (per annum)	2,579	(2,269)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2014 and are applied to adjust the defined benefit obligation at the end of the report period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

22. Employee benefits (cont'd)

DMFI made no contributions to its defined benefit pension plan from incorporation to 30 April 2014. The Group currently meets and plans to continue to meet the minimum funding levels required under the Pension Protection Act of 2006 (the "Act"). The Act imposes certain consequences on the Group's defined benefit plan if it does not meet the minimum funding levels. The Group has made contributions in excess of its required minimum amounts for the period ending 30 April 2014. Due to uncertainties of future funding levels as well as planned financial returns, the Group cannot predict whether it will continue to achieve specified planned funding thresholds. The Group currently expects to make contributions of approximately US$8 million to US$10 million in fiscal 2015.

Defined Contribution Plans

The Group provides its regular employees, through the Supplementary Provident Plan, supplemental savings in the form of a lump sum payment at the time of retirement or separation from the Company.

DMFI

The employee who chooses to participate in the plan may, at his option, elect to contribute a fixed amount or a percentage equivalent to between one percent (1%) and twenty percent (20%) of his salary beginning on the date he joined the plan.

DMFI contributes monthly to the Provident Fund a matching amount equal to fifty percent (50%) of the members' monthly contribution up to the first six (6%) of the member's base salary.

DMFI participates in two defined contribution plans. Company contributions to these defined contribution plans are based on employee contributions and compensation. DMFI contribution under these plans from incorporation to 30 April 2014 was US$0.25 million. At 30 April 2014, the weighted-average duration of the defined contribution obligation was 8.3 years.

DMPI

The employee who chooses to participate in the plan may, at his option, elect to contribute a fixed amount or a percentage equivalent to between one percent (1%) and thirty percent (30%) of his salary beginning on the date he joined the plan.

The Group contributes monthly to the Provident Fund an amount equal to forty percent (40%) of the members' monthly contribution which in no case shall exceed two percent (2%) of the member's salary.

Contributions to the DMPI Provident Fund amounted to US$0.16 million (31 December 2013: US$0.5 million). Contribution under the DMFI plans from incorporation to 30 April 2014 was US$0.25 million.

Unremitted contribution (employee and employer share) recognised as part of "Accounts payable and accrued expenses" amounted to US$0.3 million (31 December 2013: US$0.3 million).

22. Employee benefits (cont'd)

Source of estimation uncertainty

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as the rate of return on plan assets, future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

Accumulated Postretirement Benefit Obligation

The Accumulated Postretirement Benefit Obligation is computed in accordance with IAS 19 *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the Cost Method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated postretirement benefit obligation as of a particular date for an employee is the portion of the expected postretirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected postretirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated postretirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the postretirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees. The Company made no contributions to the multi-employer plans from the date of incorporation to 30 April 2014.

The risks of participating in the multi-employer pension plans are as follows:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers;

- If a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be borne by the remaining participating employers; and

- If the Company stops participating in some of its multi-employer pension plans, the Company may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

22. Employee benefits (cont'd)

The following table presents the most recently available information regarding the multi-employer plan that is significant to the Company:

Pension Fund Name	EIN/Pension Plan Number	Pension Protection Act Zone Status[1] as at 1/1/2014	EIP/RP Status Pending/ Implemented[2]	Contributions of the Seller in 2013	Surcharge Imposed[3]	Expiration date of Collective Bargaining Agreement
				US$		
Western Conference of Teamsters Pension Plan	91-614507	91.50% GREEN	N/A	1.9	No	30 June 2015

1 The Pension Protection Act of 2006 ranks the funded status of multiemployer pension plans depending upon a plan's current and projected funding. A plan is in the Red Zone (Critical) if it has a current funded percentage less than 65%. A plan is in the Yellow Zone (Endangered) if it has a current funded percentage of less than 80%, or projects a credit balance deficit within seven years. A plan is in the Green Zone (Healthy) if it has a current funded percentage greater than 80% and does not have a projected credit balance deficit within seven years. The zone status is based on the plan's year end, not the Company's year-end. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary.

2 Funding Improvement Plan or Rehabilitation Plan as defined in the Employment Retirement Security Act of 1974 has been implemented or is pending.

3 Whether the Company paid a surcharge to the Plan in the most current year due to funding shortfalls and the amount of the surcharge.

Other Plans

The Group has various other nonqualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with IRS rules for non-qualified plans.

23. Trade and other payables

	Group		Company	
	30 April 2014	31 December 2013	30 April 2014	31 December 2013
	US$'000	US$'000	US$'000	US$'000
Trade payables	126,948	32,957	–	–
Accrued operating expenses	93,677	60,023	4,941	551
Accrued payroll expenses	23,760	4,054	–	–
Withheld from employees (taxes and social security cost)	7,300	1,287	–	–
Advances from suppliers	2,513	2,558	–	–
Other payables	3,551	3,660	–	–
Amounts due to subsidiaries (non-trade)	–	–	117,454	192,549
	257,749	104,539	122,395	193,100

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

24. Environmental remediation liabilities

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
At 1 January	–	–
Assumed through business combination	4,236	–
Provision made during the period	5	–
At 30 April 2014/31 December 2013	4,241	–

Environmental remediation

A provision for environmental remediation cost is recognised when a Group entity has a legal or constructive obligation to make good and restore a site. The difference between the discounted expected future restoration cost using a pre-tax rate and the provision initially recognised is not deemed material.

25. Revenue

	<-------------------- Group --------------------->			<----------------- Company --------------------->		
	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Sale of goods	378,799	492,177	459,711	–	–	–
Dividend income	–	–	–	–	25,000	35,000
	378,799	492,177	459,711	–	25,000	35,000

Revenue of the Group comprises gross invoiced sales, net of discounts and returns, and is recognised when goods are delivered, and title has passed to customers. All intra-group transactions have been excluded from Group revenue.

26. (Loss)/Profit for the period/year

The following items have been included in arriving at (loss)/profit for the period/year:

	Note	Group			Company		
		Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 31 December 2012 US$'000	Four months ended 30 April 2014 US$'000	Year ended 31 December 2013 US$'000	Year ended 31 December 2012 US$'000
Allowance for inventory obsolescence	13	2,650	1,259	4,066	–	–	–
Impairment of trade receivables	15	1,220	2,971	1,626	–	–	–
Amortisation of intangible assets	9	1,434	571	571	–	–	–
Audit fees							
– paid to the auditors of the Company*		70	203	202	70	174	181
– paid to other auditors		200	133	128	–	–	–
Changes in fair value of agricultural produce harvested		47	11,838	10,016	–	–	–
Legal expense		–	–	101	–	–	–
Depreciation of property, plant and equipment	6	13,803	18,826	15,081	–	–	–
Gain on disposal of property, plant and equipment		(61)	(141)	(136)	–	–	–
Impairment loss (reversed)/ recognised on property, plant and equipment	6	(172)	(313)	267	–	–	–
Professional expenses related to the Acquisition							
– paid to the auditors of the Company		546	1,947	–	–	–	–
– paid to other professionals		8,916	20,806	–	–	–	–
– legal expenses		1,567	–	–	–	–	–
Non-audit fees							
– paid to the auditors of the Company*		–	43	53	–	39	47
– paid to other auditors		8	31	25	–	8	2
Operating lease rentals		10,310	11,535	6,182	–	–	–
Research and development expenditure		2,886	2,188	3,808	–	–	–
Staff costs							
Pension costs – defined benefit pension plan	22	3,095	2,580	2,929	–	–	–
Pension costs – provident fund		404	655	659	–	–	–
Social security costs		2,231	1,547	1,583	–	–	–
Value of employee services received under share-based incentive plans	32	48	494	606	48	494	606
Wages and salaries		45,365	77,972	75,827	815	2,867	2,719
		51,143	83,248	81,604	863	3,361	3,325

** excluding professional expenses related to the Acquisition*

27. Net finance expense

	<-------------- Group ---------------		>	<------------ Company		------------>
	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Recognised in profit or loss						
Finance income						
Interest income from						
– bank deposits	112	395	552	21	–	–
– others	–	–	5	–	–	–
Foreign exchange gains	279	–	267	–	–	–
	391	395	824	21	–	–
Finance expenses						
Interest expenses on						
– bills payable	(18,230)	(4,832)	(3,883)	(5,574)	–	–
– factoring	–	(646)	–	–	–	–
– loans and borrowings measured at amortised cost	(17)	–	–	–	–	–
	(18,247)	(5,478)	(3,883)	(5,574)	–	–
Net finance expense	(17,856)	(5,083)	(3,059)	(5,553)	–	–

28. Tax credit/(expense)

Group

Group tax has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective foreign tax jurisdictions. Details of provision for Group foreign income tax are as follows:

		Group	
	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
	US$'000	US$'000	US$'000
Current tax			
– current year	820	11,848	8,049
Deferred tax			
– current year	(23,159)	(10,138)	981
	(22,339)	1,710	9,030

28. Tax credit/(expense) (cont'd)

Reconciliation of effective tax rate

	Group		
	Four months ended 30 April 2014	**Year ended 31 December 2013**	**Year ended 31 December 2012**
	US$'000	**US$'000**	**US$'000**
(Loss)/Profit before taxation	(68,828)	17,485	40,519
Taxation on profit at weighted average of the applicable tax rates	(22,982)	(888)	7,509
Non-deductible expenses	643	2,598	1,521
	(22,339)	1,710	9,030
Standard tax rates			
– Philippines (non-PEZA)	30%	30%	30%
– Philippines (PEZA)*	5%	5%	5%
– India	31%	31%	31%
– Singapore	17%	17%	17%
– United States of America	38%	35%	–
– Mexico	30%	#	#
– Venezuela	34%	#	#

* *based on gross profit for the period/year*
\# *not applicable*

On 22 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippine were approved as a Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). With this approval, DMPI enjoys certain fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the current 30% (31 December 2013: 30%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. The incentives will be available for as long as DMPI complies with PEZA's requirements which include exporting 70% of its production. DMPI has received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This zone was granted Presidential approval on 8 September 2008 and renewed on 27 December 2013.

Sources of estimation uncertainty

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands.

29. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period/year.

	Group		
	Four months ended 30 April 2014	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Basic (loss)/earnings per share is based on:			
(Loss)/Profit for the period/year (US$'000)	(41,764)	16,109	31,954
Basic weighted average number of ordinary shares ('000):			
Issued ordinary shares at 1 January	1,297,500	1,081,781	1,081,781
Effect of own shares held	(11,677)	(11,236)	(8,614)
Effect of share options exercised	10,777	9,636	5,508
Effect of bonus shares; retrospectively adjusted (Note 18)	–	215,719	215,719
Weighted average number of ordinary shares at end of period/year (basic)	1,296,600	1,295,900	1,294,394
Basic (loss)/earnings per share (in US cents)	(3.22)	1.24	2.47

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from ESOP and Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

The effect of ESOP and Del Monte Pacific RSP on the weighted average number of ordinary shares in issue is as follows:

	Group		
	Four months ended 30 April 2014	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Diluted (loss)/earnings per share is based on:			
(Loss)/Profit for the period/year attributable to owners of the Company (US$'000)	(41,764)	16,109	31,954
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of period/year (basic)	1,296,600	1,295,900	1,294,394
Potential ordinary shares issuable under share options	688	881	2,434
Weighted average number of ordinary issued and potential shares assuming full conversion	1,297,288	1,296,781	1,296,828
Diluted (loss)/earnings per share (in US cents)	(3.22)	1.24	2.46

The potential ordinary shares issuable under the ESOP and Del Monte Pacific RSP would decrease the loss per share and have an anti-dilutive effect for the four months ended 30 April 2014.

30. Dividends

	Group and Company		
	Four months ended 30 April 2014	**Year ended 31 December 2013**	**Year ended 31 December 2012**
	US$'000	**US$'000**	**US$'000**
Tax-exempt final dividend paid in respect of the previous financial period of nil cents (31 December 2013: 1.51 US cents; 31 December 2012: 1.45 US cents)	–	16,297	15,599
Tax-exempt interim dividend paid in respect of the current financial period of nil cents (31 December 2013: 0.62 US cents; 31 December 2012: 0.72 US cents)	–	8,022	7,771
	–	24,319	23,370

31. Operating segments

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in North and South America, and Canada. Majority of this segment's sales are principally sold under the *Del Monte* brand but also under the *Contadina*, *S&W, College Inn* and other brands. This segment also includes sales of private label food products. Sales across various channels include retail markets, as well as to the United States military, certain export markets, the food service industry and other food processors.

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising primarily of *Del Monte* branded packaged products, including *Del Monte* traded goods; *S&W* products in Asia both fresh and packaged; and *Del Monte* packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Europe and Middle East

Included in the Europe and Middle East segment are sales of unbranded products in Europe and Middle East.

31. Operating segments (cont'd)

Product segments

Packaged fruit and vegetable

The Packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the *Del Monte* and *S&W* brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, squeezie pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavours in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands namely *Del Monte*, *S&W*, *College Inn* and *Contadina.*

Fresh fruit and others

Fresh fruit and others include sales and profit of *S&W* branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This would also include non branded sales to South America.

Segment assets

Segment assets consist primarily of intangible assets, trade receivables, inventories and investment in joint venture. Capital expenditure comprises additions to fixed assets.

Segmental reporting for prior year was restated to provide a more meaningful representation of the Group after the acquisition of the Consumer Food Business (Note 5). The change is in line with the revised internal management reports presented to the Group's Executive Committee.

31. Operating segments (cont'd)

Information about reportable segments

	Americas			Asia Pacific		
	30 April 2014 US$'000	31 December 2013 US$'000	31 December 2012 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	31 December 2012 US$'000
Revenue						
Packaged/processed fruit and vegetable	225,893	57,526	47,162	16,016	93,139	88,625
Beverage	5,416	21,570	26,653	25,440	114,054	110,100
Culinary	53,033	–	–	14,993	110,498	110,461
Fresh fruit and others	11,952	–	–	16,566	56,807	43,256
Total	**296,294**	**79,096**	**73,815**	**73,015**	**374,498**	**352,442**
Gross profit						
Packaged/processed fruit and vegetable	17,439	5,826	1,902	422	21,071	17,723
Beverage	(364)	1,842	5,973	2,095	28,238	27,339
Culinary	5,218	–	–	3,350	45,082	47,072
Fresh fruit and others	3,908	–	–	4,234	15,178	10,555
Total	**26,201**	**7,668**	**7,875**	**10,101**	**109,569**	**102,689**
Share of joint venture, net of tax						
Packaged/processed fruit and vegetable	–	–	–	(150)	(638)	(1,997)
Beverage	–	–	–	(115)	(491)	(805)
Culinary	–	–	–	(623)	(2,650)	(3,250)
Fresh fruit and others	–	–	–	(266)	(1,129)	(38)
Total	–	–	–	(1,154)	(4,908)	(6,090)
Profit before taxation						
Packaged/processed fruit and vegetable	(34,690)	1,478	(1,461)	(3,872)	5,929	2,487
Beverage	(1,767)	734	4,510	(3,252)	7,066	7,323
Culinary	(8,817)	–	–	(5,003)	22,275	24,243
Fresh fruit and others	169	–	–	2,008	7,739	4,404
Total	(45,105)	2,212	3,049	(10,119)	43,009	38,457
Other Material Non-Cash Items						
Reportable Segments Assets	1,557,908	35,950	39,549	128,981	153,351	149,987
Capital Expenditure	10,951	5,828	4,406	5,388	11,923	10,150

	Europe and Middle East			Total		
	30 April 2014 US$'000	31 December 2013 US$'000	31 December 2012 US$'000	30 April 2014 US$'000	31 December 2013 US$'000	31 December 2012 US$'000
Revenue						
Packaged/processed fruit and vegetable	6,929	23,233	16,214	248,838	173,898	152,001
Beverage	2,561	15,350	17,240	33,417	150,974	153,993
Culinary	–	–	–	68,026	110,498	110,461
Fresh fruit and others	–	–	–	28,518	56,807	43,256
Total	**9,490**	**38,583**	**33,454**	**378,799**	**492,177**	**459,711**
Gross profit						
Packaged/processed fruit and vegetable	244	1,301	2,716	18,105	28,198	22,341
Beverage	(445)	(2,928)	(481)	1,286	27,152	32,831
Culinary	–	–	–	8,568	45,082	47,072
Fresh fruit and others	–	–	–	8,142	15,178	10,555
Total	**(201)**	**(1,627)**	**2,235**	**36,101**	**115,610**	**112,799**
Share of joint venture, net of tax						
Packaged/processed fruit and vegetable	–	–	–	(150)	(638)	(1,997)
Beverage	–	–	–	(115)	(491)	(805)
Culinary	–	–	–	(623)	(2,650)	(3,250)
Fresh fruit and others	–	–	–	(266)	(1,129)	(38)
Total	–	–	–	(1,154)	(4,908)	(6,090)
Profit before taxation						
Packaged/processed fruit and vegetable	(636)	(615)	633	(39,198)	6,792	1,659
Beverage	(779)	(4,368)	(1,620)	(5,798)	3,432	10,213
Culinary	–	–	–	(13,820)	22,275	24,243
Fresh fruit and others	–	–	–	2,177	7,739	4,404
Total	(1,415)	(4,983)	(987)	(56,639)	40,238	40,519
Other Material Non-Cash Items						
Reportable Segments Assets	37,627	34,274	44,266	1,724,516	223,575	233,802
Capital Expenditure	1,641	6,988	2,766	17,980	24,739	17,322

31. Operating segments (cont'd)

Reconciliation of reportable segment profit or loss, assets and capital expenditures

	Group		
	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
(Loss)/Profit before taxation per operating segment	(56,639)	40,238	40,519
Unallocated amounts:			
– acquisition related costs	(11,029)	(22,753)	–
– settlement of pre-existing relationship	(1,160)	–	–
(Loss)/Profit before taxation as reported	(68,828)	17,485	40,519

	Group	
	30 April 2014	31 December 2013
Total assets for reportable segments	1,724,516	223,575
Unallocated amounts:		
– property, plant and equipment	501,400	99,465
– biological assets	119,923	113,174
– other unallocated amounts	182,210	181,430
Total assets as reported	2,528,049	617,644

Major customer

With the purchase of the Consumer Food Business (Note 5), revenue from a major customer of the Americas segment for the four months ended 30 April 2014 amounted to approximately US$56.5 million or 15% (31 December 2013: US$57.0 million or 12%; 31 December 2012: US$61.7 million or 13%) of the Group's total revenue.

32. Share option and incentive plans

The ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific RSP and Del Monte Pacific PSP (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

Other information regarding the Del Monte Pacific RSP are as follows:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

32. Share option and incentive plans (cont'd)

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr Joselito D Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 30 April 2013, 211,440 shares were awarded to Joselito D Campos, Jr, and 275,440 shares to five employees of related companies, representing 20% adjustment to the number of unvested share awards previously granted, at the market price of S$0.810 per share.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.840 per share to each Group Non-Executive Director/Group Executive Director.

Other information regarding the Del Monte Pacific PSP is set out below:

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

The RSOC is responsible for administering the ESOP and the share plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP and Del Monte Pacific RSP on unissued ordinary shares of Del Monte Pacific Limited at the end of the year, are as follows:

ESOP

Date of grant of options	Exercise period	Exercise price	Options outstanding	
			30 April	**31 December**
		S$	**2014**	**2013**
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2012	0.627	750,000	750,000
	40%: 7 March 2012 – 6 March 2018			
30 April 2013	Up to 100%: 30 April 2013 – 6 March 2018	0.627	150,000	150,000
			900,000	900,000

* *On 30 April 2013, the Company approved the grant of 150,000 stock options, representing a 20% adjustment to the number of unexercised stock options previously granted. The exercise period therefore follows that of the options granted on 7 March 2008.*

32. Share option and incentive plans (cont'd)

Accordingly, as at the date of this report, a total of 900,000 options remain outstanding.

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted	Share awards outstanding
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 – 11 May 2013	0.540	3,749,000	–
29 April 2011	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 – 11 May 2013	0.485	2,643,000	–
30 April 2013	No vesting period imposed, shares were released to the grantee on 12 May 2013	0.810	486,880	–
22 August 2013	Up to 60%: 22 August 2013 – 21 August 2016 40%: 22 August 2016 – 21 August 2017	0.840	688,000	688,000
			7,566,880	688,000

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options and assumptions

Date of grant of options	7 March 2008	30 April 2013	12 May 2009	29 April 2011	30 April 2013	22 August 2013
	<--------ESOP-------->		<------------ Del Monte Pacific RSP ---------->			
Fair value at measurement date	US$0.12	US$0.18	US$0.37	US$0.40	US$0.18	US$0.65
Share price (Singapore dollars) at grant date	0.615	0.810	0.540	0.485	0.810	0.840
Exercise price (Singapore dollars)	0.627	0.627	–	–	–	–
Expected volatility	5.00%	2.00%	–	–	–	3.00%
Time to maturity	5 years	5 years	–	–	–	4 years
Risk-free interest rate	3.31%	1.51%	–	–	–	2.69%

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

32. Share option and incentive plans (cont'd)

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

Sources of estimation uncertainty

The fair value of share options granted is estimated using the Black-Scholes Model, which requires the Group to estimate the expected volatility of the Company's shares and expected life of the share options. The Group assesses the estimates whenever there is an indication of a significant change in these conditions. An increase in the fair value of share options granted will increase share option expense and share option reserve.

Expense recognised in profit or loss

		Group		
	Note	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
		US$'000	US$'000	US$'000
Share options granted in 2008		1	4	52
Share options granted in 2009		–	46	130
Share options granted in 2011		–	74	424
Share options granted in 2013		47	370	–
Total employee benefit expense recognised for share-based incentive plans	26	48	494	606

33. Financial risk management

The Group has exposure to the following risks:

- credit risk
- interest rate risk
- liquidity risk
- market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

33. Financial risk management (cont'd)

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Approximately 15% (year ended 31 December 2013: 12%) of the Group's revenue is attributable to sales transactions with a single international customer. However, geographically, there is no concentration of credit risk.

The Audit Committee has approved a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments downpayments to contractors) at the reporting date by geographic region was:

		Group	
	Note	30 April 2014	31 December 2013
		US$'000	US$'000
Americas		129,254	17,590
Europe		6,465	6,757
Asia Pacific		31,629	68,888
	14	167,348	93,235

33. Financial risk management (cont'd)

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The ageing of trade and other receivables (excluding prepayments and downpayments to contractors) that were not impaired at the reporting date was:

		Group	
	Note	30 April 2014	31 December 2013
		US$'000	US$'000
Not past due		131,848	75,760
Past due 0 - 60 days		27,777	15,090
Past due 61 - 90 days		1,576	1,163
Past due 91 - 120 days		323	270
More than 120 days		5,824	952
	14	167,348	93,235

The Group sells its products through major distributors and buyers in various geographical regions. For the period ended 30 April 2014, the Group's major customers collectively accounted for 15% (31 December 2013: 16%) of its total revenue. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions. An analysis of the credit quality of trade and other receivables that were not past due or impaired at the reporting date shows that the balances are of acceptable risk.

The percentages of cash and bank balances held in the following regions are:

	Group	
	30 April 2014	31 December 2013
	%	%
United States of America	66	75
Philippines	21	19
Hong Kong	13	5
Mauritius	–	1

Apart from the above, the Company and the Group have no significant concentration of credit risk with any single counterparty or group counterparties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

33. Financial risk management (cont'd)

Interest rate risk

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company's temporary excess liquidity in short-term low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirement. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Sensitivity analysis

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, loss/profit before taxation and equity would have been affected as follows:

	Profit before taxation	Equity (hedging reserve)
	US$'000	US$'000
Judgements of reasonably possible movements – increase/ (decrease):		
30 April 2014		
100 basis points increase	(18,540)	18,915
100 basis points decrease	18,540	(19,937)
31 December 2013		
100 basis points increase	(2,766)	–
100 basis points decrease	2,766	–

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,043 million (31 December 2013: US$489.0 million) in credit lines, of which only 22% (31 December 2013: 57%) is available. The lines are mostly for short term financing requirements, with US$11.0 million (31 December 2013: US$14.0 million) available for long term requirements. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

33. Financial risk management (cont'd)

DMFI has the right to request an additional US$100.0 million under the First Lien Term Loan and Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary condition precedent.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The Group is exposed to foreign exchange risk from its subsidiaries operating in foreign countries, which generate revenue and incur costs in foreign currencies, and from those operations of its local subsidiaries, which are in foreign currencies. The currency giving rise to this risk is primarily the US dollar, Mexican Peso and Venezuelan Bolivar.

The Company and its subsidiaries maintain their respective books and accounts in their functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations, especially between the Philippine peso and US dollar. To a certain extent, the Group has a natural hedge between the latter two currencies due to its revenue and cost mix. It is the Group's policy to optimise its natural hedge.

At 30 April 2014, the Group's exposure to foreign currencies is as follows:

	US Dollar	Mexican Peso	Venezuelan Bolivar
	US$'000	US$'000	US$'000
Trade and other receivables	2,140	460	11,983
Cash and cash equivalents	1,652	872	2,154
Other non-current assets	27	(3,988)	(1,400)
Financial liabilities	(72,600)	–	–
Trade and other payables	(3,810)	–	(11,337)
	(72,591)	(2,656)	1,400

At 31 December 2013, the Group's exposure to foreign currencies is as follows:

	US Dollar
	US$'000
Trade and other receivables	4,869
Cash and cash equivalents	3,597
Other non-current assets	27
Financial liabilities	(127,600)
Trade and other payables	(4,252)
	(123,359)

33. Financial risk management (cont'd)

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have (decreased)/increased loss/profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar US$'000	Mexican Peso US$'000	Venezuelan Bolivar US$'000
30 April 2014			
10% strengthening	(7,259)	(266)	140
10% weakening	7,259	266	(140)
31 December 2013			
10% strengthening	(12,336)	–	–
10% weakening	12,336	–	–

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group. There are no outstanding purchase contracts as at 30 April 2014 and 31 December 2013.

The Group also purchases large volumes of papaya fruits for production and is significantly exposed to commodity price risk related to papaya. The Group ensures long-term supply of papaya at stable prices by executing papaya supply agreements with farmers. The Group also subsidises some of the farmers' costs related to papaya to ensure long-term relationships with them.

Risk related to agricultural activities

The output of the plantation is subject to certain risk factors relating to weather conditions, crop yields, outgrowers and service providers' performance, and leasehold arrangements. To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimise tonnage loss, and towing units have been augmented to ensure continuity of harvest during wet conditions. The Group is PhilGAP and GLOBALGAP certified and complies with proven agricultural practices in the pineapple growing operations. Long-term land leases with staggered terms are also secured.

34. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables	Derivatives	Other financial liabilities	Total carrying amount	Fair value
		US$'000	US$'000	US$'000	US$'000	US$'000
Group						
30 April 2014						
Cash and cash equivalents	17	28,401	–	–	28,401	28,401
Loans and receivables*	14	167,348	–	–	167,348	167,348
		195,749	–	–	195,749	195,749
Financial liabilities	20	–	–	1,853,964	1,853,964	1,853,964
Trade and other payables(net of advances)	23	–	–	255,236	255,236	255,236
Derivative liabilities		–	4,368	–	4,368	4,368
		–	4,368	2,109,200	2,113,568	2,113,568
31 December 2013						
Cash and cash equivalents	17	132,921	–	–	132,921	132,921
Loans and receivables*	14	93,235	–	–	93,235	93,235
		226,156	–	–	226,156	226,156
Financial liabilities	20	–	–	276,664	276,664	276,664
Trade and other payables(net of advances)	23	–	–	101,981	101,981	101,981
		–	–	378,645	378,645	378,645
Company						
30 April 2014						
Cash and cash equivalents	17	232	–	–	232	232
Loans and receivables*	14	104,555	–	–	104,555	104,555
		104,787	–	–	104,787	104,787

* *excludes prepayments and downpayments to contractors*

34. Accounting classification and fair values (cont'd)

	Note	Loans and receivables	Derivatives	Other financial liabilities	Total carrying amount	Fair value
		US$'000	US$'000	US$'000	US$'000	US$'000
Company						
30 April 2014						
Other financial liabilities	20	–	–	602,491	602,491	602,491
Trade and other payables	23	–	–	122,395	122,395	122,395
		–	–	724,886	724,886	724,886
31 December 2013						
Cash and cash equivalents	17	100,293	–	–	100,293	100,293
Loans and receivables*	14	110,927	–	–	110,927	110,927
		211,220	–	–	211,220	211,220
Trade and other payables	23	–	–	193,100	193,100	193,100

** excludes prepayments and downpayments to contractors*

35. Determination of fair values

Fair value hierarchy

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 35.

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

Determination of fair values of Financial Assets

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/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

35. Determination of fair values (cont'd)

Property, plant and equipment

The fair value of freehold land is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's freehold land on a regular basis.

Derivative instruments

Fair values are measured by market comparison technique using market observable data as at reporting date based broker's quote. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.

The Company uses interest rate swaps to hedge market risks relating to possible adverse changes in interest rates. The Company's determination of the fair value of its interest rate swaps was calculated using a discounted cash flow analysis based on the terms of the swap contracts and the observable interest rate curve.

Loans and borrowings

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.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Fair values versus carrying amounts

The Group's assets and liabilities are measured using market observable data and as such are deemed as level two within the fair value hierarchy disclosure required under IFRS 13 *Fair Value Measurement*.

Determination of Fair Values of Non-financial Assets

Freehold Land

The fair value of freehold land is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's freehold land on a regular basis.

35. Determination of fair values (cont'd)

Freehold Land (cont'd)

The valuation method used to determine fair value is Sales Comparison Approach. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Listings and offerings may also be considered. The unobservable inputs used to determine market value are the net prices (US$51/sq.m., US$88/sq.m. and US$10/sq.m.), sizes (-15%, -2% and -20%), property location (0%, -10% and +20%) and market values (US$43/sq.m., US$78/sq.m. and US$10/sq.m.). Other factors considered to determine market value are the desirability, neighbourhood, utility, terrain and the time element involved.

Livestock

The valuation method used to determine fair value is Sales Comparison Approach. The valuation model is based on the market price of livestock of similar age, weight, breed and genetic make-up. The unobservable inputs used to determine market value are age, average weight and breed.

36. Commitments and contingencies

Operating lease commitments

The Group leases certain property, equipment and office and warehouse facilities. At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Within one year	48,754	9,360
Between one to five years	129,363	38,560
More than five years	54,301	60,920
	232,418	108,840

The leases typically run for an initial period of 2 to 25 years, with an option to renew the lease after that date. Some of the leases contain escalation clauses but do not provide for contingent rents. Lease terms do not contain any restrictions on Group activities concerning dividends, additional debts or further leasing.

36. Commitments and contingencies (cont'd)

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes and packaging services. At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Within one year	387,605	–
After one year but within five years	199,691	–
After five years	77,033	–
	664,329	–

Future capital expenditure

	Group	
	30 April 2014	31 December 2013
	US$'000	US$'000
Capital expenditure not provided for in the financial statements		
– approved by Directors and contracted for	7,440	3,627
– approved by Directors but not contracted for	121,560	34,022
	129,000	37,649

Supply contracts

The Group currently has international supply contracts with entities, which have exclusive rights to the Del Monte trademarks in their respective territories or product categories. The Group has such agreements in respect of processed foods with Del Monte Corporation (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean, and Del Monte Asia Pte Ltd in certain Asia Pacific countries (excluding the Philippines, the Indian subcontinent, Myanmar and Japan). The Group also has a supply contract for fresh pineapples with Del Monte Fresh Produce International Inc which will expire on 31 December 2017. These supply contracts are generally terminable by prior written notice with periods ranging between 18 to 36 months (from certain pre-agreed dates onwards).

DMPL India Limited

As at 30 April 2014, a subsidiary, DMPL India Limited has a contingent liability amounting to INR596 million or an equivalent of US$9.9 million (31 December 2013: US$9.8 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

36. Commitments and contingencies (cont'd)

DMPI

As at 30 April 2014, outstanding 30 to 65 day letters of credit amounted to US$135,000 (31 December 2013: US$6,035,000) and US$219,000 (31 December 2013: US$9,719,000), respectively.

There are lawsuits, tax assessments and certain matters arising out of the normal course of business. Management, in consultation with legal counsel, believes that the resolution of these contingencies will not have a material effect on the separate financial statements.

DMFI

Legal Proceedings

Wage and Hours Class Action

On 19 April 2013 and 31 January 2014, Plaintiff (Montgomery) and Plaintiff (Gamez) each separately filed a complaint on behalf of himself and all other similarly situated employees in California in the Superior Court of California, Alameda County, alleging, *inter alia*, failure to provide meal and rest periods and pay wages properly in violation of various California wage & hour statutes. The Court granted Montgomery's Application to Transfer the matter to Kings County Superior Court on 14 June 2013.

The parties have reached a tentative settlement of the Montgomery and Gamez cases, which is subject to Court approval. The Group has accrued the tentative settlement amount as at 30 April 2014.

Kosta Misbranding Class Action

On 5 April 2012, Plaintiff (Kosta) filed a complaint against DMFI in the U.S. District Court for the Northern District of California alleging false and misleading advertising under California's consumer protection laws. Plaintiff alleges that DMFI made a variety of false and misleading labelling and advertising claims including, but not limited to lycopene and antioxidant claims for tomato products and claims that DMFI misled consumers with respect to its refrigerated fruit products. The complaint seeks certification as a class action. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Dispute with Big Heart Pet Brands

On 18 February 2014, DMFI consummated the acquisition of the consumer products business of Big Heart Pet Brands (BHPB). The purchase price to be paid by DMFI at closing was adjusted upward in the amount of US$110,981,000 (the "Closing Adjustment Amount") based on the difference between the target working capital agreed by the parties in the Purchase Agreement and BHPB's good faith estimate of working capital on the day immediately preceding the closing date. Based on BHPB's calculation of closing working capital, BHPB seeks an additional upward adjustment to the purchase price in the amount of US$16,342,000 together with interest accrued from the closing date through the date of payment.

36. Commitments and contingencies (cont'd)

DMFI (cont'd)

Legal Proceedings (cont'd)

Dispute with Big Heart Pet Brands (cont'd)

On 18 June 2014, DMFI served its Notice of Disagreement asserting that BHPB's statement setting forth its calculation of closing working capital is in breach of several provisions of the Purchase Agreement and that BHPB is not entitled to any adjustment of the purchase price on account of working capital, including the US$16,342,000 it now seeks, and the Closing Adjustment Amount must be returned.

DMFI and BHPH have now submitted the dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement.

Fresh Del Monte vs. DMFI

On 19 December 2013, Fresh Del Monte ("FDP") filed a complaint against DMFI in the U.S. District Court for the Southern District of New York for breach of a 1989 License Agreement ("License"). FDP asserts that DMFI committed a breach by denying FDP's requests for additional rights under the License. DMFI denies these claims and counterclaimed for breach of contract, trademark infringement, and unfair competition on 31 March 2014. Among other things, DMFI asserts that FDP committed a breach and trademark infringement by marketing under the Del Monte trademark processed avocado and guacamole products that are misleadingly labelled as fresh. Both parties seek declaratory, monetary, and injunctive relief from the other. Discovery is proceeding in the cases, and no trial date has been set. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Fresh Del Monte vs. DMFI and Del Monte Corporation

An injunction was issued against DMC in an earlier case. A dispute has arisen over the scope and meaning of that injunction and DMFI moved as a non-party to clarify or modify the injunction. The briefing has been completed. Oral argument has been requested but not yet scheduled. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

California Proposition 65 Claims

On 8 September 2011, Plaintiff (Environmental Law Foundation) filed a complaint alleging violations of Proposition 65 against DMFI and other defendants in Alameda County Superior Court. Specifically, the complaint alleges that DMFI and other defendants violated Proposition 65 by distributing certain fruit products without providing warnings required by Proposition 65. Plaintiff seeks injunctive relief and damages in an unspecified amount and attorneys' fees.

The trial court found that the Defendants proved their case under the Proposition 65 safe harbour defence and therefore do not have to provide Proposition 65 warning labels on the applicable food products. The trial court ruling was upheld by the California Court of Appeal on 17 March 2015. Plaintiff has indicated that it intends to appeal this ruling to the California Supreme Court. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

36. Commitments and contingencies (cont'd)

DMFI (cont'd)

Legal Proceedings (cont'd)

Del Monte International vs. DMFI

On 13 August 2013, Del Monte International ("DMI") sued DMFI in U.S. District Court for the Central District of California, Western Division based on the 29 July 2013 ruling by the World Intellectual Property Organisation (WIPO) granting DMFI's objection to DMI's attempt to register the <.delmonte> gTLD. On 29 July 2013, WIPO granted DMFI's objection. In its declaratory relief action DMI asked the court to (i) declare that DMI has bona fide rights in the DEL MONTE trademark, (ii) that it is not in violation of the Anti-cybersquatting Consumer Protection Act by seeking to register the <.delmonte> gTLD, (iii) that the registration of the gTLD <.delmonte> will not create an impermissible likelihood of confusion and (iv) an order compelling Del Monte to withdraw its Legal Rights Objection to DMI's application to register the <.delmonte> gTLD.

The Court granted DMFI's Motion to Dismiss on 5 February 2014 and denied DMI's Motion to reconsider on 2 June 2014. On 4 June 2014, DMI filed a Notice of Appeal in the United States Court of Appeals for the Ninth Circuit. The parties have now filed their respective briefs with the Court of Appeals. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Other

The Group is the subject of, or a party to, other various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

37. Related parties

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

37. Related parties (cont'd)

Related party transactions (cont'd)

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Group				
	Transaction value for the year ended			Receivables/(Payables) outstanding as at	
	30 April 2014 US$'000	31 December 2013 US$'000	31 December 2012 US$'000	30 April 2014 US$'000	31 December 2013 US$'000
Sale of goods and services					
Management Fees from DMPI Retirement Fund	2	5	5	277	271
Share of IT Services from Nutri-Asia, Inc	27	87	65	45	25
Sale of Tomato Paste with Nutri-Asia, Inc	641	–	–	641	–
Purchase of goods and services					
Rental to DMPI Retirement	169	40	3	(15)	–
Rental to DMPI Provident Fund	5	4	3	–	–
Purchases of Production Materials	43	–	–	–	–
Toll Pack Fees	169	–	–	–	–
Purchases of Services to DMPI Retirement	8	–	–	–	–

The transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Directors of the Company are considered as key management personnel of the Group.

37. Related parties (cont'd)

Key management personnel compensation (cont'd)

The key management personnel compensation is as follows:

	<--------------- Group --------------->			<------------ Company ------------>		
	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012	Four months ended 30 April 2014	Year ended 31 December 2013	Year ended 31 December 2012
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Directors:						
Fees and remuneration	563	2,250	2,000	543	1,898	1,357
Share-based payments	–	921	712	–	921	712
Key executive officers (excluding Directors):						
Short-term employee benefits	5,618	4,529	3,772	274	983	1,012
Post-employment benefits	514	264	237	–	–	–
Share-based payments	–	887	838	–	887	838

Certain management personnel of the Group are entitled to post-employment benefits as defined under a subsidiary's defined benefit plan. The benefits are based on a percentage of latest monthly salary and credited years of service (Note 22).

38. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

Name of non-controlling interest	DMPLFL	Other individually immaterial Subsidiaries	Intra-group elimination	Total
	US$'000	US$'000	US$'000	US$'000
2014				
NCI percentage	**10.57%**	**6.1%**		
Revenue	293,439	–	(260)	293,179
Loss	(44,040)	(1,154)	–	(45,194)
Other comprehensive income	1,121	(302)	–	819
Total comprehensive income				
Attributable to NCI:				
- Loss	(4,655)	(70)	–	(4,725)
- Other comprehensive income	119	(18)	–	101
Total comprehensive income	(4,536)	(88)	–	(4,624)
Non-current assets	1,188,747	–	–	1,188,747
Current assets	861,229	–	–	861,229
Non-current liabilities	(1,073,507)	–	8,892	(1,064,615)
Current liabilities	(314,393)	–	–	(314,393)
Net assets	662,076	–	8,892	670,968
Net assets attributable to NCI	69,981	–	–	69,981

Name of non-controlling interest	DMPLFL	Other individually immaterial Subsidiaries	Intra-group elimination	Total
	US$'000	US$'000	US$'000	US$'000
2014				
Cash flows from operating activities	70,273	–	–	70,273
Cash flows (used in)/from investing activities	(1,791,976)	–	705,000	(1,086,976)
Cash flows from/(used in) financing activities, before dividends to NCI	1,739,850	–	(705,000)	1,034,850
Currency realignment	479	–	–	479
Net increase in cash and cash equivalents	18,626	–	–	18,626

39. Subsequent events

On 20 June 2014, the Company filed in the Philippines a sworn Registration Statement and all other documentary requirements with the Philippine Securities and Exchange Commission, for the registration and listing of additional 5,500,000 ordinary shares, at an offer price of up to an indicative price not exceeding PHP22.84 per share for an aggregate amount of up to US$2.8 million.

On 11 September 2014, the Company authorised the public offer, sale, and issuance of 360,000,000 Preference Shares (“Series A Shares”) with a par value of US$1.00 per share from the unissued portion of authorised share capital of the Company.

On 18 August 2014, the Company’s DMFI subsidiary amended its ABL Facility, which now provides for senior secured financing of up to US$400 million from its original financing of up to US$350 million.

On 28 November 2014, the Board of Directors of the Company has approved a joint venture between the Company, Nice Fruit SL (“Nice Fruit”) and Ferville Limited (“Ferville”), pursuant to which, they shall establish a modern facility in the Philippines that will utilize Nice Fruit’s patented technology called Nice Frozen Dry (NFD) that allows fruits, vegetables and produce to be picked at its optimal ripeness and frozen for up to three years while preserving its nutrients, structure, original properties and organoleptic characteristics. The Company, Nice Fruit and Ferville will hold 51%, 35% and 14% shareholdings respectively in the joint venture.

On 5 December 2014, the Company announced that it will conduct an international offering of up to US$360 million of US dollar-denominated preference shares to instituted investors. The expected proceeds of the offering will be used to refinance the Company’s acquisition of the Consumer Food Business.

On 29 January 2015, the Company announced that BDO Unibank Inc. has approved the extension of its US$350 million bridge loan into a medium term facility. The Company also announced that in view of weak global market conditions, the Company has decided to defer the offering which was proposed to refinance the Company’s bridge loan with BDO Unibank Inc. which partially funded the Company’s acquisition of Del Monte Corporation’s Consumer Food Business in 2014.

On 10 February 2015, the Company announced that it had lodged the Offer Information Statement relating to the offer of recoverable underwritten rights issue of up to 641,935,335 Rights Shares at an issue price of S$0.325 per Rights Share (the “Rights Issue”) with the Monetary Authority of Singapore.

The net proceeds from the Rights Issue, after deducting estimated expenses, will be approximately S$202.5 million and used to repay the bridging facility of up to US$165 million from the Bank of Philippine Islands that the Company had obtained to partially finance the Acquisition.

On 10 March 2015, the Company announced that pursuant to the Rights Issue, an aggregate of 641,935,335 Rights Shares have been allotted and issued. The Rights Shares rank pari passu in all respects with the existing Shares, save for any dividends, rights and distributions, the record dates of which fall before the date of allotment and issue of the Rights Shares. Following the allotment and issuance of the Rights Shares, the number of issued Shares in the Company has increased from 1,302,100,071 shares to 1,944,035,406 shares, excluding treasury shares.

39. Subsequent events (cont'd)

On 11 March 2015, the Company announced that its DMFI subsidiary, Vegetable Acquisition Corp., has acquired Sager Creek Vegetable Company's ("Sager Creek") vegetable business effective from 11 March 2015. Sager Creek is a producer of specialty vegetables for the Foodservice and Retail markets headquartered in Siloam Springs, Arkansas. Sager Creek, which in 2014 acquired the business of Allen Canning in a bankruptcy proceeding, has manufacturing operations located in North Carolina, Arkansas, and Wisconsin. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. The assets acquired include property, plant and equipment, intellectual property and certain working capital assets (inventory and prepaid expenses less current liabilities) and exclude accounts receivable. The cash price paid for the Sager Creek assets was US$75 million. Such price was established through an auction process and negotiations between the parties. The acquisition cost was financed through DMFI's revolving credit facility, the payment for which will be secured by the acquired assets.

40. Change of financial year-end

The Directors approved the financial year-end of the Company to be changed from 31 December to 30 April so as to be coterminous with that of the Consumer Food Business. The next financial year-end will be on 30 April 2015.

INTERESTED PERSON TRANSACTIONS

As at 30 April 2014

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	US$'000	**US$'000**
NutriAsia, Inc.	–	880
Del Monte Philippines, Inc. Retirement Fund	–	179
NutriAsia, Inc. Retirement Fund	–	–
Aggregate Value	**–**	**1,059**

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