EASTPACK ANNUAL REPORT 2015

For the year ended
31 December 2015

EASTPACK LIMITED DIRECTORY

Date of Incorporation:	30 October, 1980
Status:	Co-operative under Co-operatives Companies Act 1996
Registered Office:	1 Washer Road, Te Puke, New Zealand
Directors:	R B Sharp (Chairman to 30 June 2015, ceased as director 18 December 2015) J J Loughlin (Temporarily stood aside 11 January 2015 to maintain the role of interim CEO, re-appointed to the Board 26 May 2015, appointed Chairman 30 June 2015) G S Eynon (Ceased as director 29 April 2015) A A Gault R M Hudson M R McBride M J Montgomery H J Pieters M C Maltby M T Giles
Chief Executive Officer:	J J Loughlin (Interim CEO, appointed 12 January 2015, ceased 4 May 2015) H J Simson (Appointed 4 May 2015)
Company Administrator:	L Hitchcock
Bankers:	Bank of New Zealand
Auditors:	Staples Rodway Hamilton
Solicitors:	Sharp Tudhope Tauranga

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Financial Report

Chairman and CEO Report

In 2015, EastPack benefitted from the recovery of the Kiwifruit industry and rebuilding of volumes from the low periods of PSA through 2013 and 2014. The strategies that were put in place in those dark times – with the Satara merger along with the mothballing of excess capacity at the sites and the retention of key staff, have proven to be very successful in light of the volume now coming on stream.

It is very pleasing to see the success of the G3 variety, which has proven to date to be a cultivar that is capable of producing high yields of exceptional quality fruit with good resistance to PSA. It has already gained a high degree of market acceptance and has proven to be a fruit that grades and stores well. The key to its ongoing success is the achievement of high dry matter and the great consumer experience that accompanies it.

In 2015, volumes of G3 increased dramatically as canopies started to mature from the initial re-grafting with many canopies reaching their second and third year of production. EastPack growers' production rose to over 9 million trays in 2015, with good clean fruit resulting in average packouts over 90%.

At the same time, we experienced a record crop of Hayward. Good pollination results, focussed orchard management and a favourable growing season particularly in autumn, led to larger fruit size and count and a record 22 million trays produced by EastPack growers. Quality was also good with close to 90% packout achieved over the season.

The combination of the large volume increases in the two main varieties resulted in an overall 34% lift in EastPack's packing volume from 2014 to 2015. The strategy of retaining the latent capacity of the EastPack and Satara sites along with significant investment in both additional grading capacity and coolstorage proved to be very prudent in light of the volume increases.

2015 Capital Investment

With the anticipated growth in fruit volume EastPack invested over $20 million in upgrading the packing and storage facilities on key sites.

Central to that investment was the commissioning of a new nine lane Compac sizer in the previously mothballed Washer Road facility. This sizer incorporated the latest Invision camera grading technology as well as efficiency enhancements in both packing automation and fruit handling. In the first year of operation commissioning a large and complex grading operation with a high proportion of new staff is a challenge and often they can

struggle to produce the best result in the first year of operation. The team however produced an excellent result in their first year of operation with the sizer quickly coming up to speed and producing some impressive performance numbers particularly in the latter half of the season.

The coolstorage investment in both Collins Lane and Opotiki proved to be well timed as the crop estimates continued to climb through the season requiring additional storage, particularly during the latter half of the Hayward harvest. In hindsight the large investment in significant extra capacity proved itself in 2015 with the ability to pack all fruit on-time with no delays to harvest despite a one third increase in volume. This same forward thinking has been applied in respect of expected increased volumes in 2016 and 2017.

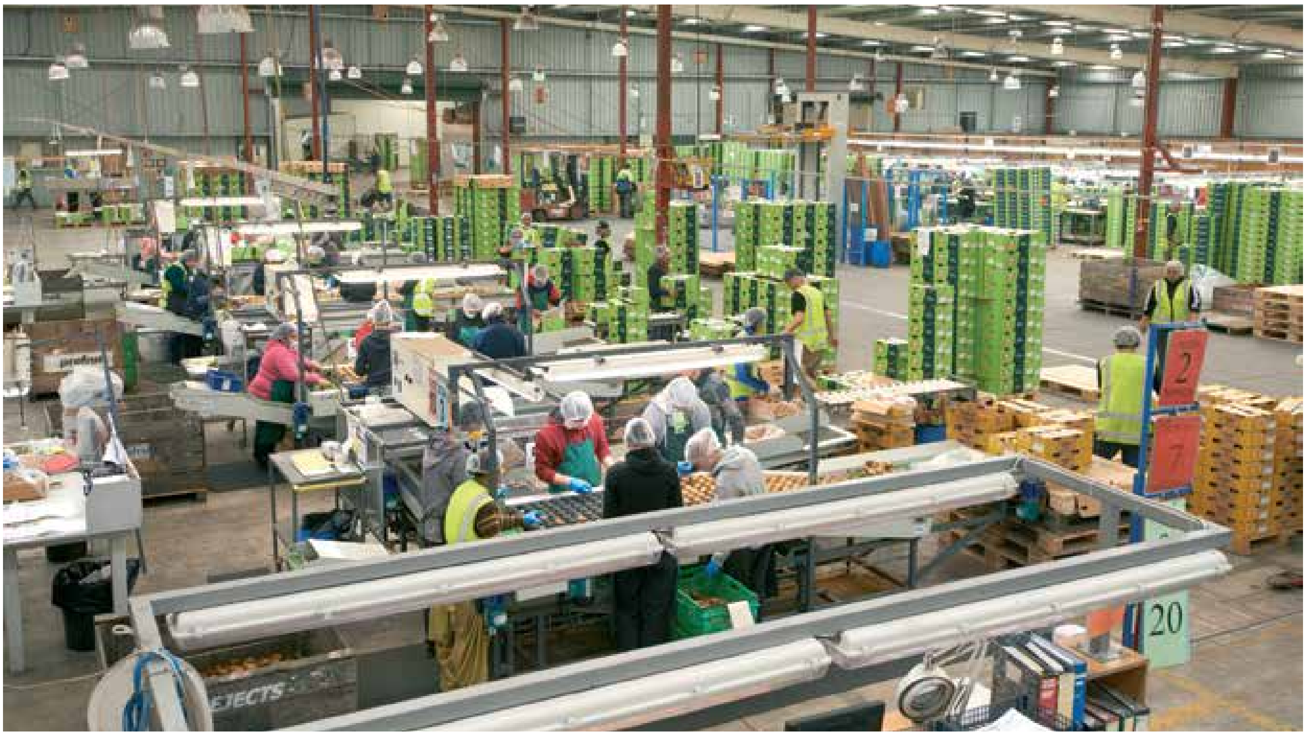
Board and Board Structure

In January 2015 John Loughlin stepped down from the Board to assume a temporary role as Acting Chief Executive Officer. John was re-appointed to the Board in May following Hamish Simson's appointment as Chief Executive Officer.

At the 2015 Annual Meeting in April a shareholder's resolution was passed removing Grant Eynon as a director of the company. It is important that the circumstances of his departure from the Board do not obscure a long and significant contribution. Grant served as an EastPack director for almost 15 years and was Deputy Chairman for much of that time. He brought to the Board commercial acumen and a strong drive for performance. He contributed strongly to Board meetings, committees and key initiatives that have made the company what it is today.

In July 2015 Ray Sharp stepped down as Chairman of EastPack and subsequently retired as Director in December of 2015, having completed his eighth year as Chairman of the Board.

As a strong supporter of EastPack and the grower-owned structure of the industry Ray became Chairman in 2007 to further the alignment of EastPack's culture with Growers' best interests. Ray's tenure as Chairman has seen the rapid growth of EastPack with the high performance in 2011 and a subsequent period of serious challenge with PSA and the loss of Hort 16A volume. Following this was the merger with Satara and the rapid recovery and growth in volume with the commercialisation of G3. The focus on fruit quality in market and alignment of Grower's, EastPack's and Zespri's performance to achieve this has underlined Ray's period of leadership at EastPack.



In July of 2015 John Loughlin was unanimously voted by the Board to the position of Chairman. John has extensive experience in Governance and CEO roles and is well known to many as the previous Chairman of Zespri. When Ray stepped down in December this brought the number of shareholding directors to six with two independent directors, achieving the optimal board size as planned following the Satara Merger.

The Board is committed to high quality governance. It is intended that the Board should comprise a balance of experience and fresh thinking. Steps will be taken to achieve this balance and shareholders will also contribute to this process by nominating new candidates. The Board undertook a whole of board governance review in 2015 and intends to undertake a whole of board and individual director evaluation later this year.

Financial Result

The 2015 season result shows a very pleasing turnaround in the financial performance of EastPack with the benefits of greater asset utilisation and strong performances across the sites. Turnover increased by 33% from $102m to $135m with the increase in G3 volume and a record crop for Hayward. Net profit before tax and fair value adjustments of $8.1m exceeded budget of $6m by 35% and is a marked improvement on the 2014 result of a $454k loss.

Earnings per ordinary share have risen from 11 cents in 2014 to 20 cents in 2015. The 2014 result included a gain in asset revaluations of $3.3m and there were no revaluations undertaken in 2015

Cash flows were strongly positive with a net cash flow from operating activities of $23m in 2015, compared with a negative cash flow of $148k in 2014. Significant capital expenditure was undertaken during the year to enable EastPack to pack and store the additional volume in 2015, this was balanced by the strong positive operating cash flow, resulting in a year-end total borrowings of $37m compared to 2014 borrowings of $35m. The available banking facility was $73m

EastPack is in a period of significant investment in both packing capacity and storage to effectively service the rapidly increasing fruit volume from our grower shareholders. The larger crop also necessitates longer selling seasons and thus a greater requirement for storage performance as well as capacity. This has been planned as part of our five year financial strategy and we are pleased to report that we are ahead of target in terms of the cash flow required to fund this investment.As we look forward to the next three years' investment plans we anticipate a shortening in terms of planned investment timing as G3 crops come to full production earlier than anticipated and Hayward crops continue to break records in terms of crop yields. We are confident that with forecast strong operating cash flows and a sound retention strategy

EastPack Key Financial Statistics	2015	2014	2014-2015
	('000)	('000)	Annual % Change
Revenues	$135,237	$101,981	+33%
Earnings before interest, tax, depreciation, fair value adjustments and rebates (EBITDAFR)	$25,671	$13,463	+91%
Rebates paid on transactor shares	$6,144	$4,564	+35%
Operating profit (loss) (Earnings before tax and fair value adjustments)	$8,148	($454)	+1,895%
Net profit before taxation	$8,148	$2,808	+190%
Net profit after taxation	$5,870	$3,416	+72%
Earnings per investor share	$0.20	$0.11	+72%
Dividends on investor shares	$1,067	$1,067	+0%
Net tangible assets per investor share	$1.75	$1.59	+10%
Total debt (term & current)	$37,000	$35,000	+6%
Number of transactor shares	19,040	18,348	+4%
Number of investor shares	29,825	29,825	+0%
Equity ratio (including transactor shares)	0.51	0.53	-4%

we are able to prudently finance the acceleration of this investment to match the forecast lift in fruit production.

Future growth Strategy

Immediately following the mainpack of 2015 the detailed planning commenced for the capital works required for 2016, with an initially anticipated fruit volume growth of 4.5% to 34.5 million trays. The review highlighted that there were significant capacity improvements that could be made to a number of our graders and the decision was made to improve existing infrastructure rather than invest in an additional grader. This strategy of optimising existing infrastructure actually added a further seven lanes of grader capacity, without the additional overhead cost in management and staffing of building a new grader, and we have budgeted a further reduction in labour cost per tray in 2016 as a result. The key investments include;

- The addition of a ten lane pre-sizer, new robotics and layout re-design of Quarry Road No3 grader. This lifts output from this grader from five lanes effective to nine lanes and it is now the highest output grader in the group just exceeding the output of the new Washer Road grader commissioned in 2015.
- The addition of a dual lane sizer to the Collins lane main grader, this takes advantage of the excess capacity of the eight lane pre-sizer and adds another two effective lanes to the output of this grader.
- The addition of Invision Grading and an eight lane pre-sizer to the Opotiki grader. The addition of camera grading removes the requirement for a number of grading staff and the pre-sizer adds another lane of capacity through the effective removal of undersized fruit prior to the main sizer.
- A new carton handling system on the Edgecumbe grader, this system removes packing labour through automation and adds further fruit drops to the main sizer, removing a constraint to achieving full production.

The additional volume has also created a requirement for additional cooling and storage as anticipated fruit throughputs could not be managed adequately through the existing infrastructure. This necessitated a review of pre-cooling capacity through the group using the latest research on best practice in pre-cooler design. As a result every pre-cooler on every site has received upgrades to suction capacity and at Quarry Road, Collins Lane, Washer Road and Opotiki complete new pre-coolers have been built to ensure that we have sufficient capacity to cool the additional fruit volume.

Following the principle of maximising existing storage facilities before building additional storage, the Washer Road site has now been fully racked - adding over a million trays of additional storage. The existing refrigeration however required a full upgrade to a modern ammonia/glycol plant to be able to provide the required air changes and temperature control.

Two new stores are also being built, at Collins Lane and Washer Road adding further high quality static storage on these sites. The fruit handling and storage facilities at Collins Lane are also being reconfigured to facilitate better storage outcomes from this site.

We initially took a conservative approach to planning capital improvements and built in a safety margin to the additional capacity and storage built for 2016 in case fruit volumes lifted faster than forecast. This has proved to be a very good decision as the most recent fruit counts show an anticipated supply in 2016 of 41 million trays or a 24% increase over 2015. With all existing infrastructure fully optimised any forecast future growth will require significant investment in both new storage and new grader capacity.

Health and Safety

EastPack has a strong focus on Health and Safety and this is a fundamental element of our culture. We have a principle of recognising improvement in Health and Safety at our sites, through recognition in the CEO Health and Safety Awards, our Opportunities for Improvement (OFI's) system, strong Health and Safety committees and a pro-active approach to improving safety on our sites. We have incorporated the new requirements of the Health and Safety at Work Act 2015 into our Health and Safety systems, and you may notice the additional requirements placed on contractors as part of this, which will impact on harvesting and harvest contractors in 2016. We all have a collective responsibility in this area and EastPack will take a lead in making sure that our Growers and Harvest Contractors are aware of the additional responsibilities required of us all as part of the new Act. EastPack is fully certified as part of the ACC WSMP program and we will continue to invest in further upgrades to our injury management and rehabilitation systems in 2016.

Our People

The additional volume of 2015 presented some real challenges to the team to co-ordinate the harvest, packing and loading out of a 34% increase in volume. It is a credit to our team that we managed not only to pack on-time with no constraint to the harvesting, but to end up by week 23 of mainpack ahead of plan with packing capacity and storage to spare, and able to accept additional volume from other growers.

Continuous improvement, as part of LEAN Manufacturing principles, is a strong part of EastPack culture and in 2015 further improvements were made to lowering the cost per tray packed. Many of the enhancements we are investing in for 2016 have come from this philosophy of continuous improvement and there will be changes to harvesting practices, fruit cooling best practice and other processes through the business in 2016 that we expect will result in continued reduction in labour costs and further improvements in fruit quality despite the challenges of a large increase in fruit volume.

The spirit of teamwork extends to our grower base co-ordinated through our team of Grower Service Representatives. EastPack as a co-operative values the close relationship we have with our Grower shareholders and the input of the members of the EastPack Entity Trust Forum. The Grower Service team's focus through structured orchard visits and technical focus meetings has been to share best practice to increase the yield of Class 1 fruit and recent improvements in yield and Class 1 packouts reinforces the value of this significant investment. The success of the 2016 harvest with the large volumes expected will again depend heavily on the spirit of teamwork and co-operation with EastPack and its Grower Shareholders.

Acknowledgements

We would like to thank the hard work of our staff at EastPack and the great result that the team delivered in 2015, it is one thing to have good assets and modern graders but the success for EastPack is the dedication and commitment of the team in producing the result that we have seen in 2015, this gives us a lot of confidence going into 2016. We would like to acknowledge our Directors and the leadership they have demonstrated during a time of change and rapid growth. We are confident that with the EastPack team along with significant investment in training, systems and infrastructure, your company is well placed to deliver the service and quality outcome that you require as grower shareholders in 2016. Lastly we would also like to thank our shareholders who have supported us with their business, the loyalty and commitment of our suppliers gives EastPack the confidence to invest for the future of our industry.

At EastPack a great legacy has been built over many years at EastPack, Satara and their forerunner organisations. That legacy owes much to the vision and commitment of many who have gone before us. The directors, management and people of EastPack today are committed to building on that legacy and serving growers outstandingly in 2016 and the years that follow.

John Loughlin
Chairman

Hamish Simson
Chief Executive Officer

STATEMENT OF CORPORATE GOVERNANCE

Financial Statements

It is the directors' responsibility to ensure preparation of financial statements that give a true and fair view of the financial position of the Company as at the end of the financial year and the results of operations and cash flows for the year. The external auditors are responsible for expressing an independent opinion on the financial statements.

The financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice. They are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable judgements and estimates.

After reviewing internal management financial reports and budgets the directors believe that the Company will continue to be a going concern in the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Board of Directors

The Company's constitution requires a minimum number of six shareholder directors.Of those shareholder directors, not less than four shall hold Transactor Shares, and not less than two shall hold Investor Shares. The maximum number of directors is ten.

At least one third of directors shall retire from office each year at the annual general meeting, but shall be eligible for re-election. The retiring directors must be those directors who have been longest serving since they were last elected.

In addition to the shareholder directors, the Board may appoint not more than two persons to be directors of the Company for such period as the Board shall think fit. An appointed director shall not be taken into account in determining the number of directors who are to retire by rotation at any annual meeting and he or she shall cease to hold office as a director at the expiration of the period for which he or she was appointed.

The Board currently comprises six shareholder directors and two appointed directors.

The directors have a wide range of skills and expertise that they use to the benefit of the Company.

The primary responsibilities of the Board include:

- to establish the vision of the Company
- to establish long term goals and strategies of the Company
- to approve annual financial reports
- to approve annual budgets
- to approve corporate policies
- to ensure the Company has good internal controls and keeps adequate records
- to ensure legislative compliance
- to monitor the performance of executive management
- to appoint the CEO and fix terms of employment
- to ensure appropriate communication to stakeholders

Board procedures are governed by the Constitution and the Board's Operating Manual which includes a Board Charter and Code of Ethics.

Conflicts of Interest and Related Parties

Directors disclose any general and specific interests that could be in conflict with their obligations to the Company. The Company maintains a register of disclosed interests. Transactions with related parties and balances outstanding relating to the year ending 31 December 2015 are disclosed in note 30 of the Notes to the Financial Statements.

Risk Management

The management of risk is a key focus for the Board. A risk management system is in place which is used to identify and manage all business risks. The risk profile is reviewed at least annually.

The Board monitors the operational and financial aspects of the Company and considers recommendations from external auditors and advisors on the risks that the Company faces.

The Board ensures that recommendations made are assessed and appropriate action is taken where necessary to ensure risks are managed appropriately.

Internal Controls

It is management's responsibility to ensure adequate accounting records are maintained.

Directors are responsible for the Company's system of internal financial controls. Internal financial controls have been implemented to minimise the possibility of material misstatement. They can provide only reasonable assurance and not absolute assurance against material misstatements or loss. No major breakdowns of internal controls were identified during the year.

Committees

The Board operates a Remuneration and Appointments Committee, a Health and Safety Committee, a Directors' Remuneration Committee and an Audit Committee.

Remuneration and Appointments Committee

The Remuneration and Appointments Committee deliberates over senior management appointments, remuneration and performance appraisals and succession planning.

Health and Safety Committee

The Health and Safety Committee comprises the whole Board, and meets regularly with the Health and Safety Management to ensure the Board is fully up to date with all Health and Safety issues, and to discuss issues requiring attention.

Directors' Remuneration Committee

The Committee comprises the Chairman of the Board and three Grower shareholders appointed at the shareholders' Annual General Meeting. The Committee reviews and recommends the level of directors' remuneration to be approved by shareholders at the Annual General Meeting.

Audit Committee

The Audit Committee meets with the Company's auditors to discuss the quality of the audit and ensure the adequacy of the Company's administrative, operating and accounting controls. The Committee reviews the annual and financial reports before they are submitted to the full Board for approval.

Attendance at Meetings

The Board meets formally on a monthly basis and follows guidelines that ensure all directors have available the necessary information to participate in an informed discussion on all agenda items. Strategic planning meetings are held annually in conjunction with the senior management team. Directors' meeting attendances are disclosed in the Statutory Information section of this report.

Directors' Remuneration

Directors' remuneration during the year is disclosed in the Statutory Information section of this report.

Executives' Remuneration

Executives' remuneration greater than $100,000 per annum received in their capacity as employees during the year is disclosed in the Statutory Information section of this report.

Entries in the Interests Register

In addition to the interests and related party transactions disclosures in note 30 of the Notes to the Financial Statements, there were no interests disclosed to the Board during the year.

EASTPACK LTD
STATUTORY INFORMATION

As required by Section 211 of the Companies Act 1993 we disclose the following information:

The Group's principal activities during the year were:

- Packing and coolstorage of kiwifruit
- Orchard management

Directors' Interests:

M R McBride, R M Hudson, A A Gault, R B Sharp, G S Eynon, M J Montgomery, M C Maltby, and H Pieters own orchards for which the company provides services on normal commercial terms.

R M Hudson, M R McBride, G S Eynon, M J Montgomery, and H J Pieters own kiwifruit contracting businesses that provides labour and contracting services to EastPack Kiwifruit Operations Ltd under normal commercial terms.

M R McBride is a Director and Shareholder of a company which has a loan outstanding with EastPack Ltd under normal commercial terms.

G S Eynon and M J Montgomery are Directors of a company which has a loan outstanding with EastPack Ltd which reflect an option to develop a facility on land owned by that company.

G S Eynon and M J Montgomery are Trustees of a Trust that leases coolstores to EastPack Ltd on normal commercial terms.

G S Eynon and M J Montgomery are Directors of a company that has plans to develop a new kiwifruit post harvest facility at Lemon Road, Paengaroa.

R B Sharp is a Director of a company which provides transport services to EastPack Ltd on normal commercial terms. R B Sharp has no financial interest in said company.

H J Pieters is a Director of a company which sold pollen to EastPack Ltd and received services under normal commercial terms.

A A Gault is a Board appointed member of EastPack Entity Trust, for which the company provides services on normal commercial terms.

Share Dealing:
Directors acquiring shares or any interest in shares in the Company during the year are as follows:

	Shares Acquired During the year		Shares Sold During the year	
	Transactor	Investor	Transactor	Investor
R B Sharp (ceased 18.12.15)	35,460	-	-	-
GS Eynon (ceased 29.04.15)	-	-	(20,836)	-
A A Gault	10,330	-	-	-
R M Hudson	4,130	-	-	-
M R McBride	45,695	-	-	-
M J Montgomery	-	-	(20,836)	-
H J Pieters	-	-	-	-
M C Maltby	-	-	-	-
M T Giles	-	-	-	-
J J Loughlin	-	-	-	-

All transactor shares were issued at $1 per share

Remuneration and Other Benefits:

Remuneration to Directors

The following persons held office as director during the year and received the following remuneration for services as director:

	Remuneration	
	2015	**2014**
R B Sharp (ceased 18.12.15)	63,000	76,750
M S Ashby (ceased 20.01.14)	-	8,696
GS Eynon (ceased 29.04.15)	13,750	45,000
A A Gault	40,000	39,000
R M Hudson	40,000	39,000
M G Kidd (ceased 24.06.14)	-	23,333
M R McBride	40,000	39,000
M J Montgomery	40,000	39,000
H J Pieters	40,000	39,000
M C Maltby	40,000	39,000
M T Giles	40,623	20,000
J J Loughlin	42,043	20,667
	$399,416	$428,446

R B Sharp retired as director as at 18 December 2015 and G S Eynon ceased as director as at 29 April 2015. J J Loughlin retired as director on 11 January 2015 and was re-appointed on 26 May 2015

Remuneration to employees

The number of employees, who are not directors, whose remuneration and benefits exceeded $100,000 in the financial year were

	Group	Parent
100,000 - 110,000	2	2
110,000 - 120,000	10	10
120,000 - 130,000	4	4
130,000 - 140,000	6	6
190,000 - 200,000	3	3
210,000 - 220,000	2	1
230,000 - 240,000	2	2
260,000 - 270,000	1	1
	30	29

Donations

No donations of a material value were made by the company during the year.

Use of Company Information

The Board received no notices during the year form directors requesting the use of Company information received in their capacity as directors which would not have been otherwise available to them

Co-operative status

In the opinion of each director, the Company is a co-operative company within the meaning of that term given by the Co-operative Companies Act 1996 and for the following reasons:

(a) The Company continues to carry on, as its principal activity, a co-operative activity as set out in Section 3 of the Co-operative Companies Act 1996;

(b) The constitution of the Company states its principal activities as being co-operative activities; and

(c) Not less than 60% of the voting rights of the Company are held by transacting shareholders as defined in section 4 of the Co-operative Companies Act 1996.

For and on behalf of the Board:

Chairman

EASTPACK LTD
INCOME STATEMENT
FOR YEAR ENDED 31 DECEMBER 2015

	Notes	GROUP		PARENT	
		2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Revenue	6	135,237	101,981	119,765	85,980
Share of profit/(loss) in associates	27	-	177	-	-
Packaging materials		(31,260)	(20,635)	(31,260)	(20,635)
Employee benefits expense		(48,160)	(40,322)	(43,177)	(36,836)
Directors compensation		(416)	(443)	(403)	(430)
Other expenses		(28,874)	(26,704)	(18,909)	(15,296)
Rental and operating lease expenses		(856)	(591)	(3,012)	(2,653)
		(109,566)	(88,695)	(96,761)	(75,850)
Earnings before interest, tax, depreciation, fair value adjustments and rebates		**25,671**	**13,463**	**23,004**	**10,130**
Depreciation	25	(8,990)	(7,414)	(7,150)	(5,245)
Earnings before interest, tax, fair value adjustments and rebates		**16,681**	**6,049**	**15,854**	**4,885**
Interest expense		(2,389)	(1,939)	(2,381)	(1,933)
Rebates paid		(6,144)	(4,564)	(6,144)	(4,564)
Earnings before tax and fair value adjustments		**8,148**	**(454)**	**7,329**	**(1,612)**
(Loss)/gain on revaluation of property, plant and equipment	25	-	3,340	-	-
Impairment of available for sale financial assets	28	-	(78)	-	(78)
Net profit/(loss) before taxation		**8,148**	**2,808**	**7,329**	**(1,690)**
Add/(less) taxation	8	(2,278)	608	(1,937)	280
Net profit/(loss) after taxation		**5,870**	**3,416**	**5,392**	**(1,410)**
Net profit/(loss) attributable to:					
Owners of the Company		5,870	3,416	5,392	(1,410)
Non controlling interest		-	-	-	-
Net profit/(loss) after taxation		**5,870**	**3,416**	**5,392**	**(1,410)**
Earnings per share					
Basic and diluted earnings per share	9	$0.20	$0.11	$0.18	-$0.05

EASTPACK LTD
STATEMENTS OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2015

	Notes	GROUP		PARENT	
		2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Net profit/(loss) after taxation		5,870	3,416	5,392	(1,410)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Gain/(Loss) on revaluation of property, plant and equipment, net of tax	11	-	9,089	-	696
Items that may be reclassified subsequently to profit or loss					
Gain/(Loss) on fair value of available for sale financial assets	11	70	443	29	443
Reclassification adjustments for gains/losses included in profit or loss	11	(122)	-	(122)	-
Other comprehensive income for the year		**(52)**	**9,532**	**(93)**	**1,139**
Total comprehensive income for the year		**5,818**	**12,948**	**5,299**	**(271)**
Total comprehensive income attributable to:					
Owners of the company		5,818	12,948	5,299	(271)
Non controlling interests		-	-	-	-
Total comprehensive income for the year		**5,818**	**12,948**	**5,299**	**(271)**

The accompanying notes form part of the financial statements

EASTPACK LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital ($000's)	Asset revaluation reserve ($000's)	Available for sale reserve ($000's)	Retained earnings ($000's)	Non controlling interests ($000's)	Total ($000's)
GROUP							
Opening balance 1 January 2014		12,871	7,131	299	15,320	4	35,625
Net profit/(loss) after taxation		-	-	-	3,416	-	3,416
Other comprehensive income:							
Gain/(loss) on fair value of available for sale financial assets	11	-	-	443	-	-	443
Gain/(loss) on revaluation of property plant and equipment	11		9,089	-	-	-	9,089
Total comprehensive income		-	9,089	443	3,416	-	12,948
Gain on Non controlling Interest : Equity		-	-	-	28	(4)	24
Shares Issued/exchanged	10	(24)	-	-	-	-	(24)
Dividends paid	12	-	-	-	(1,067)	-	(1,067)
Closing balance 31 December 2014		12,847	16,220	742	17,697	-	47,506
Net profit/(loss) after taxation		-	-	-	5,870	-	5,870
Other comprehensive income:							
Gain/(loss) on fair value of available for sale financial assets	11	-	-	(52)	-	-	(52)
Total comprehensive income		-	-	(52)	5,870	-	5,818
Dividends paid	12	-	-	-	(1,067)	-	(1,067)
Closing balance 31 December 2015		12,847	16,220	690	22,500	-	52,257
PARENT							
Opening balance 1 January 2014		12,871	6,020	299	10,805	-	29,995
Net profit/(loss) after taxation		-	-	-	(1,410)	-	(1,410)
Other comprehensive income:							-
Gain/(loss) on fair value of available for sale financial assets	11	-	-	443	-	-	443
Gain/(loss) on revaluation of property plant and equipment	11	-	696	-	-	-	696
Total comprehensive income		-	696	443	(1,410)	-	(271)
Shares issued/exchanged	10	(24)	-	-	-	-	(24)
Dividends paid	12	-	-	-	(1,067)	-	(1,067)
Closing balance 31 December 2014		12,847	6,716	742	8,328	-	28,633
Net profit/(loss) after taxation		-	-	-	5,392	-	5,392
Other comprehensive income:							
Gain/(loss) on fair value of available for sale financial assets	11	-	-	(93)	-	-	(93)
Total comprehensive income		-	-	(93)	5,392	-	5,299
Reserves transferred on amalgamation of subsidiary	11	-	9,504	-	3,474	-	12,978
Retained earnings transferred on amlagamation of subsidiary		-	-	-	4,013	-	4,013
Dividends paid	12	-	-	-	(1,067)	-	(1,067)
Closing balance 31 December 2015		12,847	16,220	649	20,140	-	49,856

EASTPACK LTD
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	GROUP		PARENT	
		2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
EQUITY					
Share capital	10	12,847	12,847	12,847	12,847
Reserves	11	16,910	16,962	16,869	7,458
Retained earnings		22,500	17,697	20,140	8,328
		52,257	47,506	49,856	28,633
NON CURRENT LIABILITIES					
Deferred taxation	8	8,630	9,012	7,440	2,986
Income in advance	18	50	100	50	100
Transactor share capital	16	19,040	18,348	19,040	18,348
Refunds due to resigned shareholders	17	2,576	2,198	2,576	2,020
Borrowings	19	31,000	16,000	31,000	16,000
		61,296	45,658	60,106	39,454
CURRENT LIABILITIES					
Borrowings	19	6,000	19,000	6,000	19,000
Trade and other payables	13	17,624	10,740	10,892	6,205
Employee entitlements	14	963	938	963	938
Provision for dividend	15	-	-	-	-
Provision for taxation	8	708	(614)	678	(1,272)
Refunds due to resigned shareholders	17	374	1,011	374	6
Income in advance	18	437	286	50	50
		26,106	31,361	18,957	24,927
TOTAL FUNDS EMPLOYED		139,659	124,525	128,919	93,014
NON CURRENT ASSETS					
Property, plant and equipment	25	115,379	101,647	115,361	60,105
Investments in subsidiaries	26	-	-	37	15,700
Investments in associates	27	1,107	1,146	710	50
Investments	28	1,490	1,494	1,030	897
Unpaid transactor shares	24	98	98	98	98
		118,074	104,385	117,236	76,850
CURRENT ASSETS					
Cash and cash equivalents	20	1,125	76	17	(330)
Trade and other receivables	21	13,075	13,200	5,002	6,853
Intercompany advances	30	-	-	4,098	6,960
Biological assets	22	4,694	4,071	-	-
Inventories	23	2,691	2,793	2,566	2,681
		21,585	20,140	11,683	16,164
TOTAL ASSETS		139,659	124,525	128,919	93,014

For and on behalf of the Board

Chairman 23 February 2016

Director 23 February 2016

EASTPACK LTD
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	GROUP		PARENT	
		2015	2014	2015	2014
CASHFLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		128,673	99,941	115,166	83,031
Interest received		124	178	444	651
Net GST received		300	110	210	150
Dividends received		147	201	155	73
		129,244	100,430	115,975	83,905
Cash was applied to:					
Payments to suppliers and employees		(102,338)	(97,521)	(91,581)	(81,672)
Interest paid		(2,389)	(1,913)	(2,381)	(1,907)
Taxation paid		(1,338)	(1,144)	(847)	(1,149)
		(106,065)	(100,578)	(94,809)	(84,728)
NET CASH FLOWS FROM OPERATING ACTIVITIES	29	23,179	(148)	21,166	(823)
CASHFLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Associate dividends		39	43	-	-
Proceeds from sale of investments		201	772	171	772
Repayment of grower loans		129	312	129	312
Repayment of advances to subsidiaries		-	-	362	341
Proceeds from property, plant and equipment		-	135	-	38
		369	1,262	662	1,463
Cash was applied to:					
Purchase of investments		(127)	(85)	(71)	(59)
Advances to growers		(10)	(160)	(10)	(160)
Purchase of property, plant and equipment		(23,728)	(8,839)	(23,722)	(8,780)
		(23,865)	(9,084)	(23,803)	(8,999)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(23,496)	(7,822)	(23,141)	(7,536)
CASHFLOWS FROM FINANCING ACTIVITIES					
Cash was provided from:					
Issue of transactor shares		1,581	-	1,581	-
Proceeds from borrowings		2,000	10,000	2,000	10,000
		3,581	10,000	3,581	10,000
Cash was applied to:					
Payment of dividends		(1,067)	(2,134)	(1,067)	(2,134)
Redemption of shares		(1,148)	(24)	(200)	(24)
Repayment of borrowings		-	-	-	-
		(2,215)	(2,158)	(1,267)	(2,158)
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,366	7,842	2,314	7,842
Net increase/(decrease) in cash and cash equivalents		1,049	(128)	339	(517)
Opening cash and cash equivalents		76	204	(330)	187
Cash introduced on amalgamation		-	-	8	-
Closing cash and cash equivalents	20	1,125	76	17	(330)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

EastPack Ltd (the "Company") is a co-operative Company domiciled and incorporated in New Zealand under the Companies Act 1993 and registered under the Co-operative Companies Act 1996. The Company is an issuer for the purposes of the Financial Reporting Act 1993. The financial statements of the Company has been prepared in accordance with the Financial Reporting Act 1993.

The financial statements for the "Parent" are for the Company as a separate legal entity. The consolidated financial statements for the "Group" are for the economic entity comprising the Company and its subsidiaries per Note 26.

The principal activities of the Group and Company are operating a packhouse, providing coolstorage services and providing orchard management.

The financial statements were approved by the Board of Directors on 23 February 2016. Once issued, the Directors do not have the power to amend these financial statements.

(a) Basis of preparation of the financial report

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with IFRS

These financial statements comply with generally accepted accounting practice in New Zealand (“NZ GAAP”). For the purposes of complying with NZ GAAP, the Company is a for-profit entity. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2.

Historical Cost Basis

The financial statements has been prepared on a historical cost basis, with the following exceptions:
- Available-for-sale investments are measured at fair value.
- Land and buildings are remeasured using the revaluation model
- Biological assets are measured at fair value

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars, which is both the Company and the Group's functional and presentation currency. The amounts are rounded the nearest thousand dollars ($000) unless otherwise stated.

Accounting for Goods and Services Tax

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. The net amount of GST recoverable from, or payable to, Inland Revenue, is included in the statement of financial position.

(b) Consolidation

The consolidated financial assets incorporate the assets and liabilities of all subsidiaries and associates of the Company as at 31 December 2015 and their results for the year then ended.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for the acquisition of subsidiaries by the Group. The cost of acquisition is measured as the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests issued at the date of exchange. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associate companies

Associates are all entities over which the Group has significant influence but not control, generally evidenced by a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting after initially being recognised at cost.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Associate companies (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity's profit or loss, while in the consolidated financial statements they reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to profit/(loss) of associates in the Income Statement.

Profits and losses arising from upstream and downstream transactions are recognised in the Group's financial statements only to the extent of the unrelated investors' interests in the associates. Unrealised gains on transactions between the Group and its associates are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of Goods and Services Tax, returns, and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Sales of goods

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Sales of services

Revenue from the sale of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest revenue

Interest income is recognised on a time-proportion basis using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting in the Group financial statements.

Rent revenue

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(d) Inventories

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

(e) Biological assets

Biological assets represent the value of developing the fruit due to be harvested in the following year. Biological assets are capitalised leased orchard expenses carried forward in the Statement of Financial Position as an asset and recognised at the same time as the income to which they relate, i.e. against the crop proceeds from the following year. Any change in cost is recognised in the income statement. Due to there being insufficient biological transformation as at reporting date, the Group has determined that cost approximates fair value. Costs include labour, materials and other direct costs allocated to the asset.

(f) Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. The cost of an item of property, plant and equipment includes its purchase/construction price, costs directly attributable to bringing it to the location and condition necessary for it to operate as intended and the initial estimate of dismantling and removing the item and restoring the site on which it is located. Where an item of property, plant and equipment is self-constructed, its construction cost includes the cost of materials and direct labour and an appropriate proportion of production overheads. Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably.

After initial recognition, all items of property, plant and equipment, except land and improvements and buildings are measured at cost less accumulated depreciation and impairment losses.

Land and improvements and buildings are measured at revalued amounts less any subsequent depreciation and impairment losses. Revaluations are undertaken by an independent registered valuer with sufficient frequency to ensure that the carrying value of the item does not differ materially from its fair value. Increases in the carrying amount arising from revaluations are credited to other reserves in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit or loss, in which case the increment is recognised in profit or loss. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the profit or loss. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the asset and the net amount is restated to the revalued amount of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (i.e. if the asset is impaired). An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the profit or loss. Upon disposal or derecognition of a revalued asset, any revaluation reserve relating to the particular asset is transferred to retained earnings.

Depreciation

Land is not depreciated. Capital works in progress are not depreciated until completed and available for use. Depreciation on other assets is calculated using the straight-line and diminishing value methods to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The residual value and useful lives of all assets are reviewed and adjusted if appropriate at each reporting date.

Depreciation (continued)

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation basis	
Land improvements	4%	Diminishing value
Buildings	2.0 - 48%	Straight line
Plant and equipment	2.0 - 60%	Diminishing value
Furntiture and fittings	9.5 - 60%	Diminishing value

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Leases as a lessee

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables.

The property, plant and equipment acquired under a finance lease is depreciated over the shorter of the asset's useful life and the lease term and is assessed for indicators of impairment in the same manner as other non-financial assets.

Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

Leases as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases.

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment and are assessed for indicators of impairment in the same manner as other non-financial assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(h) Intangibles

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(i) Income tax

The income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

(j) Foreign currency

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing 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.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(k) Employee benefits

Liabilities for employee entitlements are carried at the present value of the estimated future cash flows.

Wages, salaries, statutory days in lieu, annual leave, and sick leave

Liabilities for wages and salaries, including non-monetary benefits, statutory days in lieu, annual leave and sick leave expected to be wholly 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.

Profit sharing and bonus plan

The Group recognises bonuses and profit sharing payments when it is contractually obliged to make such payments, or when there is a past practice that has created a constructive obligation to make such payments.

Superannuation plans

The Group pays contributions to superannuation plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(l) Assets held for sale

Non-current assets classified as held for sale are recorded at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal Group) is available for immediate sale in its present condition. The sale of the asset (or disposal Group) is expected to be completed within one year from the date of classification.

(m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(n) Finance costs

Finance expenses comprise interest expense on borrowings (except when capitalised to a qualifying asset), unwinding of the discount on provisions, foreign currency losses, and impairment losses recognised on financial assets (except for trade receivables and interCompany advances).

Finance costs are expensed using the effective interest method.

(o) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that takes six months or longer to prepare for its intended use or sale. Other borrowing costs are expensed when incurred.

Where the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs capitalised are the actual borrowing costs incurred on that borrowing, less any investment income on the temporary investment of those borrowings.

Where the Group borrows funds generally and uses them to fund a qualifying asset, the amount of borrowing costs capitalised is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of funding a qualifying asset

(p) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Intangible assets not yet available for use are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Non - financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(q) Financial instruments

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit or loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

The Group has no financial assets classified as financial assets at fair value through the profit or loss.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

The Group has no financial assets classified as held to maturity investments

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

The Group's loans and receivables comprise trade and other receivables, intercompany advances, unpaid transactor shares and cash and cash equivalents. Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale

Available for sale financial assets are non derivatives, principally equity securities, that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

The Group's available for sale assets comprise of investments.

Purchases and sales of investments are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. Investments in equity instruments that do have a quoted market price in an active market and whose fair values cannot be reliably measured are recognised and subsequently carried at cost.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(q) Financial Instruments (continued)

Available for sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of securities classified as available for sale are recognised in other comprehensive income, except for foreign exchange movements on monetary assets, which are recognised in the profit or loss. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as gains and losses from investment securities.

Impairment of financial assets
The Group assesses at each reporting date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss.

Financial liabilities
Financial liabilities include trade and other payables, refunds due to resigned shareholders and borrowings.

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the profit or loss over the period of the borrowing using the effective interest method.

(r) Transactor shares
Transactor share capital is classified as a liability as they are redeemable at the option of the shareholder and the Group has five years to make the repayment (see Note 16). When Transactor share capital is redeemed it becomes a Refund Due to Resigned Shareholders until repayment is made (see Note 17). Rebates payable to Transactor shareholders are recognised in the Income Statement on an accruals basis.

(s) Dividend distribution
Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Dividend distribution to the Company shareholders is recognised as a liability in the Company's and Group's financial statements in the period in which the dividends are approved by the Company's Directors.

(t) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis including debts past due but not considered impaired. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence, such as default or bankruptcy that indicate that the Group will not be able to collect all amounts due according to the original terms of trade. The amount of the provision is the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Income Statement.

(u) Change in Accounting Policy

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are based on past performance and management's expectation for the future.

Critical accounting estimates and assumptions

In the application of NZ IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Valuation of land and improvements and buildings

Land and improvements and buildings are measured at fair value as determined by an independent valuer. The independant valuer uses valuation techniques which are inherently subjective and involve estimation. Further information is provided in Note 25.

Investment in unlisted companies

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Further information is provided in Note 28.

NOTE 3: NEW STANDARDS

Standards, interpretations and amendments to published standards that became effective during the year:

The following new standards, amendments and interpretations are mandatory for the first time in the current year and have been adopted by the Group:

NZ IAS 16 'Property, plant and equipment (effective for annual periods beginning on or after 1 July 2014) amends the clarification of how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The amendment did not have a significant effect on the Group's financial statements.

Standards, interpretations and amendments to published standards that are not yet effective:

The Group has not early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective:

NZ IFRS 9 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018) is part of the International Accounting Standards Board's project to replace IAS 39 'Financial instruments: Recognition and measurement'. The standard introduces amended requirements for classifying and measuring financial assets and liabilities and amended requirements in relation to the impairment testing of financial assets and in relation to hedge accounting.

NZ IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2018) addresses the recognition of revenue from contracts with customers and replaces the current revenue recognition guidance in NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts'.

NZ IAS 41 (Amendment) 'Agriculture' (effective for annual periods beginning or after 1 January 2016) requires biological assets, except for bearer plants, to be accounted for under NZ IAS 41 'Agriculture', and for bearer plants to be accounted for under NZ IAS 16 'Property, plant and equipment'. The amendment also clarifies that produce growing on bearer plants is to be accounted for under NZ IAS 41 'Agriculture'.

The Group expects to adopt the above standards and interpretations in the period in which they become mandatory and have not yet assessed if these changes will have any material impact on the financial statements of the Group in the period of initial application.

4. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including currency risk and interest rate risk) and capital risk.

(a) Credit Risk

To the extent that the Group has a receivable from another party, there is a credit risk in the event of non-performance by that counterparty. Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents, trade and other receivables, intercompany advances and unpaid transactor shares. The Group manages its exposure to credit risk to minimise losses from bad debts. The Group generally has the ability to withhold either rebates or dividends from receivables owing from growers and transacting shareholders. Management also actively monitor and manage other receivables. The Group monitors the credit quality of major financial institutions that are counter parties to its financial instruments, and does not anticipate non-performance by the counter parties.

Exposures to credit risk at balance date are:

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Cash and cash equivalents	1,125	76	17	(330)
Trade and other receivables	11,623	11,297	4,167	6,308
Intercompany advances	-	-	4,098	6,960
Unpaid transactor shares	98	98	98	98
Total net receivables	11,721	11,395	8,363	13,366

The above maximum exposures are net of any recognised impairment losses in these financial instruments. No collateral is held on the above amounts.

Concentrations of Credit Risk

At reporting date the majority of the Group's cash and cash equivalents were with the Bank of New Zealand, which has a high credit rating. The Group does not have any other significant concentration of credit risk as receivables are spread over a large number of customers, however, a significant majority of these receivables are owed by third parties from within the Kiwifruit industry. Furthermore, management assesses there to be no significant credit risk associated with intercompany advances or unpaid transactor share capital.

Status of trade and other receivables

	2015		2014	
	Gross	Impairment	Gross	Impairment
Group	($000's)	($000's)	($000's)	($000's)
Not yet due	9,454	41	9,923	-
Overdue 0-31 days	2,007	22	880	-
Overdue 31-91 days	66	8	324	-
Overdue 93-184 days	51	43	354	285
Overdue more than 184 days	304	145	199	-
Total trade and other receivables	11,882	259	11,680	285

	2015		2014	
	Gross	Impairment	Gross	Impairment
Parent	($000's)	($000's)	($000's)	($000's)
Not yet due	3,293	-	12,964	-
Overdue 0-31 days	770	-	366	-
Overdue 31-91 days	17	-	49	-
Overdue 93-184 days	25	-	25	38
Overdue more than 184 days	92	30	-	-
Total trade and other receivables	4,197	30	13,404	38

The Group provides for specific receivables where recovery of the amount is unlikely. The Group raised a specific impairment at reporting date for $259,470 (2014: $284,540). Impairment for receivables is also assessed collectively at reporting date. There was no collective provision at reporting date (2014: $Nil).

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity Risk

Liquidity risk represents the Group's ability to meet its contractual obligations in relation to financial liabilities as they fall due. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls. See Note 19 for the Group's borrowing facilities.

2015 Group	Statement of Financial Position ($000's)	Contractual cash flows ($000's)	6 Months or less ($000's)	6-12 months ($000's)	1-2 years ($000's)	2-5 years ($000's)	> 5 years ($000's)
Borrowings	37,000	41,998	6,950	836	7,262	26,950	-
Trade and other payables	16,656	16,656	16,656	-	-	-	-
Refunds due to resigned shareholders	2,950	2,950	308	66	193	2,383	-
	56,606	61,604	23,914	902	7,455	29,333	-

2014 Group	Statement of Financial Position ($000's)	Contractual cash flows ($000's)	6 Months or less ($000's)	6-12 months ($000's)	1-2 years ($000's)	2-5 years ($000's)	> 5 years ($000's)
Borrowings	35,000	36,390	19,497	447	16,446	-	-
Trade and other payables	6,203	6,203	6,203	-	-	-	-
Refunds due to resigned shareholders	3,209	3,209	362	618	376	1,853	-
	44,412	45,802	26,062	1,065	16,822	1,853	-

2015 Parent	Statement of Financial Position ($000's)	Contractual cash flows ($000's)	6 Months or less ($000's)	6-12 months ($000's)	1-2 years ($000's)	2-5 years ($000's)	> 5 years ($000's)
Borrowings	37,000	41,998	6,950	836	7,262	26,950	-
Trade and other payables	9,963	9,963	9,963	-	-	-	-
Refunds due to resigned shareholders	2,950	2,950	308	66	193	2,383	-
	49,913	54,911	17,221	902	7,455	29,333	-

2014 Parent	Statement of Financial Position ($000's)	Contractual cash flows ($000's)	6 Months or less ($000's)	6-12 months ($000's)	1-2 years ($000's)	2-5 years ($000's)	> 5 years ($000's)
Borrowings	35,000	36,390	19,497	447	16,446	-	-
Trade and other payables	5,255	5,255	5,255	-	-	-	-
Refunds due to resigned shareholders	2,026	2,026	6	-	266	1,754	-
	42,281	43,671	24,758	447	16,712	1,754	-

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

(i) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies. The Group's normal trading activities are conducted in New Zealand dollars.
(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has exposure to interest rate risk to the extent that it borrows or invests for a fixed term at fixed rates. The Group manages its cost of borrowing by placing limits on the proportion of borrowings at floating rate, and the proportion of fixed rate borrowing that is repriced in any year.
BNZ borrowings
An increase/decrease of 1% in interest rates would decrease/increase pre tax profit and equity of the Group by +/- $370,000 (2014: +/- $350,000) if the interest rate change was apparent for the full year. There are no other significant interest bearing financial instruments subject to interest rate risk.

(d) Capital Risk
The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to growers, shareholders and other stakeholders and to maintain an optimal capital structure to reduce the cost of capital and maximise returns. Capital in relation to capital management also includes Transactor shares. In order to maintain or adjust the capital structure, the Group may adjust distributions to shareholders, amount of dividends paid to shareholders, return capital to shareholders, issue new shares, amend capital spending plans or sell assets to reduce debt.

The Shareholders have appointed the Directors to manage the co-operative in order to maximise returns. The Directors, consistent with others in the Kiwifruit industry, monitor and manage capital based on trays supplied and returns to growers and investors.

The Group monitors capital on the basis of its shareholder equity ratio. This ratio is calculated as total equity (including transactor shares) divided by total assets.

The shareholder equity ratio at 31 December is:

	2015 ($000's)	2014 ($000's)
Total equity (including transactor shares)	71,297	65,854
Total assets	139,659	124,525
Shareholder equity ratio	**51%**	**53%**

The Group is subject to, and monitors, financial covenants imposed by its lenders from time to time. These covenants include such measures as maintenance of equity ratios and earnings times interest cover. At no stage during the year did the Group breach any of its lending covenants.

The Group has current bank facilities of $73 million with the Bank of New Zealand, of which $36 million remains undrawn as at balance date.

5. DETERMINATION OF FAIR VALUE

Fair value measurement for financial assets and liabilities
The fair value of cash and cash equivalents, trade and other receivables, intercompany advances, and trade and other payables approximates their carrying value due to their short term nature. The fair value of transactor shares approximates fair value, due to the fixed redemption value and market returns paid by way of rebate.

Fair value measurement
The table below analyses those financial instruments carried at fair value. The different levels have been defined below.

Level 1:	*Quoted prices (unadjusted) in active markets for identified assets or liabilities that the entity 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 that have to be developed to reflect the assumptions that a market participant would use when determining an appropriate price.*

5. DETERMINATION OF FAIR VALUE (CONTINUED)

2015	**GROUP**			**PARENT**		
	Level 1 ($000's)	**Level 2 ($000's)**	**Level 3 ($000's)**	**Level 1 ($000's)**	**Level 2 ($000's)**	**Level 3 ($000's)**
Unlisted equity shares	-	978	-	-	756	-
Listed equity shares	17	-	-	17	-	-
Land and buildings	-	-	81,217	-	-	81,217
	17	978	81,217	17	756	81,217

2014	**GROUP**			**PARENT**		
	Level 1 ($000's)	**Level 2 ($000's)**	**Level 3 ($000's)**	**Level 1 ($000's)**	**Level 2 ($000's)**	**Level 3 ($000's)**
Unlisted equity shares	-	877	-	-	877	-
Listed equity shares	12	-	-	12	-	-
Land and buildings	-	-	78,398	-	-	41,394
	12	877	78,398	12	877	41,394

The fair value measurement for land and buildings has been categorised as Level 3, as the inputs used as part of the valuation techniques are based on unobservable inputs. There were no transfers into or out of Level 3 of the fair value hierarchy during the reporting period.

The following shows each valuation technique used in measuring the fair value of land and buildings, as well as the significant unobservable inputs used and the inter-relationship between the key unobservable inputs and fair value measurement.

a) Land and Buildings

The fair value of land and buildings is determined using valuations by an independent valuer as set out in Note 25. In conducting the valuations, the valuer considered 3 different approaches to arrive at the fair value of the land and improvements and buildings.

Replacement cost less depreciation approach
Adds the value of the land to the value of the buildings and other improvements based on the current buildings replacement cost with an allowance for physical depreciation. Specific consideration is given to the "optimised depreciated replacement cost" methodology.

Key unobservable inputs	***Inter-relationship between key unobservable inputs and fair value measurement***
Current buildings replacement cost	*Higher building costs results in increased fair value. Lower building costs results in a decreased fair value.*

Income Capitalisation Approach
Assumes a hypothetical lease of the property with a current market rental being established and capitalising an appropriate rate of return (11.0% - 12.0%) that would be expected by a prudent investor.

Key unobservable inputs	***Inter-relationship between key unobservable inputs and fair value measurement***
Current market rental	*Higher market rental results in increased fair value. Lower market rental results in a decreased fair value.*
Capitalisation rate of return	*Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value*

Market comparison
Considers sales of other comparable type properties.

Key unobservable inputs	***Inter-relationship between key unobservable inputs and fair value measurement***
Current market sales	*Higher market sales results in increased fair value. Lower market sales results in a decreased fair value*

6. REVENUE

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Sales	132,291	99,755	116,732	83,666
Dividends received	147	189	155	73
Rent revenue	215	230	215	230
Interest revenue	172	216	492	651
Other revenue	2,412	1,591	2,171	1,360
	135,237	101,981	119,765	85,980

7. AUDITORS REMUNERATION

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Amounts paid or payable to the auditors for:				
Auditing the financial statements	72	60	72	43
Other audit related services	-	12	-	12
Other services:				
Assistance with amalgamation	-	24	-	24
Tax compliance work and advice	30	25	30	19
Scrutineering services	2	-	2	-
	104	121	104	98

8. INCOME TAX

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Income tax expense:				
Current tax income/(expense)	(2,660)	285	(2,427)	-
Deferred tax income/(expense)	382	323	490	280
	(2,278)	608	(1,937)	280

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Prima facie income tax payable on profit before tax				
Income tax at 28% (2014: 28%)	2,281	786	2,052	(473)
Tax effect of				
- Non deductible expenses	69	43	54	30
- Non assessable income	(59)	(992)	(59)	(57)
- Tax losses carried forward	2	-	-	-
- Recognition of tax lossess	-	(20)	-	-
- Group tax offsets	-	-	(93)	248
- Imputation credits received	(51)	(96)	(50)	(28)
- Adjustments of prior years	36	(329)	33	-
Income tax expense	2,278	(608)	1,937	(280)

There are no unrecognised tax losses or temporary differences carried forward (2014: Nil).

8. INCOME TAX (CONTINUED)

Deferred taxation balances

	GROUP		PARENT	
	2015	2014	2015	2014
Deferred tax assets	($000's)	($000's)	($000's)	($000's)
Stock obsolescence	142	162	142	162
Employee entitlements	189	187	189	187
Trade and other payables	90	36	90	36
Trade and other receivables	72	79	8	10
	493	464	429	395
Deferred tax liabilities				
Property, plant and equipment	7,869	8,534	7,869	3,381
Biological assets	1,254	942	-	-
	9,123	9,476	7,869	3,381
	(8,630)	(9,012)	(7,440)	(2,986)

Deferred taxation movements recognised in income

	GROUP		PARENT	
	2015	2014	2015	2014
Deferred tax assets	($000's)	($000's)	($000's)	($000's)
Stock obsolescence	(20)	52	(20)	52
Employee entitlements	3	27	3	39
Trade and other payables	54	(5)	54	(11)
Trade and other receivables	(7)	-	(2)	-
Tax losses recognised	-	(136)	-	-
	30	(62)	35	80
Deferred tax liabilities				
Property, plant and equipment	(664)	(293)	(455)	(200)
Biological assets	312	(92)	-	-
	(352)	(385)	(455)	(200)
	382	323	490	280

Deferred taxation movements in equity

	GROUP		PARENT	
	2015	2014	2015	2014
	($000's)	($000's)	($000's)	($000's)
Deferred tax liabilities				
Property, plant and equipment	-	3,336	4,943	312
	-	(3,336)	(4,943)	(312)

Provision for Taxation

	GROUP		PARENT	
	2015	2014	2015	2014
	($000's)	($000's)	($000's)	($000's)
Balance as at 1 January	614	(811)	1,272	(13)
Tax transferred on amalgamation	-	-	(371)	-
Income tax expense	(2,278)	608	(1,937)	280
Income tax expense attributable to deferred tax	(382)	(323)	(490)	(280)
Income tax payments during the year	1,338	1,140	1,335	1,150
Transfers within subsidiaries	-	-	(487)	135
Balance as at 31 December	(708)	614	(678)	1,272

8. INCOME TAX (CONTINUED)

Imputation Credit Account

	2015 ($000's)	2014 ($000's)
Balance as at 1 January	7,992	6,845
Income tax payments during the year	1,335	1,140
Imputation credits on dividends received	50	98
Imputation credits on dividends paid	(415)	(830)
Prior period adjustment	-	724
Resident witholding tax	-	15
Balance as at 31 December	8,962	7,992

At balance date the imputation credits available to the shareholders of the parent company:

Through direct holding in the parent company	8,962	7,992
Through direct interest in subsidiaries	-	-
	8,962	7,992

9. EARNINGS PER SHARE

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Profit attributable to ordinary shareholders	5,870	3,416	5,392	(1,410)
Weighted average number of ordinary shares issued	29,825,154	29,825,154	29,825,154	29,825,154
	$0.20	$0.11	$0.18	-$0.05

The calculation of basic and diluted earnings per share is based on profit attributable to ordinary shareholders divided by the weighted average number of ordinary share on issue during the year

10. SHARE CAPITAL

			GROUP AND PARENT	
	2015 No of shares	2014 No of shares	2015 ($000's)	2014 ($000's)
Balance as 1 January	29,825,154	29,825,154	12,847	12,871
Investor shares issued on amalgamation	-	-	-	(24)
Balance as at 31 December	29,825,154	29,825,154	12,847	12,847

The shareholding in the Company is divided into two classes of shares, being Transactor and Investor shares. Transactor shares are classified as term liabilities. For further details, refer to Notes 16 and 24.

Investor Shares

Investor shares are issued under the Companies Act 1993 and are tradable. All Investor shares rank equally and carry 40% of the voting power (Transactor shares carry 60% of the voting power; for further details, refer to Note 16) of all shares on issue and carry the right to participate in any annual dividends declared by the directors of the Company. Investor shareholders can participate in any surplus assets upon liquidation after the holders of Transactor shares have been paid. There have been no changes to the terms and rights of the shares during the year. All Investor shares issued are fully paid and have no par value.

11. RESERVES

Available for sale reserve	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance 1 January	742	299	742	299
Gains/losses during the year	70	443	29	443
Reclassification of gains/losses to profit or loss	(122)	-	(122)	-
Balance 31 December	690	742	649	742

The available sale reserve relates to fair value adjustments to investments classified as available for sale financial assets. For further details refer to Note 28.

Asset revaluation reserve	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance 1 January	16,220	7,131	6,716	6,020
Revaluation movement during the year	-	12,425	-	1,008
Deferred tax on revaluation	-	(3,336)	-	(312)
Transfer of reserves on amlagamation of subsidiary	-	-	9,504	-
Balance 31 December	16,220	16,220	16,220	6,716
Total reserves	16,910	16,962	16,869	7,458

The asset revaluation reserve relates to the revaluation of land and improvements and buildings. For further details, refer to Note 25.

12. DISTRIBUTION TO OWNERS

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Investor shares - dividend paid	1,067	1,067	1,067	1,067
Investor shares - dividend payable	-	-	-	-
Total dividends	1,067	1,067	1,067	1,067

Dividends paid on investor shares amounted to 3.6 cents per share fully imputed (2014: 3.6 cents per share).

13. TRADE AND OTHER PAYABLES

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Trade payables	8,995	2,520	4,926	1,758
Sundry payables	4,411	4,025	1,574	541
GST payable	215	512	218	409
Related party payables	3,993	3,651	3,616	3,460
Intercompany payables	-	-	548	5
Associate payables	10	32	10	32
	17,624	10,740	10,892	6,205

14. EMPLOYEE ENTITLEMENTS

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance at 1 January	938	819	938	784
Additional provision	25	119	25	154
Balance at 31 December	963	938	963	938
This is represented by:				
Current liability	963	938	963	938
Non-current liability	-	-	-	-
	963	938	963	938

15. PROVISION FOR DIVIDEND

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance at 1 January	-	1,067	-	1,067
Dividend paid during the year	(1,067)	(1,067)	(1,067)	(1,067)
Additional provision	1,067		1,067	
Balance at 31 December	-	-	-	-

No dividend was declared as at 31 December 2015 (2014: No dividend declared as at 31 December 2014).

16. TRANSACTOR SHARE CAPITAL

			GROUP AND PARENT	
	2015 No of shares	2014 No of shares	2015 ($000's)	2014 ($000's)
Balance as 1 January	18,347,650	19,403,217	18,348	19,403
Transactor shares issued during the year	1,581,174	183,664	1,581	184
Transactor shares sold during the year	(889,003)	(1,239,231)	(889)	(1,239)
Balance as at 31 December	19,039,821	18,347,650	19,040	18,348

Transactor Shares

Transactor Shares are issued by the Company to growers of kiwifruit or other approved produce. Transactor shares rank equally, are not freely tradable, and carry 60% of the voting power (Investor shares carry 40% of the voting power; for further details, refer to Note 10) of all shares on issue. Transactor shareholders have the right to participate in any annual rebate declared by the directors of the Company. They carry first right of redemption on liquidation of the company at $1.00 each.

17. REFUNDS DUE TO RESIGNED SHAREHOLDERS

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance at 1 January	3,209	2,755	2,026	1,031
Movement during the year	(259)	454	924	995
Balance at 31 December	2,950	3,209	2,950	2,026
This is represented by:				
Current liability	374	1,011	374	6
Non-current liability	2,576	2,198	2,576	2,020
	2,950	3,209	2,950	2,026

Refunds due to Transactor shareholders who have resigned from the Company are unsecured and repayable by the Company over a five year period after resignation is accepted by the Board. Fair value is estimated as the present value of the future cash

18. INCOME IN ADVANCE

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance at 1 January	386	422	150	200
Movement during the year	101	(36)	(50)	(50)
Balance at 31 December	487	386	100	150
This is represented by:				
Current liability	437	286	50	50
Non-current liability	50	100	50	100
	487	386	100	150

This represents income received in advance, which is earned over the life of the relevant service contract

19. BORROWINGS

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Current portion	6,000	19,000	6,000	19,000
Non current portion	31,000	16,000	31,000	16,000
	37,000	35,000	37,000	35,000

The current portion represents borrowings which have a maturity date of less than twelve months from reporting date. The Group's total facility with the Bank of New Zealand is $73m (2014: $39m). The current interest rates on the secured borrowings range from 3.53% to 5.42% (2014: 3.79% to 5.70%).

Security - Parent and Group

The Bank of New Zealand holds a perfected security interest in all present and after acquired property of the Company, a registered first mortgage over all land and buildings of the Company and a perfected security interest in all present and acquired property of EastPack Kiwifruit Operations Ltd as a subsidiary of the Company.

Banking covenants - Parent and Group

The Group is subject to various banking covenants as part of the Group's total facility with the Bank of New Zealand. The Group monitors these banking covenants on a regular basis. The Group did not breach any of these banking covenants during the year.

20. CASH AND CASH EQUIVALENTS

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Bank in funds/(overdraft)	1,125	76	17	(330)

21. TRADE AND OTHER RECEIVABLES

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Trade receivables	4,052	4,087	1,161	950
Provision for doubtful debts	(259)	(285)	(30)	(38)
Sundry receivables	5,529	7,440	2,281	5,256
Prepayments	1,449	1,903	837	545
Inter - company receivables	-	-	718	88
Related party receivables	2,278	46	9	43
Associate receivables	26	9	26	9
Balance at 31 December	13,075	13,200	5,002	6,853

22. BIOLOGICAL ASSETS

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Balance at 1 January	4,071	3,527	-	-
Costs capitalised	4,694	4,071	-	-
Costs released to profit and loss	(4,071)	(3,527)	-	-
Balance at 31 December	4,694	4,071	-	-

Expenses incuirred by the Group to prepare leased orchards for the next crop season are capitalised and recognised as a biological asset in the Statement of Financial Position at balance date. Costs are then released to profit and loss in the financial year in which they relate. No costs are capitilised for more than one season.

23. INVENTORIES

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Packaging	2,853	2,766	2,853	2,654
Provision for obsolesence	(586)	(579)	(586)	(579)
Other materials and chemicals	424	606	299	606
	2,691	2,793	2,566	2,681

All inventory is subject to retention of title clauses

24. UNPAID TRANSACTOR SHARES

	GROUP AND PARENT	
	2015 ($000's)	2014 ($000's)
97,786 shares valued at $1.00 (2014: 97,786 shares valued at $1.00)	98	98

Opening balance	98	98
Rebate witheld	-	-
Closing balance	98	98

Where the Company has issued shares and payment has not been made in full, there is a deferred settlement over a set period of time. Payment for calls on transactor shares is then deducted from rebates and dividends payable to those shareholders. The current portion of unpaid transactor shares is based on the expected share call for the 2015 season. The expected share call for the 2015 season is Nil, (2014: Nil).

25. PROPERTY, PLANT AND EQUIPMENT

	GROUP			PARENT		
	Cost/ Valuation ($000's)	Accumulated Depreciation ($000's)	2015 Book Value ($000's)	Cost/ Valuation ($000's)	Accumulated Depreciation ($000's)	2015 Book Value ($000's)
Buildings	85,298	23,920	61,378	85,298	23,920	61,378
Land and improvements	21,494	1,655	19,839	21,494	1,655	19,839
Plant and Equipment	84,375	60,849	23,526	84,304	60,795	23,509
Furniture and Fittings	1,867	1,333	534	1,861	1,328	533
Capital Work in Progress	10,102	-	10,102	10,102	-	10,102
	203,136	87,757	115,379	203,059	87,698	115,361

	GROUP			PARENT		
	Cost/ Valuation ($000's)	Accumulated Depreciation ($000's)	2014 Book Value ($000's)	Cost/ Valuation ($000's)	Accumulated Depreciation ($000's)	2014 Book Value ($000's)
Buildings	79,589	20,811	58,778	47,981	16,667	31,314
Land and improvements	20,991	1,371	19,620	11,544	1,464	10,080
Plant and Equipment	74,927	57,272	17,655	41,281	28,134	13,147
Furniture and Fittings	1,764	1,235	529	955	456	499
Capital Work in Progress	5,065	-	5,065	5,065	-	5,065
	182,336	80,689	101,647	106,826	46,721	60,105

If land and buildings had been carried at cost less depreciation, the carrying amounts would have been:

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Buildings	44,926	41,263	44,926	26,439
Land and improvements	18,151	18,174	18,151	8,921

Each class of land and improvements and buildings is revalued to their estimated fair value on a rolling three year cycle unless there is evidence that indicates the carrying value of these may differ significantly from the fair value. The directors made the decision not to revalue land and improvements and buildings as at 31 December 2015. Land and improvements and buildings were last revalued as at 31 December 2014 and were revalued to their estimated fair value in accordance with the valuation reports dated 17 March 2015 by independent registered valuer, Alastair Pratt (FNZIV, FPINZ) of the firm Telfer Young (Tauranga) Limited ("valuer"). The effective date of these valuation reports was 31 December 2014.

Valuation	2014	
	Group ($000's)	Parent ($000's)
Fair value as determined by Telfer Young (Tauranga) Limited	79,690	42,640
Impact of valuation		
Revaluation through income statement	3,340	-
Revaluation through asset revaluation reserve	12,425	1,008
	15,765	1,008

For further details regarding the valaution approach, refer to Note 5.

25. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in carrying amounts
Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

Group	Buildings ($000's)	Furniture and Fittings ($000's)	Plant and Equipment ($000's)	Land and improvements ($000's)	Capital WIP ($000's)	Total ($000's)
2015						
Balance at 1 January 2015	58,778	529	17,655	19,620	5,065	101,647
Additions	5,154	97	7,941	434	10,102	23,728
Transfers from Capital WIP	653	-	4,412	-	(5,065)	-
Disposals	(4)	-	(1,002)	-	-	(1,006)
Depreciation expense	(3,203)	(92)	(5,480)	(215)	-	(8,990)
Carrying amount at 31 December 2015	61,378	534	23,526	19,839	10,102	115,379
2014						
Balance at 1 January 2014	46,372	430	18,165	18,797	-	83,764
Additions	222	155	4,026	120	5,065	9,588
Disposals	-	(4)	(52)	-	-	(56)
Revaluations	14,855	-	-	910	-	15,765
Depreciation expense	(2,671)	(52)	(4,484)	(207)	-	(7,414)
Carrying amount at 31 December 2014	58,778	529	17,655	19,620	5,065	101,647

Parent	Buildings ($000's)	Furniture and Fittings ($000's)	Plant and Equipment ($000's)	Land and improvements ($000's)	Capital WIP ($000's)	Total ($000's)
2015						
Balance at 1 January 2015	31,314	499	13,147	10,080	5,065	60,105
Additions	5,154	97	7,935	434	10,102	23,722
Transfers from Capital WIP	653	-	4,412	-	(5,065)	-
Assets introduced on amalgamation	26,540	24	3,586	9,540	-	39,690
Disposals	(4)	-	(1,002)	-	-	(1,006)
Depreciation expense	(2,279)	(87)	(4,569)	(215)	-	(7,150)
Carrying amount at 31 December 2015	61,378	533	23,509	19,839	10,102	115,361
2014						
Balance at 1 January 2014	31,989	429	12,176	10,270	-	54,864
Additions	221	155	3,966	122	5,065	9,529
Disposals		(4)	(47)	-	-	(51)
Revaluations	1,114	-	-	(106)	-	1,008
Depreciation expense	(2,010)	(81)	(2,948)	(206)	-	(5,245)
						-
Carrying amount at 31 December 2014	31,314	499	13,147	10,080	5,065	60,105

Amalgamation of EastPack Satara Limited into EastPack Limited

On 30 September 2015, EastPack Satara Limited amalgamated with EastPack Limited resulting in the assets of EastPack Satara Limited being transferred to EastPack Limited.

26. INVESTMENTS IN SUBSIDIARIES

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Southlink Supply Ltd	-	-	36	36
Eastpack Kiwifruit Operation Ltd	-	-	1	1
Eastpack Satara Ltd	-	-	-	15,663
	-	-	37	15,700

All other subsidiaries listed below have a nil carrying value in the parent financial statements.

Subsidiaries:	Percentage held 2015	Percentage held 2014	Balance date	Incorporated in
Southlink Supply Ltd	100%	100%	31 December	New Zealand
EastPack Kiwifruit Operations Ltd	100%	100%	31 December	New Zealand
EastPack Satara Ltd	-	100%	31 December	New Zealand
Satara Kiwifruit Supply Ltd	100%	100%	31 March	New Zealand
EastPack Avocado Company Ltd	100%	100%	31 December	New Zealand
Zest BOP Ltd	100%	100%	31 December	New Zealand
Bay Hort (1991) Ltd	100%	100%	31 December	New Zealand
Bay of Plenty Fruitpackers Ltd	100%	100%	31 December	New Zealand
BayPak Growers Ltd	100%	100%	31 December	New Zealand
Bay Pack Ltd	100%	100%	31 December	New Zealand
New Zealand Orchard Investment Ltd	100%	100%	31 December	New Zealand
Satara Ventures Ltd	100%	100%	31 December	New Zealand
Te Matai kiwi No1 Ltd	100%	100%	31 December	New Zealand
Stroba Systems Ltd	100%	100%	31 December	New Zealand
Stroba Ltd	50%	50%	31 December	New Zealand

Southlink Supply Ltd provide administration services and industry representation in respect of produce supplied.
EastPack Kiwifruit Operations Ltd is involved in the management of leased orchards.
Eastpack Satara Ltd was amalgamanted into Eastpack Ltd during the year.
EastPack Satara Ltd was involved in the management of leased orchards.
EastPack Avocado Company Ltd is an avocado supplier.
All other subsidiaries are non operating.

27. INVESTMENTS IN ASSOCIATES

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
The Nutricious Kiwifruit Company Ltd	39	136	50	50
Kiwi Produce Ltd	1,068	1,009	660	-
Tauranga Kiwifruit Logistics Ltd	-	1	-	-
	1,107	1,146	710	50

The amount of goodwill in the carrying value of Equity Accounted Investees for the 2015 year was $576,000 (2014: $576,000).

27. INVESTMENTS IN ASSOCIATES (CONTINUED)

Associate companies	Percentage held		Balance date	Incorporated in
	2015	2014		
The Nutricious Kiwifruit Company Ltd	50%	50%	31 March	New Zealand
Kiwi Produce Ltd	20%	20%	31 March	New Zealand
Tauranga Kiwifruit Logistics Ltd	34%	34%	31 March	New Zealand

Kiwi Produce Ltd is engaged by the Group to sell, market and export kiwifruit to the New Zealand domestic market and the international market. Tauranga Kiwifruit Logistics Ltd is engaged in wharf logistics out of the Port of Tauranga. The Nutritious Kiwifruit Company Ltd is engaged by the Group to sell, market and export kiwifruit to the Australian market.

All associate companies are incorporated in New Zealand and are accounted for using the equity method. There are no significant restrictions on the ability of any associate companies to pay dividends, repay loans or otherwise transfer funds to the investor company. No associate companies have a quoted market price for the investment. No commitments or contingencies are present with associate companies. All associate companies have a 31 March balance date. The financial performance of all associates for the period 31 December 2015 is incorporated in these financial statements.

Movements in associate companies	GROUP		PARENT	
	2015	2014	2015	2014
	($000's)	($000's)	($000's)	($000's)
Results of associate companies				
Share of profit before income tax	31	17	-	-
Income tax	(31)	(5)	-	-
Net profit	-	12	-	-
Other recognised surplus	-	165	-	-
Share of total recognised revenues and expenses	-	177	-	-
Interests in associate companies				
Opening Carrying value	1,146	1,712	50	762
Acquisition of associates	-	50	-	-
Transfer on amalgamation of subsidiary	-	-	660	-
Disposal of associates	-	(750)	-	(712)
Share of total recognised revenues and expenses	-	177	-	-
Dividends received	(39)	(43)	-	-
	1,107	1,146	710	50

Due to the confidentiality commitments and the immaterial nature of these entities, there is no further disclosure to be made in the Group's financial statements.

28. INVESTMENTS

	GROUP		PARENT	
	2015	2014	2015	2014
	($000's)	($000's)	($000's)	($000's)
Shares in unlisted companies	1,473	1,482	1,013	885
Shares in listed companies	17	12	17	12
	1,490	1,494	1,030	897

Shares in unlisted companies

Shares in unlisted companies are carried at cost (except for shares held in Ballance and Zespri) as the Group does not have access to sufficient information to enable fair value to be reliably determined. Shares held in Ballance and Zespri are carried at fair value. Fair value is based on the closing share price at reporting date.

Shares in listed companies

Shares in listed companies are carried at fair value which based on the closing share price at reporting date.

28. INVESTMENTS (CONTINUED)

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Shares in unlisted companies				
Opening balance	1,482	1,119	885	538
Transfer of investments on amalgamation of subsidia	-	-	204	-
Additions	127	24	71	8
Disposals	(201)	(22)	(171)	(22)
Impairment	-	(78)	-	(78)
Revaluation	65	439	24	439
Closing balance	1,473	1,482	1,013	885
Shares in listed companies				
Opening balance	12	8	12	8
Revaluation	5	4	5	4
Closing balance	17	12	17	12
Total Investments	1,490	1,494	1,030	897

29. RECONCILIATION OF NET SURPLUS WITH CASH INFLOW FROM OPERATING ACTIVITIES

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Net profit/(loss) after tax	5,870	3,416	5,392	(1,410)
Add / (less) Non cash items				
Depreciation	8,990	7,414	7,150	5,245
Impairment of available for sale financial assets	-	78	-	78
Effect of amalgamation of subsidiary	-	-	(230)	-
Deferred tax expense/(income)	(382)	(324)	(489)	(280)
Fair value movement in loans	(31)	-	(31)	-
Share of profit in associates	-	(177)	-	-
Income in advance	(50)	(50)	(50)	(50)
	8,527	6,941	6,350	4,993
Movement in Working Capital				
Increase/(decrease) in trade and other payables	7,181	(2,028)	4,878	(299)
Increase/(decrease) in employee entitlements	25	132	25	168
(Increase)/decrease in trade and other receivables	37	(2,478)	1,763	(2,122)
Increase/(decrease) in GST payable	(297)	110	(191)	150
(Increase)/decrease in biological assets	(623)	(635)	-	-
(Increase)/decrease in inventory	102	(1,118)	115	(1,135)
Increase/(decrease) in income in advance	151	-	-	-
Increase/(decrease) in tax payable	1,322	(1,137)	1,950	(1,250)
	7,898	(7,154)	8,540	(4,488)
Items classified as investing/financing activities				
Loss/(gain) on sale of investments	(122)	-	(122)	-
Loss/(gain) on sale of property, plant and equipment	1,006	(11)	1,006	82
Loss/(gain) on revaluation of land and buildings	-	(3,340)	-	-
	884	(3,351)	884	82
Net cash flow from operating activities	23,179	(148)	21,166	(823)

30. TRANSACTIONS WITH RELATED PARTIES

a) Key management personnel

Key management includes all personnel whom have the authority and responsibility for planning, directing and controlling the activities of the Group. This includes senior management and directors.

(i) Key management personnel compensation:

	GROUP		PARENT	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Short-term benefits	1,924	1,436	1,706	1,266
Directors remuneration	416	443	399	428
	2,340	1,879	2,105	1,694

(ii) Rebates and dividends to directors

The grower directors have packed their kiwifruit with the company at the standard rates charged to shareholders. Grower directors received the following rebates and dividends

	Rebates		Dividends	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
R B Sharp	178	113	61	82
G S Eynon	22	12	42	56
M J Montgomery	22	12	42	56
A A Gault	41	34	18	20
R M Hudson	23	14	8	11
M R McBride	183	104	-	-
M C Maltby	9	6	6	8
H J Pieters	28	24	25	33

(ii) Rebates and dividends to directors

The following directors acquired shares in the company during the year. All Transactor shares were issued at $1 per share.

	Transactor Shares		Investor Shares	
	2015 ($000's)	2014 ($000's)	2015 ($000's)	2014 ($000's)
Gault A	10	-	-	-
Hudson R M	4	-	-	-
McBride M	41	-	-	-
Sharp R B	35	-	-	-

20,836 transactor share were sold by G S Eynon and M J Montgomery during the year (2014: A A Gault sold 48,000 investor shares).

30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

b) Other related party transactions

The Group has transacted with the following related parties during the year and/or has balances outstanding as at balance date with these related parties.

Related Party	Relationship	Nature of transactions
Albertland Orchard Ltd	Raymond Sharp is a Director	EastPack Kiwifruit Operations Limited provides orchard management services to Albertland Orchard Ltd.
BayGold Limited	Murray McBride is a Director and Shareholder	EastPack Limited has advanced a grower loan to BayGold Limited.
BayGold Joint Venture	Murray McBride is a Director and Shareholder	EastPack Kiwifruit Operations Limited provides orchard management services to BayGold Joint Venture.
Eastpack Entity Trust	Adrian Gault is a Board appointed member of EET	EastPack Limited provides coolstorage, packing and transport services to EastPack Entity Trust.
Hudson Contracting 2010 Limited	Richard Hudson is a Director and Shareholder	Hudson Contracting 2010 Limited provides orchard labour contracting services to EastPack Limited.
Otara Land Company Limited	Adrian Gault is a Director and Shareholder	EastPack Kiwifruit Operations Limited provides orchard management services to Otara Land Company Limited.
Pine Valley Limited	G. Eynon and M. Montgomery are Directors and Shareholders	EastPack Limited has advanced a grower loan to Pine Valley Limited
Raerino Orchard	G. Eynon and M. Montgomery are Directors and Shareholders	EastPack Kiwifruit Operations Limited provides orchard management services to Raerino Orchard
Robert Monk Transport	Raymond Sharp is a Director and Shareholder	Robert Monk Transport provides cartage services to EastPack Limited.
Tirohanga Fruit Company Limited	Raymond Sharp is a Director and Shareholder	EastPack Kiwifruit Operations Limited provides orchard management services to Tirohanga Fruit Company Limited.
Brenick and Eynon Trust	G. Eynon and M. Montgomery are Trustees	Brenyck and Eynon Trust provides offsite coolstorgae facilities used by the Group
Wedgeco Ltd	Raymond Sharp is a Director	EastPack Kiwifruit Operations Limited provides orchard management services to WedgeCo Ltd

30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

2015 - Transactions and balances with related parties

Related Party	Receipts ($000's)	Payments ($000's)	Trade Balance Receivable / (Payable) ($000's)	Loan Outstanding ($000's)
Albertland Orchard Ltd	88	-	51	-
BayGold Limited	-	(100)	-	(100)
BayGold Joint Venture	-	(628)	(171)	-
Brenick and Eynon Trust	-	(154)	-	-
Eastpack Entity Trust	115,851	(11,229)	1,598	(3,600)
Hudson Contracting 2010 Limited	-	(52)	-	-
Otara Land Company Limited	85	-	-	-
Pine Valley Limited	-	-	-	(500)
Raerino Orchard Limited	139	-	-	-
Robert Monk Transport	-	(551)	-	-
Tirohanga Fruit Company Limited	138	-	29	-
Wedgeco Ltd	202	-	71	-

2014 - Transactions and balances with related parties

Related Party	Receipts ($000's)	Payments ($000's)	Trade Balance Receivable / (Payable) ($000's)	Loan Outstanding ($000's)
BayGold Limited	100	-	-	(200)
BayGold Joint Venture	-	(557)	-	-
Brenick and Eynon trust	-	(156)	-	-
Eastpack Entity Trust	81,620	(5,607)	(3,628)	-
Pine Valley Limited	22	(49)	25	(500)
Robert Monk Transport	-	(604)	-	-

All transactions with related parties are made on normal commercial terms unless otherwise disclosed.
All trade amounts owing to or from related parties are disclosed within related party payables and related party receivables.
No related party debts have been written off or forgiven during the year (2014: $Nil).

Loans and advances to related parties

EastPack Limited has advanced funds of $3,600,000 to EastPack Entity Trust. The outstanding balance is interest bearing at 4.8%, unsecured and repayable on demand.

On 21 December 2009, EastPack Limited advanced $500,000 to Pine Valley Limited at an interest rate of 0% in consideration for the first right of refusal to lease the Pine Valley site. The advance is secured over the investor and transactor shares held by G S Eynon and M J Montgomery.

On 20 December 2013, EastPack Limited advanced $300,000 to Bay Gold Limited at an interest rate of 6.9%. This loan is secured by transactor shares held by Bay Gold Limited and its related entities. $100,000 remains outstanding as at 31 December 2015 (2014:$200,000).

Guarantees provided to related parties

EastPack Entity Trust holds an all obligations unlimited guarantee from EastPack Ltd

30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

c) Transactions with subsidiaries and associates

The Company has transacted with it's subsidiaries and associates during the year as follows:

Related Party	Relationship	Nature of transactions
Eastpack Kiwifruit Operations Ltd	Subsidary of Eastpack Ltd	EastPack Limited provides coolstorage, packing and transport services to EastPack Kiwifruit Operations Ltd.
Southlink Supply	Subsidary of Eastpack Ltd	Southlink Supply Ltd acts as an agent to supply logistic services to Eastpack Limited.
Eastpack Avocado Company Limited	Subsidary of Eastpack Ltd	EastPack Avocado Company Limited sells avocado fruit on behalf of EastPack Limited.
Eastpack Satara Limited	Subsidary of Eastpack Ltd	EastPack Limited provided coolstorage, packing and transport services to EastPack Satara Limited prior to amalgamation. EastPack Satara Limited leased coolstore and packhouse facilities to EastPack Limited.
Kiwi Produce Limited	Associate of Eastpack Ltd	Kiwi Produce Limited sells Class 2 and local market kiwifruit on behalf of EastPack Limited.
Tauranga Kiwifruit Logistics Limited	Subsidary of Southlink Supply Ltd	Tauranga Kiwifruit Logistics Limited provides cartage services to EastPack Limited.
The Nutritious Kiwifruit Company Limited	Associate of Eastpack Ltd	Kiwi Produce Limited sells Class 2 and local market kiwifruit on behalf of EastPack Limited.

2015 - Transactions and balances with subsidiaries and associates

Related Party	Receipts ($000's)	Payments ($000's)	Trade Balance Receivable / (Payable) ($000's)	Loan Outstanding ($000's)
Eastpack Avocado Company Limited	-	-	-	-
Eastpack Kiwifruit Operations Ltd	15	(763)	534	(4,098)
Eastpack Satara Ltd	-	(2,156)		
Kiwi Produce Limited	103	(60)	(10)	-
Southlink Supply	2,093	(744)	(364)	-
Tauranga Kiwifruit Logistics Limited	2,896	(243)	26	-
The Nutritious Kiwifruit Company Limited	-	(3,870)	-	-

30. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

2014 - Transactions and balances with subsidiaries and associates

Related Party	Receipts ($000's)	Payments ($000's)	Trade Balance Receivable / (Payable) ($000's)	Loan Outstanding ($000's)
Eastpack Kiwifruit Operations Ltd	207	(764)	37	(4,182)
Eastpack Satara Limited	134	(2,284)	-	(2,718)
Kiwi Produce Limited	27	(108)	(17)	-
Satara Kiwifruit Supply Limited	905	(154)	-	-
Southlink Supply	1,189	(3,035)	(46)	(60)
Tauranga Kiwifruit Logistics Limited	2,272	(128)	(11)	-
The Nutritious Kiwifruit Company Limited	-	(2,225)	(5)	-

In addition to the transactions above, EastPack Limited also charges EastPack Kiwifruit Operations Limited packaging and transport costs. EastPack Kiwifruit Operations Limited incurs these costs as part of it's leased orchard operations. Packaging and transport costs are charged at the standard rates.

Guarantees with subsidiaries and associates

An all obligations unlimited interlocking company guarantee exists between EastPack Ltd and EastPack Kiwifruit Operations Ltd.

Te Matai Kiwi Partnership has a guarantee for the amount of $150,000, plus interest and costs in terms of the BNZ's standard guarantee form from EastPack Ltd.

No related party debts have been written off or forgiven during the year (2014: $Nil).

31. CONTINGENT LIABILITIES

In March 2015, quality staff working for Zespri International Limited identified metal fragments adhering to the outside skin of some sampled gold kiwifruit during a standard export consignment product inspection, whereby the fruit was supplied by Southlink Supply Limited and packed by EastPack Limited. In response to this incident, EastPack Limited undertook to repack all on-shore kiwifruit that originated from the same packing line as the contaminated pallet and failed to find any further contamination. However, Zespri made the decision to dump 94,822 trays of export grade Class I gold kiwifruit which were believed to be contaminated with metal particles. Following this, a formal claim has since been made by Zespri International Limited against EastPack Limited for losses of $521,000 (plus GST) and investigation and legal costs in relation to the trays alleged to be contaminated with metal filings. EastPack Limited has disputed this claim on the basis that EastPack Limited believes Zespri did not attempt to mitigate its alleged losses. EastPack Limited has also submitted an insurance claim relating to the damages sought by Zespri, whereby the insurers have confirmed indemnity under the Company's insurance policies. On the basis of this information, it is anticipated that EastPack Limited's financial exposure is minimal.

In October 2015, employees and contractors for EastPack Kiwifruit Operations Limited sprayed approximately 10 hectares of leased and managed orchards with faulty cyan (hi-cane) product, which is expected to have a negative impact on potential fruit production. The approximate value of the lost fruit production is yet to be established and will not be known until the end of the 2016 kiwifruit season. EastPack Limited has submitted an insurance claim relating to the potential loss in fruit value, whereby the insurers have confirmed indemnity under the Company's insurance policies. On the basis of this information, it is anticipated that EastPack Limited's financial exposure is minimal.

In October 2015, EastPack Limited packed and shipped three pallets of avocados (on behalf of its avocado exporter) to Thailand without the appropriate pest clearance. The Thai authorities disposed of the three pallets, and the exporter is looking to recover the fruit value and related costs from EastPack Limited to the value of approximately $28,000. EastPack Limited has submitted an insurance claim relating to these costs and the insurers are currently assessing the claim. It is anticipated that this insurance claim will be accepted. If it is not accepted, the maximum financial exposure to EastPack Limited is $28,000.

As at 31 December 2014, there were no contingent liabilities.

32. COMMITMENTS

		GROUP AND PARENT	
		2015 ($000's)	2014 ($000's)
Estimated capital expenditure contracted for at balance date but not provided for:		11,966	4,106
Operating lease commitments			
Lease commitments under non-cancelable operating leases			
	Less than 1 year	525	257
	Between one and five years	1,216	148
	Greater than five years	-	-
Total operating lease commitments		1,741	405

All operating lease commitments relate to coolstore and packhouse facilities. The leases vary from one year to five years.

33. SIGNIFICANT EVENTS AFTER BALANCE DATE

The board of directors has proposed, subject to audit, a payment of a final dividend of 3.6 cents per investor share fully imputed, to be paid on or before 31 March 2016.

On 22 January 2016, EastPack purchased the property at 84 Waioeka Rd, Opotiki, adjacent to the Opotiki packhouse. The purchase was treated as a capital commitment at balance date.

COMPANY DETAILS

Washer Road

Head Office
1 Washer Road, Te Puke, 3187
P O Box 243, Te Puke, 3153
Phone: 07 573 0900 • Fax: 07 573 8604
Freephone: 0800 722 554
Email: admin@eastpack.co.nz

Edgecumbe

678 East Bank Road, PO Box 45
Phone: 07 304 8226 • Fax: 07 304 8262
Freephone: 0800 722 554
Edgecumbe Email: edgecumbework@eastpack.co.nz

Te Puke

40 Te Puke Quarry Road
Phone: 07 573 9309 • Fax: 07 573 9310
Email: tepuke@eastpack.co.nz
Collins Lane
Phone: 07 573 8075

Whangarei

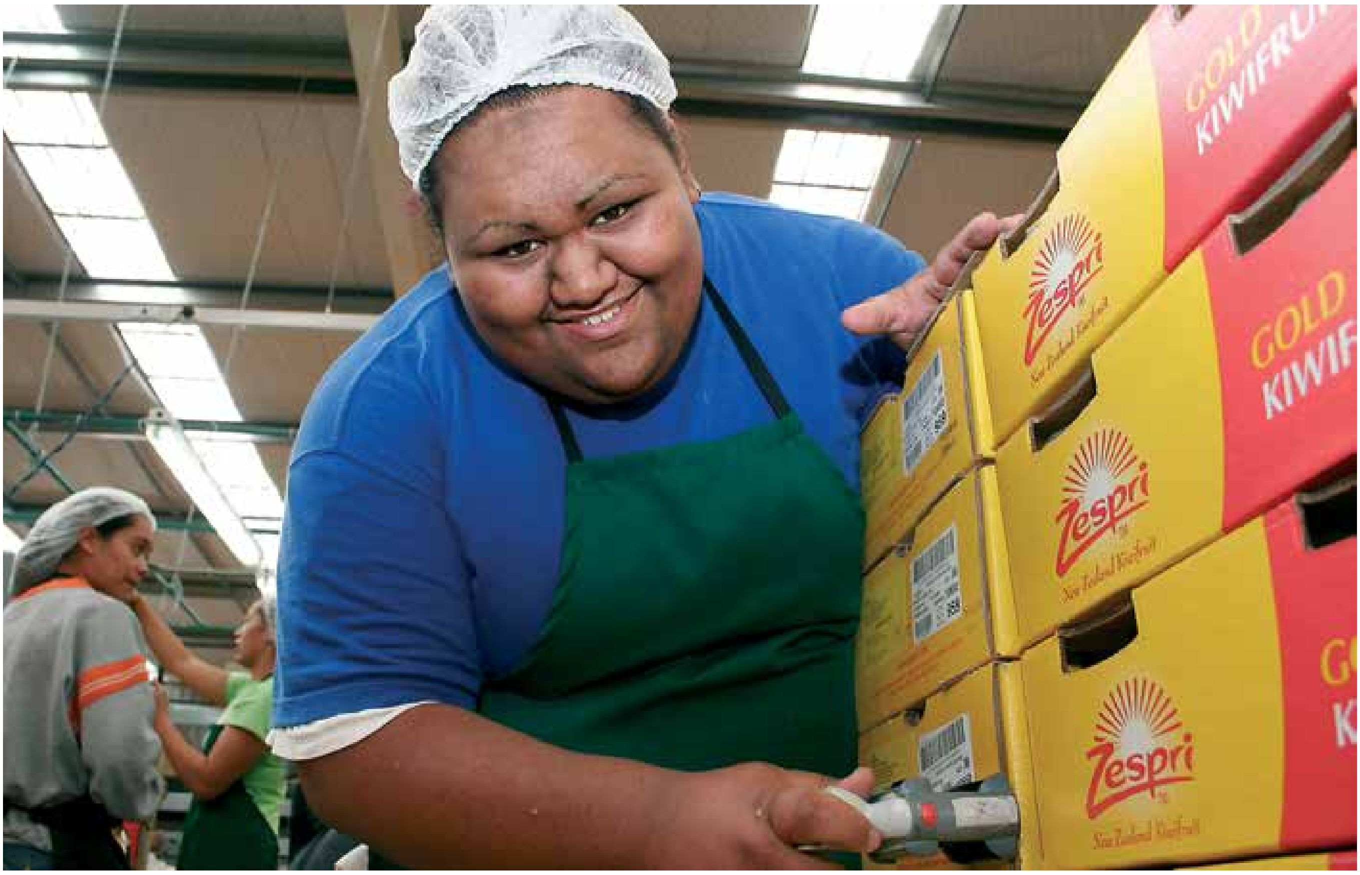
Cnr Ngunguru & Maruata Rds, Glenbervie
Phone: 09 437 3003 • Fax: 09 437 3013

Opotiki

3 Stoney Creek Road
Phone: 07 315 5226 • Fax: 07 315 5224
Email: opotiki@eastpack.co.nz

Katikati

28 Marshall Road
Phone: 07 549 0008 • Fax: 07 549 1299



EASTPACK LIMITED
TOP 20 SHAREHOLDERS
AS AT 31 DECEMBER 2015

Shareholder	Investor Shares Held	Transactor Shares Held
Trinity Lands Ltd	1,619,486	452,502
Pine Valley Orchard Ltd	1,680,000	325,898
Montrose Partnership	1,483,736	151,854
Wotton Trust	948,942	342,683
Cape Fruit Co. Ltd	874,954	240,604
Tirohanga Fruit Co Ltd	709,852	179,336
Franklin, C A	567,194	220,124
Reekie K J Family Trust	548,954	211,544
Blennerhassett & Son Ltd	580,108	170,408
Flowers, R J Ltd	632,186	115,684
Windmill Trust	561,286	124,039
Casey, E & N	390,197	270,662
Kiwimac Limited	400,000	252,468
West RJ & K	422,080	216,858
Wedge Co Ltd	392,598	157,360
Maple Orchards Ltd	400,000	109,518
Simise Trust	492,032	-
Kopuatawhiti Trust	310,850	147,127
Allen Orchards Ltd	324,212	132,019
Otara Land Company Limited	298,778	135,123

staplesrodway
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the shareholders of EastPack Limited

Report on the Financial Statements

We have audited the accompanying financial statements of EastPack Limited (the 'Company') and its subsidiaries (together the 'Group') on pages 12 to 48, which comprise the Statement of Financial Position of the Company and Group as at 31 December 2015, the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company and Group for the year 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 and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 the internal controls relevant to the Company and Group's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and Group's internal controls. 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 provided other services to the Company and Group in relation to taxation and scrutineering services. We have no other relationship with, or interests in, the Company or Group.

Opinion

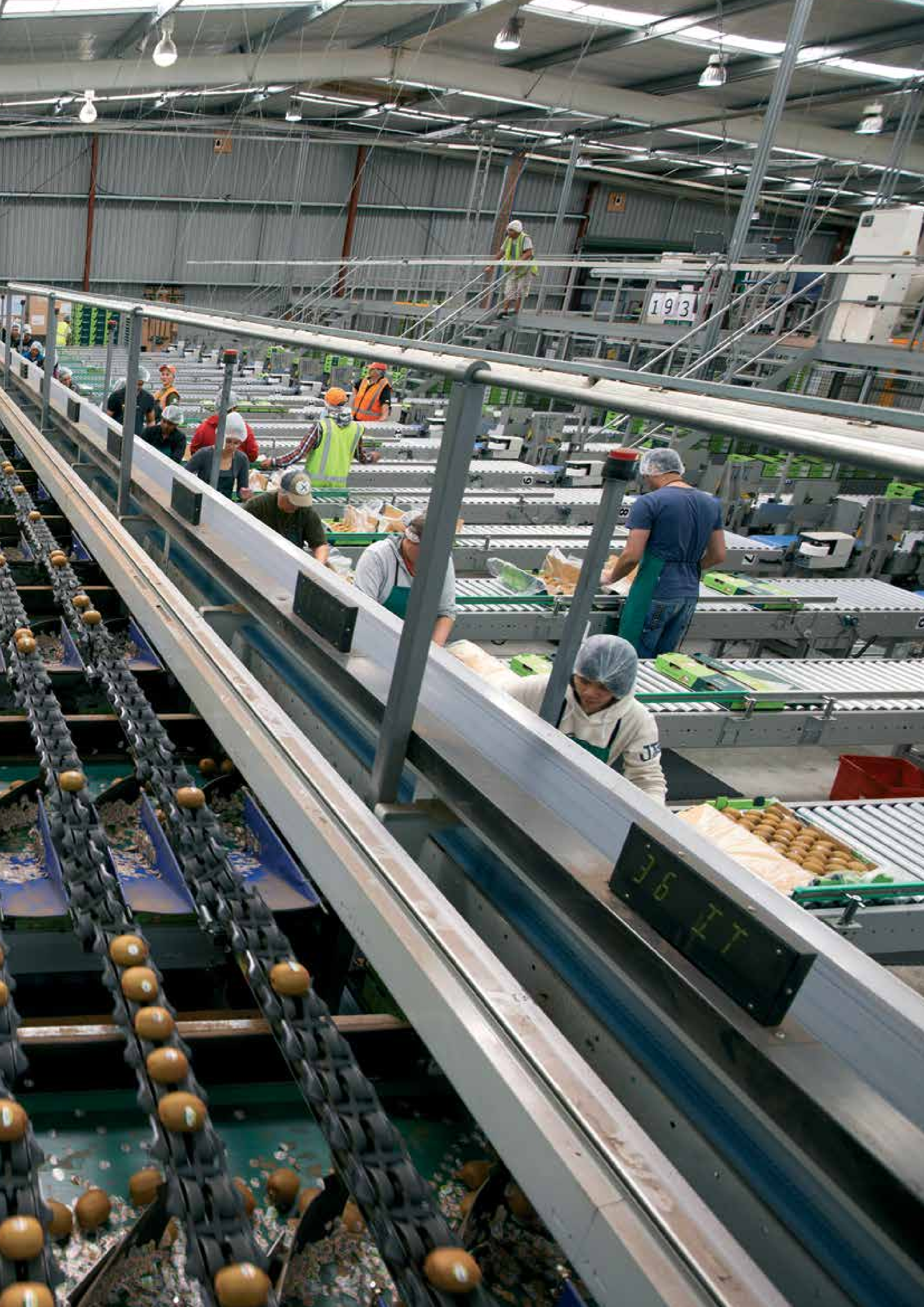
In our opinion, the financial statements on pages 12 to 48 present fairly, in all material respects, the financial position of the Company and Group as at 31 December 2015 and the financial performance and cash flows of the Company and Group for the year then ended in accordance with International Financial Reporting Standards.

Staples Rodway

STAPLES RODWAY WAIKATO
HAMILTON

23 February 2016

EastPack
WORLD CLASS ORCHARD TO MARKET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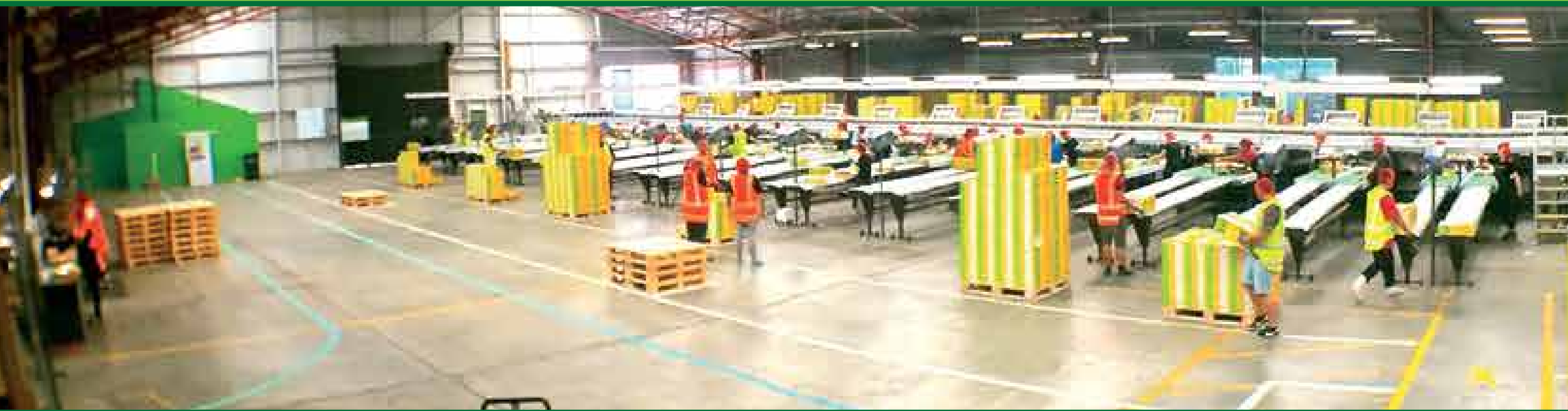

www.eastpack.co.nz