

# Interim Report

JUNE 2022



**EastPack**  
Growers at heart



# EastPack Ltd

## Interim Financial Statements

Six months to June 2022

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## Consolidated Income Statement

For the six months ended 30 June 2022

	NOTES	6 MONTHS TO JUNE 2022 UNAUDITED (\$'000'S)	6 MONTHS TO JUNE 2021 UNAUDITED (\$'000'S)	12 MONTHS TO DECEMBER 2021 AUDITED (\$'000'S)
Revenue	1	177,698	171,251	233,468
Packaging materials		(38,206)	(42,736)	(43,891)
Employee benefits expense		(65,658)	(61,462)	(98,434)
Directors compensation		(234)	(234)	(511)
Other expenses		(34,357)	(36,022)	(51,132)
<b>Earnings before interest, tax and depreciation</b>		<b>138,455</b>	<b>140,454</b>	<b>193,968</b>
Depreciation		(10,932)	(9,832)	(21,006)
<b>Earnings before interest and tax</b>		<b>28,311</b>	<b>20,965</b>	<b>18,494</b>
Finance income including unrealised gains on interest rate swaps		1,040	743	2,048
Interest expense		(2,755)	(2,179)	(4,336)
Net finance costs		(1,715)	(1,436)	(2,288)
<b>Earnings before tax</b>		<b>26,596</b>	<b>19,529</b>	<b>16,206</b>
<b>Net profit/(loss) before taxation</b>		<b>26,596</b>	<b>19,529</b>	<b>16,206</b>
Taxation Expense		(7,138)	(5,221)	(3,860)
<b>Net profit after taxation</b>		<b>19,458</b>	<b>14,308</b>	<b>12,346</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share		\$0.19	\$0.14	\$0.12

The accompanying notes form an integral part of these financial statements

## Consolidated Statement of other Comprehensive Income

For the six months ended 30 June 2022

	NOTES	6 MONTHS TO JUNE 2022 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2021 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2021 AUDITED (\$000'S)
Net profit after taxation		19,458	14,308	12,346
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain/(Loss) on revaluation of property, plant and equipment, net of tax		-	-	25,921
Changes in the fair value of equity investments		(13)	1,134	259
<b>Other comprehensive income for the period</b>		<b>(13)</b>	<b>1,134</b>	<b>26,180</b>
<b>Total comprehensive income for the period</b>		<b>19,445</b>	<b>15,442</b>	<b>38,526</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the company		19,445	15,442	38,526
<b>Total comprehensive income for the period</b>		<b>19,445</b>	<b>15,442</b>	<b>38,526</b>

## Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	NOTES	SHARE CAPITAL (\$000'S)	OTHER RESERVES (\$000'S)	RETAINED EARNINGS (\$000'S)	TOTAL (\$000'S)
<b>Opening balance 1 January 2021 (audited)</b>		44,807	54,012	51,859	150,678
<b>Net profit after taxation</b>		-	-	14,308	14,308
Other comprehensive income, net of tax		-	1,134	-	1,134
<b>Total comprehensive income for the period</b>		-	1,134	14,308	15,442
Dividends paid	4	-	-	(2,530)	(2,530)
<b>Closing balance 30 June 2021</b>		<b>44,807</b>	<b>55,146</b>	<b>63,637</b>	<b>163,590</b>
<b>Opening balance 1 January 2022 (audited)</b>		<b>44,805</b>	<b>74,800</b>	<b>67,054</b>	<b>186,659</b>
<b>Net profit after taxation</b>		-	-	19,458	19,458
Other comprehensive income, net of tax		-	(13)	-	(13)
<b>Total comprehensive income</b>		-	(13)	19,458	19,445
Dividends paid	4	-	-	(4,130)	(4,130)
Reclassification on disposal of financial assets at FVOCI		-	(643)	643	-
Shares issued under dividend reinvestment programme	3	38	-	-	38
<b>Closing balance 30 June 2022</b>		<b>44,843</b>	<b>74,144</b>	<b>83,025</b>	<b>202,012</b>

The accompanying notes form an integral part of these financial statements

## Consolidated Statement of Financial Position

As at 30 June 2022

	NOTES	JUNE 2022 UNAUDITED (\$'000'S)	JUNE 2021 UNAUDITED (\$'000'S)	DECEMBER 2021 AUDITED (\$'000'S)
<b>EQUITY</b>				
Share capital	3	44,843	44,807	44,805
Reserves		74,144	55,146	74,800
Retained earnings		83,025	63,637	67,054
Total equity		202,012	163,590	186,659
<b>NON CURRENT LIABILITIES</b>				
Deferred taxation		18,370	12,717	18,837
Refunds due to resigned shareholders		121	39	121
Borrowings	5	150,000	130,000	100,000
Lease liabilities		2,413	3,539	2,711
Total non current liabilities		170,904	146,295	121,669
<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents		-	731	-
Borrowings	5	23,000	21,000	13,500
Lease liabilities		1,419	1,409	1,899
Trade and other payables	6	23,115	28,139	19,934
Employee entitlements	7	3,498	2,444	2,479
Provision for taxation		6,510	3,409	2,705
Refunds due to resigned shareholders		55	601	353
Contract liabilities		1,246	1,246	1,246
Total current liabilities		58,843	58,979	42,120
<b>TOTAL FUNDS EMPLOYED/LIABILITIES</b>		<b>431,759</b>	<b>368,864</b>	<b>350,448</b>
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment (PPE)	8	337,433	270,051	311,344
Right of use assets (ROU)		4,756	5,384	4,984
Derivative financial instruments		3,088	743	2,048
Investments		1,556	8,482	2,224
Total non current assets		346,833	284,660	320,600
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		452	-	6,364
Trade and other receivables	9	79,070	81,860	17,072
Biological assets	10	178	202	4,096
Inventories	11	5,226	2,142	2,316
Total current assets		84,926	84,204	29,848
<b>TOTAL ASSETS</b>		<b>431,759</b>	<b>368,864</b>	<b>350,448</b>

For and on behalf of the Board



John Loughlin – Chairman



Ngaire Scott – Director

The accompanying notes form an integral part of these financial statements

## Statement of Cash Flows

For the six months ended 30 June 2022

	NOTES	6 MONTHS TO JUNE 2022 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2021 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2021 AUDITED (\$000'S)
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Receipts from customers		143,938	129,334	227,937
Interest received		95	163	184
Dividends received		24	14	1,359
		144,057	129,511	229,480
Cash was applied to:				
Payments to suppliers and employees		(137,482)	(126,699)	(194,536)
Interest paid		(2,642)	(2,030)	(4,091)
Lease interest paid		(113)	(203)	(299)
Taxation paid		(3,337)	(2,742)	(1,643)
		(143,574)	(131,674)	(200,569)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	2	483	(2,163)	28,911
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Sale of Investments		655	-	5,382
		655	-	5,382
Cash was applied to:				
Purchase of investments		-	(1)	-
Advances to grower entity		(28,357)	(25,427)	-
Purchase of property, plant and equipment		(32,450)	(20,177)	(38,224)
		(60,807)	(45,605)	(38,224)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(60,152)	(45,605)	(32,842)
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Issue of ordinary shares		-	-	1,608
Proceeds from borrowings		59,500	46,000	8,500
		59,500	46,000	10,108
Cash was applied to:				
Payment of lease liability		(1,353)	(1,416)	(2,086)
Payment of dividends		(4,130)	(2,530)	(2,544)
Redemption of shares		(260)	(425)	(591)
		(5,743)	(4,371)	(5,221)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		53,757	41,629	4,887
Net increase/(decrease) in cash and cash equivalents		(5,912)	(6,139)	956
Opening cash and cash equivalents		6,364	5,408	5,408
Closing cash and cash equivalents		452	(731)	6,364

The accompanying notes form an integral part of these financial statements





## Notes to the Interim Financial Statements

For the six months ended 30 June 2022

This section contains the notes to the interim consolidated financial statement for EastPack Limited, its subsidiaries and associates. To give stakeholders a clear insight into how EastPack organises its business, the note disclosures are grouped into six sections:

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## Basis of Preparation

### Reporting entity and statutory base

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 FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013.

The interim consolidated financial statements for the "Group" are for the economic entity comprising the Company and its subsidiaries. The interim financial statements of the Group have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013.

### Nature of operations

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

### Statement of compliance and basis of preparation

Group consolidated interim financial statements for the six month reporting period ended 30 June 2022 have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ("NZ GAAP") and the NZ IAS 34, Interim Financial Reporting. Comparative information has been updated to be consistent with current year presentation where appropriate. For the purposes of complying with NZ GAAP, the Company is a for-profit entity. The financial statements also comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS").

The unaudited consolidated interim financial information has been prepared utilising the same accounting policies and method of computation as the 31 December 2021 financial statements. The interim financial statements should be read in conjunction with those financial statements, which have been prepared in accordance with NZ IFRS.

The significant accounting policies applied in the preparation of the interim financial statements are set out in the respective notes below.

The interim financial statements were approved by the Board of Directors on XX XXXX 2022. Once issued, the Directors do not have the power to amend these interim financial statements.

### Going concern assumption

The interim financial statements have been prepared on a going concern basis.

### Seasonal nature of Group operations

A high proportion of the Groups' revenue is generated and cost of sales incurred in the Autumn and Winter when produce is harvested. Accordingly, a high proportion of the Group's earnings is shown in this interim report. Seasonal fluctuations impact the timing of gross profit.

### Goods and Services Tax (GST)

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.

### Impact of standards issued but not yet applied by the entity

There are no new standards, amendments or interpretations that have been issued and are effective that are expected to have a significant impact on the Group.

## 1. Revenue

The Group's major revenue streams are post harvest operations and orchard management.

	6 MONTHS TO JUNE 2022 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2021 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2021 AUDITED (\$000'S)
Revenue from contracts with customers			
· Post harvest operations	158,412	152,369	206,845
· Orchard management	14,400	15,745	18,301
Total revenue from contracts with customers	172,812	168,114	225,146
Dividends received	24	14	1,359
Rent revenue	26	11	36
Interest revenue	95	163	184
Pollen revenue	-	-	3,042
Gain/(loss) on sale of investments	-	-	132
Other revenue	4,741	2,949	3,569
Total	177,698	171,251	233,468

## 2. Reconciliation of net surplus with cash flow from operating activities

	6 MONTHS TO JUNE 2022 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2021 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2021 AUDITED (\$000'S)
Net profit after tax	19,458	14,308	12,346
<b>Add / (less) Non cash items</b>			
Depreciation	10,932	9,832	21,006
Bonus issue of shares in unlisted companies	-	-	(107)
Deferred tax expense/(income)	466	438	(243)
Derivative Financial Income	(1,040)	(743)	(2,048)
	10,358	9,527	18,608
<b>Movement in Working Capital</b>			
(Decrease)/increase in trade and other payables, excluding movement relating to purchases of property, plant and equipment	(1,501)	12,101	(3,854)
(Decrease)/increase in employee entitlements	1,019	(35)	844
Decrease/(increase) in trade and other receivables	(33,641)	(42,352)	(2,991)
(Increase)/decrease in biological assets	3,918	3,894	(78)
Decrease/(increase) in inventory	(2,910)	174	1,384
(Decrease)/increase in income in advance	-	-	613
Increase/(decrease) in tax payable	3,801	262	2,217
	(29,314)	(25,956)	(1,865)
<b>Items classified as investing/financing activities</b>			
Loss/(gain) on sale of investments	-	-	(132)
Loss/(gain) on sale of property, plant and equipment	(19)	(42)	(46)
	(19)	(42)	(178)
Net cash flow from operating activities	483	(2,163)	28,911

### Accounting Policies

Cash flows statements are prepared using the direct approach. Cash and cash equivalents are shown exclusive of GST.

### 3. Share capital

	JUNE 2022 UNAUDITED NUMBER OF SHARES	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED NUMBER OF SHARES	JUNE 2021 UNAUDITED (\$000'S)
Ordinary Shares as at 1 January	104,615,811	44,805	104,619,317	44,807
Shares issued under dividend reinvestment programme	34,986	38	-	-
Ordinary Shares Balance as at 30 June	104,650,797	44,843	104,619,317	44,807

At reporting date there were 104,650,797 shares on issue which comprises 104,594,088 fully paid shares and 56,709 Nil Paid shares. The Nil Paid shares were issued in June 2020 to be paid in instalments, the final payment was due in June 2022. At year end the outstanding amount on Nil paid shares has been recorded in the Statement of Financial Position as a receivable discounted to reflect the extended payment terms. The model uses assumptions that the shares will be paid on the compulsory payment date and applies a discount rate of 4.87%.

All ordinary shares rank equally subject to the voting cap and are classified as equity. Each shareholder is entitled to one vote per ordinary share up to a maximum that is calculated by reference to the lesser of the number of shares held or that shareholders' New Zealand production supplied to EastPack. The voting rights of shareholders are capped by reference to the individual shareholders' share of total production supplied to the Company during the year.

### 4. Distributions to owners

	6 MONTHS TO JUNE 2022 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2021 UNAUDITED (\$000'S)
Ordinary shares - dividend paid	4,092	2,516
Ordinary Shares - share issued under dividend reinvestment programme	38	14
Total dividends	4,130	2,530

Dividends paid on ordinary shares amounted to 4 cents per share fully imputed (June 2021: 2.5 cents per share).

### 5. Borrowings

	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED (\$000'S)	DECEMBER 2021 AUDITED (\$000'S)
Current portion	23,000	21,000	13,500
Non current portion	150,000	130,000	100,000
<b>Total</b>	<b>173,000</b>	<b>151,000</b>	<b>113,500</b>

The current portion represents borrowings which have a maturity date of less than twelve months from reporting date. An additional \$22m has been drawn against the Groups' total facility of \$192m during the interim period.

## 6. Trade and other Payables

	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED (\$000'S)	DECEMBER 2021 AUDITED (\$000'S)
Trade payables	13,852	20,212	10,315
Sundry payables	7,885	1,841	4,729
GST payable	2,176	2,995	1,799
Related party payables/(receivable)	(798)	3,091	3,091
Total	23,115	28,139	19,934

## 7. Employee Entitlements

	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED (\$000'S)	DECEMBER 2021 AUDITED (\$000'S)
Balance as at 1 January	2,479	1,635	1,635
Net movement in provision	1,019	809	844
Balance as at 30 June	3,498	2,444	2,479
This is represented by:			
Current liability	3,498	2,444	2,479
Non-current liability	-	-	-
Total	3,498	2,444	2,479

## 8. Property, Plant and Equipment

	JUNE 2022			JUNE 2021		
	COST/ VALUATION (\$000'S)	ACCUMULATED DEPRECIATION (\$000'S)	BOOK VALUE (\$000'S)	COST VALUATION (\$000'S)	ACCUMULATED DEPRECIATION (\$000'S)	BOOK VALUE (\$000'S)
Buildings	208,574	46,049	162,525	183,648	40,967	142,681
Land and improvements	47,661	3,563	44,098	36,250	3,220	33,030
Plant and Equipment	188,064	117,981	70,083	165,483	106,073	59,410
Furniture and Fittings	7,552	3,441	4,111	7,190	2,634	4,556
Capital Work in Progress	56,616	-	56,616	30,374	-	30,374
	508,467	171,034	337,433	422,945	152,894	270,051

Key land and improvements and buildings were revalued as at 31 December 2021 to their estimated fair value in accordance with the valuation reports by independent registered valuer, Paul Higson (ANZIV, MPINZ) and Michael Reay (ANZIV, MPINZ) of the firm Telfer Young (Tauranga) Limited ("valuer").

### Movements in carrying amounts

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

	BUILDINGS (\$000'S)	FURNITURE AND FITTINGS (\$000'S)	PLANT AND EQUIPMENT (\$000'S)	LAND AND IMPROVMENTS (\$000'S)	CAPITAL WIP (\$000'S)	TOTAL (\$000'S)
<b>2022</b>						
Balance at 1 January 2022	165,254	4,357	73,148	43,971	24,614	311,344
Additions	382	134	3,052	305	32,535	36,408
Transfers from Capital WIP	-	-	522	-	(522)	-
Disposals	-	(8)	(163)	-	-	(171)
Write off of assets	-	-	(19)	-	-	(19)
Depreciation expense	(3,879)	(372)	(5,700)	(178)	-	(10,129)
Balance at 30 June 2022	161,757	4,111	70,840	44,098	56,627	337,433
<b>2021</b>						
Balance at 1 January 2021	144,444	4,213	56,280	33,110	19,609	257,656
Additions	3,247	798	5,816	90	11,886	21,837
Transfers from Capital WIP	-	-	1,116	-	(1,116)	-
Disposals	-	(50)	(480)	(7)	-	(537)
Write off of assets	-	-	(42)	-	-	(42)
Depreciation expense	(4,081)	(404)	(4,214)	(164)	-	(8,863)
Balance at 30 June 2021	143,610	4,557	58,476	33,029	30,379	270,051

### Accounting Policies

Each class of land and improvements, and buildings is revalued to their estimated fair value on a rolling three year cycle, or more frequently if there is evidence that indicates the carrying value of these may differ significantly from their fair value.

### Critical accounting estimates and judgements

At 31 December 2021 key land and improvements and buildings were revalued in line with policy. As at 30 June 2022 the Directors believe there are no indicators that would suggest that the carrying value of land and buildings differs materially from their fair value and as a consequence there is no need to revalue those assets at 30 June 2022.

## 9. Trade and other Receivables

	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED (\$000'S)	DECEMBER 2021 AUDITED (\$000'S)
Trade receivables	7,809	9,020	10,980
Expected credit loss allowance	(116)	(54)	(116)
Sundry receivables	38,174	43,414	2,991
Prepayments	4,846	4,053	3,217
Related party receivables	28,357	25,427	-
<b>Total</b>	<b>79,070</b>	<b>81,860</b>	<b>17,072</b>

Related party receivables represent temporary advances to EastPack Entity Trust grower pools. These advances will be fully repaid by December 2022.

Sundry receivables includes \$36.4m (June 2021 - \$41.6m) of income for post harvest operations.

### Critical accounting estimates and judgements

The Group has reviewed trade and other receivables for any debtor impairment, credit risk, or any other such risks that may result in non-payment. The Group has not identified any circumstances where further provisioning or impairment of financial instruments is required.

## 10. Biological Assets

	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED (\$000'S)	DECEMBER 2021 AUDITED (\$000'S)
Balance at 1 January	4,096	4,018	4,018
Costs capitalised	178	202	4,096
Costs released to profit and loss	(4,096)	(4,018)	(4,018)
<b>Closing balance</b>	<b>178</b>	<b>202</b>	<b>4,096</b>

### Accounting Policy

Biological assets represent the value of developing the fruit due to be harvested in the following year and are measured at fair value.

### Critical accounting estimates and judgements

The valuation of biological assets uses estimates of market returns to determine value.



## 11. Inventories

	JUNE 2022 UNAUDITED (\$000'S)	JUNE 2021 UNAUDITED (\$000'S)	DECEMBER 2021 AUDITED (\$000'S)
Packaging stock	4,375	398	2,330
Pollen stock	181	885	67
Provision for obsolescence	(538)	(462)	(538)
Other materials and chemicals	1,208	1,321	457
Total	5,226	2,142	2,316

Packaging and other inventory is subject to retention of title clauses

### Critical accounting estimates and judgements

The Group has reviewed inventory for any impairment risks and whether additional provisioning or write-offs are required. The Group considers all inventory will be able to be used in the normal course of business.

## 12. Commitments

As at 30 June 2022 the Group was committed to incur \$31.5m (June 2021 – \$45m) capital expenditure for the expansion of coolstore capacity, extension to packhouses, upgrade of refrigeration equipment and the installation of a new grader and grader technology (Dec 2021 – \$34.9m).

## 13. Transactions with related parties

EastPack Entity Trust is a related party that acts as an administrator of revenues and expenses for the sale of kiwifruit on behalf of growers. EastPack Limited received \$133.5m (June 2021 – \$121.9m) for the provision of services to EastPack Entity Trust.

## 14. Determination of fair values of assets and liabilities

### Fair value measurement for financial assets, non-financial assets and liabilities

The fair value of cash and cash equivalents, trade and other receivables, related party advances, and trade and other payables approximates their carrying value due to their short term nature.

### Fair value measurement

The table below analyses those financial instruments carried at fair value. The different levels of the fair value hierarchy 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.

	LEVEL 1 (\$000'S)	LEVEL 2 (\$000'S)	LEVEL 3 (\$000'S)
<b>2022</b>			
Derivative financial instruments	-	3,088	-
Unlisted equity shares	-	1,480	-
Land and improvements and buildings	-	-	205,855
<b>Total</b>	-	4,568	205,855

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.

#### a) Land and Buildings

The fair value of land and buildings is determined using valuations by an independent valuer as set out in Note 8. In conducting the valuations, the valuer considered 3 different approaches to arrive at the fair value of the land and improvements and buildings. A weighted average of the 3 valuation methods is applied to derive the final valuation, with greater weighting applied to the income capitalisation approach and equal weighting applied to the discounted cash flow approach and market approach. The information below relates to the valuations undertaken at 31 December 2021.

The following shows the significant unobservable inputs used in the valuations and the inter-relationship between the key unobservable inputs and fair value measurement.

Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<b>Current market rental</b>	Higher market rental results in increased fair value. Lower market rental results in a decreased fair value.
<b>Discount rate</b>	Higher discount rate results in decreased fair value. Lower discount rate results in an increased fair value.
<b>Terminal capitalisation rate</b>	Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value.
<b>Current market rental</b>	Higher market rental results in increased fair value. Lower market rental results in a decreased fair value.
<b>Capitalisation rate of return</b>	Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value.
<b>Current market sales</b>	Higher market sales prices results in increased fair value. Lower market sales prices results in a decreased fair value

#### b) Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date a derivative is entered into, and subsequently re-measured to their fair value at each balance date. The fair value is determined based on market rates and quotes provided by Bank of New Zealand.

## 15. Significant events after balance date

A serious frost event occurred in October 2022 with significant damage to some kiwifruit orchards. There may be a significant impact on EastPack's 2023 volumes, and EastPack are currently working with their growers to ascertain the extent of the damage. The financial impact of any reduced volume will form part of the financial statements for the year ended 31 December 2023.



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