

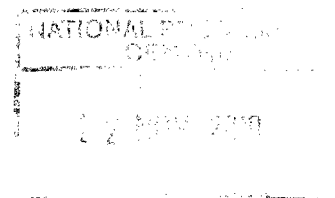
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Fressure Foods Limited

Financial Statements

for the two month period ended

30 June 2010



24 NOV 2010

Financial statements index

Fressure Foods Limited: 2010 financial statements

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Company directory

Nature of business

Fruit processor and marketer

**Registered office and
Principal place of business**

Paerata Business Park
25 Crown Road
Paerata
Pukekohe
New Zealand

Incorporation date & number

11 May 2009
2231851

IRD Number

103-012-635

Directors

VJ Dark (Chairman)
WF Colville
AG Fenton
GJ Greenwood
JE Schnackenberg

Accountants

CST Nexia

Auditors

KPMG Tauranga

Bankers

BNZ Pukekohe

Solicitors

Rice Craig Papakura

Directors' responsibilities statement

The Financial Reporting Act 1993 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company and of the financial performance and cash flows for that period. In preparing those financial statements, the directors are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent; and
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1993. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have pleasure in presenting the following financial statements for the two months ended 30 June 2010.

The Board of Directors of the Company authorised these financial statements for issue on 8 October 2010.

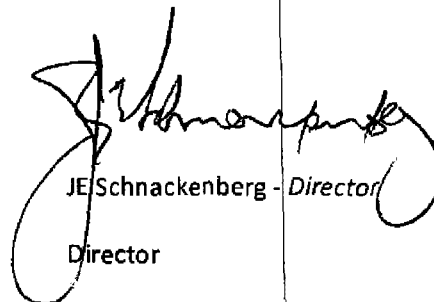
For and on behalf of the Board of Directors:



VJ Dark - Chairman

Director

8 October 2010



JE Schnackenberg - Director

Director

8 October 2010

Companies Act 1993 Disclosures

Your directors submit their report for the two month period ended 30 June 2010:

Directors

The names and details of the Company's directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Vernon John Dark: Chairman (BSc, MSc, MIMechE)

495 Tara Road, RD2, Kaiwaka 0583

Prior to his purchase of an avocado orchard, Vern spent 18 years as chief executive in three large New Zealand companies, namely, Northland Port Corporation, Northland Dairy Cooperative, and Fletcher Challenge Petrochemicals. Vern has been involved in the construction and operation of very large production facilities and worldwide marketing of the associated products. Some of these were greenfield sites and his role involved all aspects of planning, resourcing and funding.

Geoffrey John Greenwood: Director (BSc Hons, Management Science)

14 Bridgens Avenue, Te Atatu Peninsula, Waitakere 0610

Geoff has been an avocado grower for the past nine years. He has extensive experience in FMCG marketing and advertising with major corporations in the UK, South Africa and lately New Zealand. Geoff has been instrumental in refining the Companies branding and marketing strategy.

Andrew Gillies Fenton: Director

Woodhill, 222 No 4 Road, RD3, Te Puke 3183

Andrew Fenton is an avocado and kiwifruit grower from Te Puke in the Bay of Plenty. He has been a grower for over 35 years and a company director within the produce industry for over 25 years. He has had extensive experience in all aspects of the horticultural industry both in New Zealand and Australia. After 17 years, he has recently stepped down from the role as Chairman of Satara Co-Operative Group Limited, a leading post harvest service company in the kiwifruit industry that also handles avocados. Satara is a hybrid co-operative that is listed on the NZAX and handles 12 million trays of kiwifruit annually.

Andrew is currently President of Horticulture New Zealand, a director of MG Marketing Limited that is a major NZ produce wholesaler, a director of La Mana Group Pty Limited, a wholesaler that markets 30% of the Australian banana crop together with other fruit lines across all states and Chairman of the New Zealand Fruitgrowers Charitable Trust.

Companies Act 1993 Disclosures (continued)

Walter (Wally) Frederic Colville: Director

8 Harbour View Road, Houhora, RD4, Kaitaia

Wally was involved with Jim Clark and others in the feasibility investigation including travelling to the Calavo avocado processing facility in Urapan (Mexico) in May 2007 to view the UHP process. Wally has been growing avocados in the far north for 27 years and has developed several successful orchards. Currently Wally is farming a very successful 35 Ha orchard in Motutangi (Far North) and is chairman of UHP Technologies Ltd, the promoters of the Company's share offer on 12 March 2010. Wally brings practical hands on grower perspective to the table.

John Ellis Schnackenberg: Director (B.Com)

694 State Highway 2, RD1, Katikati 3177

John has been an orchardist for 10 years following a 20 year career in accounting and information technology. For 15 years, John was Finance and IT Manager for a large Auckland based personnel recruitment company. John is currently Chairman of the NZ Avocado Growers' Association Inc. and Avocado Industry Council Limited. On a part time basis over the last seven years has provided general business and financial advice to a citrus marketing company, and more recently has experience with establishing a new fruit processing and marketing business and brings a detailed understanding of the challenges encountered in the establishment of such an operation.

Principal activities

The Company is establishing an ultra high pressure treatment plant and will primarily be involved in the processing and marketing of avocado products.

Directors' interests in transactions

Directors declared interests in the following transactions during the period ended 30 June 2010.

Geoffrey John Greenwood is a shareholder and director in the share issue offer promoter, UHP Technologies Limited.

Directors' interests in the shares of the Company

As at the date of this report and, as at 30 June 2010, the interests of the directors in the ordinary shares of the Company are as follows:

Companies Act 1993 Disclosures (continued)

Directors' interests in the shares of the Company (continued)

Director	30 June 2010	8 October 2010
Vernon John Dark	35,000	35,000
Geoffrey John Greenwood	49,000	49,000
Walter Frederic Colville	791,000	791,000
John Ellis Schnackenberg	20,000	20,000
Andrew Gillies Fenton	5,000	5,000

Walter Frederic Colville's share of the shares in the Company includes 391,000 shares held by UHP Technologies Limited and 400,000 held by Shirrtail Orchards Limited. Walter Frederic Colville is a director and one of the shareholders in UHP Technologies Limited with a 12% shareholding. He is also a director of Shirrtail Orchards Limited and also holds 50% of the shareholding.

Geoffrey Greenwood's shareholding is made up of 35,000 shares held directly and 14,000 held through Tara Ridge Limited, a company he is a director of and also holds 50% of the shareholding.

John Ellis Schnackenberg's shareholding is made up of 12,000 shares held directly and 8,000 shares held through Schnackenberg Consulting Ltd, a company he is a director of and also holds 100% of the shareholding.

The other directors hold their shareholdings in the Company directly.

Indemnification and insurance of directors

During the period the Company has paid premiums in respect of a contract insuring all the directors of Fressure Foods Limited against legal costs incurred in defending proceedings for conduct involving:

- (a) Costs and expenses incurred by a director in defending proceedings in which judgement is given in their favour or in which they are acquitted;
- (b) Liability to a third party for any act or omission in their capacity as a director or employee;
- (c) Non-criminal liability for any act or omission in their capacity as director or employee, including costs incurred in defending or settling that claim.

The total amount of insurance contract premiums paid was \$2,010.

Companies Act 1993 Disclosures (continued)

Remuneration of directors

For the two month period ended 30 June 2010

Director	Directors fees	Management/ consulting fees	Total
	\$	\$	\$
Vernon John Dark	3,332	8,687	12,019
Geoffrey John Greenwood	1,667	20,990	22,657
Walter Frederic Colville	1,667	-	1,667
John Ellis Schnackenberg	1,667	6,526	8,193
Andrew Gillies Fenton	1,667	-	1,667
	10,000	36,203	46,203

Vern Dark, Geoffrey Greenwood and John Schnackenberg are providing management and consulting services to the Company (either directly or through their respective consulting companies) during its establishment phase and until the Company has sufficient sales revenue and cash flows to justify the employment of a full time management team.

Vern Dark is acting as Managing Director, Geoffrey Greenwood as Marketing Director and John Schnackenberg as Financial Director. There are no formal agreements relating to these services. They are remunerated on the following basis for their management / consulting services:

Vern Dark	\$125 per hour
Geoffrey Greenwood	\$83 - \$100 per hour
John Schnackenberg	\$100 per hour

The prospective financial statements set out on pages 34 - 36 of the Offer document on 12 March 2010 allowed for total remuneration to directors for these purposes of \$20,000 per month. As shown above a total of \$36,203 has been paid to the Directors as management and consulting fees for the two month period to 30 June 2010.

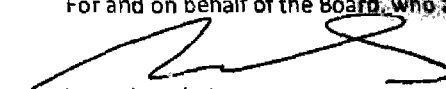
Remuneration of employees whose remuneration exceeded \$100,000

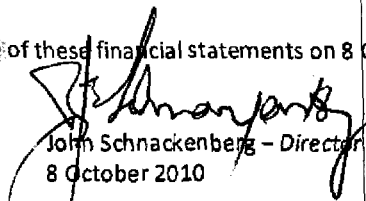
As of 30 June 2010 one employee receives remuneration in excess of \$100,000 per annum. He is in the \$110,000 to \$120,000 bracket.

Fressure Foods Limited
Statement of financial position
As at 30 June 2010

	Note	2010	Per Offer
		\$	\$
Assets			
Property, plant and equipment	5	1,050,964	2,176,601
Intangible assets		4,362	-
Total non-current assets		1,055,326	2,176,601
Cash and cash equivalents	6	3,653,455	2,635,497
Trade receivables		3,563	-
Prepayments		8,736	40,875
GST refund due		162,872	148,246
Income tax receivable		-	7,414
Derivative financial instruments	7(v)	517	-
Total current assets		3,829,143	2,832,032
Total assets		4,884,469	5,008,633
Equity			
Share capital	10	5,342,648	5,600,000
Retained earnings (deficit)		(558,763)	(643,215)
Total equity		4,783,885	4,956,785
Liabilities			
Trade and other payables	9	100,584	51,848
Total current liabilities		100,584	51,848
Total liabilities		100,584	51,848
Total equity and liabilities		4,884,469	5,008,633

For and on behalf of the Board, who authorize the issue of these financial statements on 8 October 2010:


VJ Dark - Chairman
8 October 2010


John Schnackenberg - Director
8 October 2010

The accompanying notes form part of these financial statements



**Statement of comprehensive income
For the two month period ended
30 June 2010**

	Note	2010	Per Offer
		\$	\$
Sales		-	-
Cost of Sales		-	-
Gross profit		-	-
Expenses			
Advertising and promotions		(2,404)	(30,000)
Administration		(91,107)	(168,812)
Production		(985)	(4,354)
Research and development		(23)	(15,000)
Feasibility/start up expenditure		(484,386)	(450,000)
Total expenses	4	(578,905)	(668,166)
Profit before finance (costs)/Income and taxation		(578,905)	(668,166)
Finance income - interest earned		28,774	24,951
Finance expenses - interest paid		-	-
Net finance income/(costs)		28,774	24,951
Profit/ (loss) before income tax expense		(550,131)	(643,215)
Income tax expense	8	(8,632)	-
Net profit/(loss) for the period		(558,763)	(643,215)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(558,763)	(643,215)



The accompanying notes form part of these financial statements

Fressure Foods Limited
Statement of changes in equity
For the two month period ended
30 June 2010

	Share Capital	Retained Earnings	Total Equity
	\$	\$	\$
Balance at inception	-	-	-
Loss for the period	-	(558,763)	(558,763)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(558,763)	(558,763)
Transactions with owners in their capacity as owners:			
Issue of shares	5,476,000	-	5,476,000
Transaction costs on issue of shares	(133,352)	-	(133,352)
Balance at 30 June 2010	5,342,648	(558,763)	4,783,885



The accompanying notes form part of these financial statements

Fressure Foods Limited
Statement of cash flows
For the two month period ended 30 June 2010

	Note	2010 \$	Per Offer \$
Cash flows from operating activities:			
Receipts from customers		-	-
Interest received		28,774	24,000
Payments to suppliers and employees		(490,620)	(663,000)
GST paid		(162,872)	(142,000)
Income tax paid		(8,632)	(7,000)
Net cash inflow / (outflow) from operating activities	11	(633,350)	(788,000)
Cash Flows from investing activities			
Purchase of property, plant and equipment		(1,051,481)	(2,177,000)
Purchase of Intangible assets		(4,362)	-
Net cash inflow (outflow) from investing activities		(1,055,843)	(2,177,000)
Cash Flows from financing activities			
Issue of shares		5,476,000	5,700,000
Transactions costs on issue of shares		(133,352)	(100,000)
Net cash inflow (outflow) from financing activities		5,342,648	5,600,000
Net increase (decrease) in cash and cash equivalents		3,653,455	2,635,000
Cash and cash equivalents at start of period		-	-
Cash and cash equivalents at end of period	6	3,653,455	2,635,000



The accompanying notes form part of these financial statements

Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

1) Reporting Entity

Fressure Foods Limited ("the Company") is a limited liability company incorporated and domiciled in New Zealand and registered under the Companies Act 1993 and is unlisted. The Company is an issuer in terms of the Financial Reporting Act 1993.

The Company is designated as profit oriented for financial reporting purposes.

The Company was incorporated on 11 May 2009 commencing operations on 30 April 2010. For this reason the current period reflects 2 months of operations and there are no comparatives.

The Company is establishing an ultra high pressure treatment plant and will primarily be involved in the processing and marketing of avocado products.

These financial statements have been approved for issue by the Board of Directors on 8 October 2010.

2) Basis of Preparation

a) Statement of compliance

The financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS").

b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency, rounded to the nearest dollar, unless otherwise stated.

d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

Significant accounting judgements, estimates and assumptions (continued)

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are describe in the following note:

- Note 5 – recognition and measurement of capitalised costs in property, plant and equipment

e) Going concern

The financial statements have been prepared on the basis that the Company is a going concern. At the date of finalisation of these financial statements the Company is still in the start up phase and is currently on track with meeting key milestones as set out in the prospectus dated 12 March 2010. While negotiations with customers/distributors are progressing, no sales agreements are in place. The current progress is reasonable given the Company is a start-up business and, as such, is still in the process of constructing facilities and recruiting staff. The Company will need to secure customers in its key markets as projected in the sales forecast to meet its projected performance.

The directors consider that negotiations and discussions are well underway with local and international distributors, and will be well progressed or finalised once the plant is operational. The directors also consider there is reasonable evidence and research support to conclude that the product will be saleable and that sales volumes can be achieved as forecast.

These financial statements do not reflect any adjustment to the carrying values and classification of assets, liabilities, reported expenses or income that would be required if the Company was not able to continue as a going concern. Any such adjustment could be material to these financial statements.

f) Reporting Period

This is the first reporting period of these financial statements and is for a period of 2 months to 30 June 2010.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

g) Comparatives

As this is the first reporting period for the Company there are no comparative amounts to report. However, for the statement of financial position, statement of comprehensive income and the statement of cash flows the Company is reporting the same period information contained in the Registered Prospectus dated 12 March 2010 ("Offer Document") furnished to all investors of the Company.

h) Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, a number of Standards and Interpretations were in issue but not yet effective.

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and are relevant to the Company include:

NZ IFRS 9 Financial Instruments (Effective for annual periods beginning on or after 1 January 2013) –

The first phase of IFRS 9 Financial Instruments addresses the classification and measurement of financial assets. The IASB's work on the other phases is ongoing and includes classification and measurement of financial liabilities, impairment of financial instruments, hedge accounting and derecognition of financial instruments, with a view to replacing IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety by early 2011.

Phase 1 of IFRS 9 applies to all financial assets within the scope of IAS 39. The key requirements of IFRS 9 are as follows:

At initial recognition, all financial assets are measured at fair value.

3) Significant accounting policies

These financial statements are prepared in accordance with the accounting policies described below:



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

3) Significant accounting policies (continued)

a) Foreign currency transactions.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

b) Derivative financial instruments and hedging

The Company uses forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivative assets and liabilities held for the purpose of trading are classified as current in the statement of financial position. Derivative assets and liabilities are classified as non-current when the remaining maturity is more than 12 months, or current when the remaining maturity is less than 12 months.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

For the purposes of hedge accounting, hedges are classified as:

- ▶ Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (the Company does not currently have any fair value hedges).



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

Derivative financial instruments and hedging (continued)

► Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction (the Company has cash flow hedges attributable to future purchases of property, plant and equipment in foreign currencies).

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Fair value hedges

Fair value hedges are hedges of the Company's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to profit or loss.

The Company discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Company revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

(ii) Cash flow hedges

Cash flow hedges are hedges of the Company's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or to a forecast transaction and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of reserves and included in the measurement of the hedged transaction (finance costs or inventory purchases) when the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, amounts accumulated in reserves are reclassified to profit or loss component of the statement of comprehensive income.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously accumulated in reserves remain in reserves until the forecast transaction occurs.

Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

c) Property, plant & equipment
i) Recognitions and measurement

Items of property (including lessee's improvements) and plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the profit and loss component of the statement of comprehensive income as incurred.

iii) Depreciation

Depreciation is recognised in the in the profit and loss component of the statement of comprehensive income on a straight line basis over the estimated useful lives of each part of an item or property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements Life of lease
- Plant & equipment 5 – 15 years

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

No depreciation has been recorded in these financial statements as the assets are not completed or commissioned.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

d) Intangible assets

Intangible assets which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit and loss component of the statement of comprehensive income when 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 Company 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 and overhead costs that can be directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the profit and loss component of the statement of comprehensive income when incurred.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out basis, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, costs include an appropriate share of the production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

f) Impairment

Non-financial assets and indefinite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

Impairment (continued)

The Company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

g) Revenue

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

h) Lease payments

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

l) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the income statement using the effective interest method.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

l) Trade and other receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

m) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Share capital

Transactions costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

o) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

o) Provisions and employee benefits(continued)

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

p) Share-based payment transactions

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. For equity-settled transactions, the Company recognizes the goods and services received at cost and a corresponding increase in equity. The cost is recognized as an expense unless it qualifies for recognition of an asset.



Fressure Foods Limited
Notes to the financial statements
For the two month period ended 30 June 2010

4) Expenses

Expenses	2010
	\$
Operating materials and services	32,736
Employee benefits expense	14,809
Feasibility costs	484,386
Operating lease expense	1,905
Auditor's remuneration	3,500
Directors fees	10,000
Management/consulting fees	31,569
	<u>578,905</u>

5) Property, plant & equipment

The Company has entered into binding contracts for leasehold improvements and purchase of various items of plant and equipment at reporting date totalling \$3,028,610 of which \$861,421 of that had been paid by reporting date and is reflected in capital work in progress.

The Company has been successful in negotiating extended finance terms from two major suppliers, NC Hyperbaric and Multivac New Zealand Limited with a combined contracted purchase commitment of \$1,355,018. The balance of the contracted purchases from the other suppliers require deposits varying from 50% to 65% on order with the balance payable either on delivery or commissioning.

Significant management judgement and estimation is required to determine the amount of employee and professional costs to be capitalised in PP&E, based upon actual time spent on the acquisition and construction of PP&E. As such management have determined that \$164,000 of design costs relating to employee and professional costs is capitalised to PP&E and which has been included within capital work in progress.

	Capital work in progress	Office equipment	Total
	\$	\$	\$
For the period ended 30 June 2010			
Cost:			
Opening balance	-	-	-
Additions	1,045,339	5,625	1,050,964
Closing balance	<u>1,045,339</u>	<u>5,625</u>	<u>1,050,964</u>



Fressure Foods Limited
Notes to the financial statements
For the two month period ended 30 June 2010

6) Cash and cash equivalents

	2010
	\$
Cash and cash equivalents	
Bank balances	21,525
Call deposits	3,601,930
Short-term deposits	30,000
	<u>3,653,455</u>

The Company currently has no overdraft or loan facilities in place with its bankers.

7) Financial risk management objectives and policies

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits and derivatives and have been classified as follows:

2010	Designated at fair value \$	Loans and receivables \$	Other amortised cost \$	Total carrying amount \$	Fair value \$
Assets					
Cash and cash equivalents	-	3,653,455	-	3,653,455	3,653,455
Trade and other receivables	-	175,171	-	175,171	175,171
Derivative financial instruments	517	-	-	517	517
Total assets	<u>517</u>	<u>3,828,626</u>	<u>-</u>	<u>3,829,143</u>	<u>3,829,143</u>
Liabilities					
Trade and other payables	-	-	100,584	100,584	100,584
Total liabilities	<u>-</u>	<u>-</u>	<u>100,584</u>	<u>100,584</u>	<u>100,584</u>

Risk exposures and responses

The Company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets while protecting future financial security.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

Financial risk management objectives and policies (continued)

The Company enters into derivative transactions, principally forward currency contracts. The purpose is to manage the currency risks arising from the Company's operations and its sources of finance. The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The board reviews and agrees policies for managing each of these risks as summarised below.

The board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is limited to its bank balances and short-term bank deposits. If interest rates had moved by 1%, with all other variables held constant, post tax profit and other comprehensive income would have moved by \$4,200.

(ii) Foreign currency risk

The Company has transactional currency exposures. Such exposure arises from purchases of property, plant and equipment in currencies other than the functional currency.

The Company uses forward foreign currency contracts to eliminate the currency exposures on any significant individual transactions for which the Company has entered into a firm commitment for a purchase.

It is the Company's policy not to enter into forward foreign currency contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness.

At reporting date the Company did not have significant financial liabilities denominated in foreign currencies.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

Financial risk management objectives and policies (continued)

(iii) Price risk

The Company's exposure to commodity price risk is minimal as the Company is still yet to commence trading.

(iv) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables, and derivative instruments. The Company's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets as shown in the statement of financial position.

The Company does not hold any credit derivatives to offset its credit exposure.

The Company trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Company's policy to securitise its trade and other receivables.

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored. In addition, receivable balances are monitored on an ongoing basis.

(v) Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Company manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis.

A. Non-derivative financial liabilities

The following liquidity risk disclosures reflect undiscounted cash flows from recognised financial liabilities at 30 June 2009.

Where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Company can be required to pay. When the Company is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the Company is required to pay.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

Financial risk management objectives and policies (continued)

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of non-derivative financial instruments. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Company's ongoing operations such as property, plant, equipment and investments in working capital (e.g., inventories and trade receivables).

Liquid non-derivative assets comprising cash and receivables are considered in the Company's overall liquidity risk. The Company ensures that sufficient liquid assets are available to meet all the required short term cash payments.

	< 6 months \$	6 – 12 months \$	1 – 5 years \$	> 5 year \$	Total \$
Period ended 30 June 2010					
Financial assets					
Cash and cash equivalents	3,653,455	-	-	-	3,653,455
Trade and other receivables	3,563	-	-	-	3,563
	3,657,018	-	-	-	3,657,018
Financial liabilities					
Trade and other payables	(100,584)	-	-	-	(100,584)
	(100,584)	-	-	-	(100,584)
Net inflow/(outflow)	3,556,434	-	-	-	3,556,434

B. Derivative financial assets/(liabilities)

Due to the unique characteristics and risks inherent to derivative instruments, the Company separately monitors the liquidity risk arising from transacting in derivative instruments.

The table below details the liquidity risk arising from the derivative assets/(liabilities) held by the Company at balance date.

	< 6 months \$	6 – 12 months \$	1 – 5 years \$	> 5 year \$	Total \$
Period ended 30 June 2010					
Gross settled derivatives					
Inflows	241,373	-	-	-	241,373
Outflows	(240,856)	-	-	-	(240,856)
Net maturity	517	-	-	-	517



Fressure Foods Limited
Notes to the financial statements
For the two month period ended 30 June 2010

Financial risk management objectives and policies (continued)

The fair value of unlisted debt and equity securities as well as other investments that do not have an active market are based on valuation techniques using market data that is not observable. Where the impact of credit risk on the fair value of a derivative is significant, and the inputs on credit risk (e.g. CDS spreads) are not observable, the derivative would be classified as based on non observable market inputs (Level 3). There were no transfers between Level 1, Level 2 and Level 3 during the year.

Capital management

The Company's capital includes share capital and retained earnings.

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

The policies in respect of capital management are reviewed regularly by the Board of Directors.

8) Income tax	2010
	\$

Income tax expense

The major components of income tax expense are:

Current income tax charge	8,632
Deferred income tax	-
Income tax expense reported in profit or loss	<u>8,632</u>

Numerical reconciliation between aggregate tax expense recognised in profit or loss and tax expense as calculated per the statutory income tax rate:

Net loss before taxation	<u>(550,131)</u>
Prima facie taxation at 30%	(165,039)
Non deductible expenses	173,671
Temporary differences	-
Non assessable income	-
Tax expense	<u>8,632</u>

Tax liabilities

Opening balance	-
Charged to profit or loss	8,632
Paid during the period	<u>(8,632)</u>
Closing balance	-



Fressure Foods Limited
Notes to the financial statements
For the two month period ended 30 June 2010

9) Trade and other payables

	2010
	\$
Trade payables	77,837
Employee entitlements	5,857
Accrued expenses and other payables	16,890
Total	<u>100,584</u>

10) Contributed equity

Share capital

At 30 June 2010, issued and paid share capital was \$5,342,648 (made up of 5,476,000 shares of \$1 each netted off against share issue transaction costs of \$133,352).

The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company, and rank equally with regard to the Company's residual assets.

Retained earnings/(deficit)

This comprises the cumulative results of the Company net of taxation.

Dividends

The Directors do not recommend payment of a dividend in the current period.

11) Statement of cash flows reconciliation

Reconciliation of net (loss)/profit after tax to net cash flows from operations	2010
	\$
Net loss for the period	(558,763)
<i>Adjustment for:</i>	
<i>Working capital movements</i>	
(Increase)/decrease in trade receivables	(3,563)
(Increase)/decrease in GST refundable	(162,872)
(Increase)/decrease in prepayments	(8,736)
(Decrease)/increase in trade and other payables	100,584
Net cash from/(used) in operating activities	<u>(633,350)</u>



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

12) Share-based payments

The expense recognised for share issue promoter services received during the period is shown below:	2010
	\$
Equity settled share based payment plans – charged to profit and loss (1)	484,386
Equity settled share based payment plans – capitalised to property, plant and equipment (2)	110,490
Equity settled share based payment plans – offset against equity (3)	<u>133,352</u>
Sub total	728,228
Less amount settled in cash	<u>(28,228)</u>
Total (note 13)	<u>700,000</u>

- (1) Feasibility/start up costs charged to the profit and loss include general administrative costs, employee costs of administrative staff, consultant and professional fees.
- (2) Cost capitalised to property, plant and equipment include employee benefit costs and professional/consultancy fees in relation to the design and acquisition of PP&E.
- (3) Costs offset against equity include costs associated with the prospectus issue being solicitors, accountants, auditors and consultancy fees.

13) Related party transactions

Transactions with share issue promoter

On 12 March 2010 the promoter of the share issue offer, UHP Technologies Limited ("UHPTL") has entered into an Information Transfer Agreement with the Company. The agreement provides for:

- The absolute transfer by UHPTL to the Company of the benefit of all the information and knowledge (including intellectual property and know how) acquired by or held by UHPTL about the proposal set out in the share issue offer document dated 12 March 2010, and
- The Company reimburses UHPTL for all costs incurred by UHPTL in the course of its investigations and for the services provided by UHPTL in connection with the establishment of the Company's business.

UHPTL has therefore charged the Company \$728,228 in line with the Information Transfer Agreement. \$700,000 of this balance has been settled through issue of 700,000 shares of \$1 each to UHPTL. The balance has been settled by cash.

A director of the Company, Walter Frederic Colville is also a director and shareholder of UHPTL.



Fressure Foods Limited
Notes to the financial statements
For the two month period ended 30 June 2010

13) Related party transactions (continued)

Directors'/key management personnel remuneration (continued)

Director	Directors fees	Management/consulting fees	Total
	\$	\$	\$
Vernon John Dark	3,332	8,687	12,019
Geoffrey John Greenwood	1,667	20,990	22,657
Walter Frederic Colville	1,667	-	1,667
John Ellis Schnackenberg	1,667	6,526	8,193
Andrew Gillies Fenton	1,667	-	1,667
	10,000	36,203	46,203

Vern Dark, Geoffrey Greenwood and John Schnackenberg as have provided management / consulting services to the Company under standard Contracts for Service during the establishment phase of the Company prior to the appointment of full time staff, in addition to Director duties.

They are remunerated on the following basis for their management / consulting services:

Vern Dark	\$125 per hour
Geoffrey Greenwood	\$83 - \$100 per hour
John Schnackenberg	\$100 per hour

Other related party transactions

All Directors are avocado growers in their own right, through family business or family trusts. In the normal course of events the Company is likely to purchase fruit from them on the same terms and conditions as those entered into with other growers and grower shareholders. During the current period there have been no purchases of fruit as the Company is yet to commence trading.

Due (to)/from related parties

Party	Relationship	Amount (due)/receivable
		\$
Vernon John Dark	Director	(5,877)
Geoffrey John Greenwood	Director	(13,422)
John Ellis Schnackenberg	Director	(8,853)
		(28,152)

The above amounts have been included in the balance sheet as part of trade and other payables.



Fressure Foods Limited
Notes to the financial statements
For the two month period ended 30 June 2010

13) Related party transactions (continued)

Directors'/key management personnel remuneration (continued)

Loans to directors

There are no loans to directors.

14) Operating leases

Minimum lease payments paid under operating leases recognised as an expense during the period were \$3,009.

At the reporting date, the Company had outstanding commitments under non-cancellable operating leases, which are due as follows:

	2010
	\$
Less than one year	108,552
Between one and five years	149,313
More than five years	-
Total non-cancellable operating leases	257,865

The Company has entered into an agreement to lease the processing factory and facilities at Paerata Business Park, 25 Crown Road, Paerata under an operating lease. The lease runs for 2 years with an option to renew for a further 1 year.

15) Property, plant and equipment commitments

The Company had contractual obligations to purchase plant and equipment for \$3,028,610 at reporting date principally relating to the construction of the factory. Of that purchase commitment \$861,421 had been paid to the suppliers at balance date as advance deposits (and treated as capital work in progress, see note 5). This commitment is expected to be settled within 12 months from reporting date.



Fressure Foods Limited

Notes to the financial statements

For the two month period ended 30 June 2010

16) Contingencies

The Company is defending a dispute raised by the Inland Revenue Department in relation to a portion of GST claimed on the Information Transfer Agreement. Directors estimate the amount to be \$13,815. At this stage it is unclear what the outcome will be, however the Directors do not expect this to have a material effect on the Company's financial position and no liability has been recognised.

17) Significant differences between Offer and financial statements

An explanation of significant differences between these financial statements and the Offer issued by the

	Per financial statements	Per Offer
Property, plant and equipment	1,050,964	2,176,601
Cash and cash equivalents	3,653,455	2,653,497

Company dated 12 March 2010 is as follows:

Property, plant and equipment

The Offer presumed with the initial closing date of 16 April 2010 that deposits of 30% would be paid in April on all property, plant and equipment, followed by progress payments of between 30% and 40% in June. The provision of finance by NC Hyperbaric and Multivac New Zealand Limited was also not confirmed at the time of the Offer. The delay in 'floating' the Company (operations commenced 3 May 2010) and subsequent contractual confirmations have meant that initial deposits required have not been as great as anticipated (particularly with respect to the property improvements) and that the second progress payment has been smaller and made following balance date.

Cash and cash equivalents

As a consequence of the delayed start of the Company and or reductions in progress payments required for property, plant and equipment, cash and cash equivalent balances are greater by approximately \$1,000,000 dollars.

18) Subsequent events

Subsequent to 30 June 2010 a joint venture company Fressure International Limited has been established between Southern Produce Limited, Primor Produce Limited and the Company to undertake distribution and sales of all Company product except those tolled for third parties. Both Southern Produce and Primor are shareholders in the Company. This will have no financial impact on the financial statements of the company other than in the normal course of business when the company is fully operational.





Independent Auditor's Report

To the Shareholders of Fressure Foods Limited

Report on the Financial Statements

We have audited the financial statements of Fressure Foods Limited on pages 9 to 35, which comprise the statement of financial position as at 30 June 2010 and the statements of comprehensive income, changes in equity and cash flows for the 2 month period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards and that give a true and fair view of the matters to which they relate, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the 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.

Our firm has also provided other services to the Company in relation to the prospective financial statements of the Company dated 12 March 2010. Partners and employees of our firm may also deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company. These matters have not impaired our independence as auditors of the Company. The firm has no other relationship with, or interest in, the Company.



Opinion

In our opinion the financial statements of Fressure Foods Limited on pages 9 to 35:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of Fressure Foods Limited as at 30 June 2010 and its financial performance and cash flows for the 2 month period ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company incurred a net loss of \$558,763 during the 2 month period ended 30 June 2010 and, as of that date, the Company has not yet generated any sales revenue or secured any customer commitments. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by Fressure Foods Limited as far as appears from our examination of those records.

KPMG

8 October 2010

KPMG Tauranga