Interest rates used for determining fair value

The interest rates used to discount the estimated cash flows, when applicable, are based on the LIBOR yield curve at the reporting date plus an adequate credit spread and were as follows:

	December 28, 2013	December 29, 2012
Bank loans	**2.79%**	2.86%
Long-term debt	**3.81%**	4.75%
Finance lease obligations	**3.56%**	6.04%

Amortized cost impact on interest expense

In the fifty-two weeks ended December 28, 2013, the Company expensed $0.3 million and $0.6 million (December 29, 2012: $0.3 million and $2.5 million) of short-term and long-term interest, respectively, relating to interest that was calculated using the EIR method relating to its transaction fees and its borrowings.

Forward exchange contracts

The Company systematically enters into foreign exchange contracts, with maturities of 15 months or less, to hedge future cash outflows for the purchase of raw materials. The Company uses hedge accounting to account for these foreign exchange contracts.

At period end, the Company had the following total foreign exchange forward single rate contracts outstanding:

(Amounts in $000s)

	December 28, 2013	
	Sell CAD$	**Receive US$**
Forward rate	**$ 272**	**$ 262**

The forward single rate contracts at December 28, 2013 have a rate of $1.0358 which all mature in January 2014.

For the fifty-two weeks ended December 28, 2013, the Company had the following foreign exchange "average rate" purchase contracts outstanding:

	December 28, 2013		
Average rate forwards	**Weighted Average Put Rate**	**Weighted Average Call Rate**	**Total Value $000s**
Average rate	**$ 1.0491**	**$ 1.0491**	**$ 45,362**

With the exception of $5.2 million average rate forward contracts with maturities ranging from December 2014 to June 2015, all foreign exchange purchase contracts have maturities that are less than one year.

NOTE 23 Fair value measurement

The Company is required to determine the fair value of all derivatives, and uses a market approach to do so. Fair value is a market-based measurement, not an entity-specific measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are required to reflect the assumptions that market participants would use in pricing an asset or liability based on the best available information including the risks inherent in a particular valuation technique, such as a pricing model, and the risks inherent in the inputs to the model.

The Company uses a fair value hierarchy, based on the relative objectivity of the inputs used to measure fair value, with Level 1 representing inputs with the highest level of objectivity and Level 3 representing inputs with the lowest level of objectivity. The following table sets out the classification of the methodology used by the Company to fair value its derivatives: