

Interim Report

JUNE 2024



EastPack
Growers at heart

EastPack Ltd Interim Financial Statements

Six months to June 2024

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Consolidated Income Statement

For the six months ended 30 June 2024

	NOTES	6 MONTHS TO JUNE 2024 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2023 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2023 AUDITED (\$000'S)
Revenue	1	238,839	172,187	212,574
Packaging materials		(46,120)	(34,328)	(34,975)
Employee benefits expense		(72,053)	(58,989)	(84,659)
Directors compensation		(316)	(292)	(579)
Other expenses		(45,107)	(31,045)	(54,331)
Earnings before net finance costs, tax and depreciation		75,243	47,533	38,030
Depreciation		(12,359)	(10,934)	(23,061)
Earnings before net finance costs and tax		62,884	36,599	14,969
Finance Income including unrealised gain on derivatives		574	(1,480)	94
Interest expense		(8,325)	(7,485)	(14,999)
Net finance Costs		(7,751)	(8,965)	(14,905)
Net profit before taxation		55,133	27,634	64
Taxation expense		(15,629)	(8,107)	(343)
Deferred tax charge		(145)	(93)	183
Net profit/(loss) after taxation		39,359	19,434	(96)
Earnings per share				
Basic and diluted earnings per share		\$0.37	\$0.19	\$0.00

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Other Comprehensive Income

For the six months ended 30 June 2024

	NOTES	6 MONTHS TO JUNE 2024 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2023 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2023 AUDITED (\$000'S)
Net profit/(loss) after taxation		39,359	19,434	(96)
Items that will not be reclassified subsequently to profit or loss				
(Loss)/Gain on revaluation of property, plant and equipment, net of tax		-	-	(729)
Changes in the fair value of equity investments		(1)	(39)	(91)
Total items that will not be reclassified subsequently to profit or loss		(1)	(39)	(820)
Items that may be reclassified subsequently to profit or loss				
Movement in cash flow hedge reserve		881	(32)	(552)
Total items that may be reclassified subsequently to profit or loss		881	(32)	(552)
Total comprehensive income/(loss) for the year		40,239	19,363	(1,468)
Total comprehensive income attributable to:				
Owners of the company		40,239	19,363	(1,468)
Total comprehensive income for the year		40,239	19,363	(1,468)

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	NOTES	SHARE CAPITAL (\$000'S)	OTHER RESERVES (\$000'S)	RETAINED EARNINGS (\$000'S)	TOTAL (\$000'S)
Opening balance 1 January 2023 (audited)		44,843	74,538	70,119	189,500
Net profit after taxation		-	-	19,434	19,434
Other comprehensive income, net of tax		-	(71)	-	(71)
Total comprehensive income for the year		-	(71)	19,434	19,363
Dividends paid	4	-	-	-	-
Ordinary shares issued		3,232	-	-	3,232
Closing balance 30 June 2023		48,075	74,467	89,553	212,095
Opening balance 1 January 2024 (audited)		48,073	73,166	70,023	191,262
Net profit after taxation		-	-	39,359	39,359
Other comprehensive income, net of tax		-	880	-	880
Total comprehensive income		-	880	39,359	40,239
Dividends paid	4	-	-	-	-
Reclassification on disposal of financial assets at FVOCI		-	-	-	-
Cancellation of nil paid shares	3	(1,396)	-	-	(1,396)
Closing balance 30 June 2024		46,677	74,046	109,382	230,105

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Financial Position

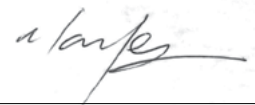
As at 30 June 2024

	NOTES	JUNE 2024 UNAUDITED (\$'000'S)	JUNE 2023 UNAUDITED (\$'000'S)	DECEMBER 2023 AUDITED (\$'000'S)
Equity				
Share capital	3	46,677	48,075	48,073
Other reserves		74,046	74,467	73,166
Retained earnings		109,382	89,553	70,023
Total equity		230,105	212,095	191,262
Non current liabilities				
Derivative financial instruments		-	1,337	354
Deferred taxation		18,571	18,371	18,528
Borrowings	5	177,274	176,829	167,052
Lease liabilities		3,854	3,275	3,023
Total non current liabilities		199,699	199,812	188,957
Current liabilities				
Borrowings	5	29,500	33,000	10,500
Cash and cash equivalents		138	-	-
Lease liabilities		2,251	3,031	2,002
Trade and other payables	6	29,822	20,245	17,828
Employee entitlements	7	2,869	2,754	2,287
Provision for taxation		15,537	7,636	-
Refunds due to resigned shareholders		-	57	-
Income in advance		-	-	1,144
Total current liabilities		80,117	66,723	33,761
Total funds employed/liabilities		509,921	478,630	413,980
Non current assets				
Property, plant and equipment	8	376,371	374,203	372,512
Right of use assets		5,996	6,690	5,727
Derivative financial instruments		1,428	650	377
Investments		1,677	1,598	1,685
Total non current assets		385,472	383,141	380,301
Current assets				
Cash and cash equivalents		-	1	1,076
Trade and other receivables	9	116,373	89,004	20,043
Provision for taxation		-	-	305
Biological assets	10	-	-	4,109
Inventories	11	8,076	6,484	8,146
Total current assets		124,449	95,489	33,679
Total assets		509,921	478,630	413,980

For and on behalf of the Board



Braden Hungerford – Chairman



Mark Yeoman – Director

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

For the six months ended 30 June 2024

	NOTES	6 MONTHS TO JUNE 2024 UNAUDITED (\$'000'S)	6 MONTHS TO JUNE 2023 UNAUDITED (\$'000'S)	12 MONTHS TO DECEMBER 2023 AUDITED (\$'000'S)
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		178,952	127,717	214,215
Interest received		122	249	701
Dividends received		-	14	248
		179,074	127,980	215,164
Cash was applied to:				
Payments to suppliers and employees		(152,235)	(125,232)	(184,199)
Interest paid		(8,211)	(7,445)	(14,415)
Lease interest paid		-	(40)	(329)
Taxation paid		68	(1,542)	(1,134)
		(160,378)	(134,259)	(200,077)
Net cash flows from operating activities	2	18,696	(6,279)	15,087
Cash flows from investing activities				
Cash was applied to:				
Purchase of investments		-	-	-
Advances to grower entity		(36,168)	(26,119)	-
Purchase of property, plant and equipment		(13,150)	(19,987)	(31,349)
		(49,318)	(46,106)	(31,349)
Net cash flows from investing activities		(49,318)	(46,106)	(31,349)
Cash flows from financing activities				
Cash was provided from:				
Issue of ordinary shares		-	3,232	1,891
Proceeds from borrowings		29,222	43,820	11,543
		29,222	47,052	13,434
Cash was applied to:				
Payment of lease liability		444	(1,142)	(2,582)
Redemption of shares		(258)	(10)	-
		186	(1,152)	(2,582)
Net cash flows from financing activities		29,408	45,900	10,852
Net (decrease)/increase in cash and cash equivalents		(1,214)	(6,485)	(5,410)
Opening cash and cash equivalents		1,076	6,486	6,486
Closing cash and cash equivalents		(138)	1	1,076

The accompanying notes form an integral part of these financial statements



Notes to the Interim Financial Statements

For the six months ended 30 June 2024

This section contains the notes to the 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 pack-houses, 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 2024 have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP") and NZ IAS 34, Interim Financial Reporting. 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 audited 31 December 2023 financial statements. The interim financial statements should be read in conjunction with those financial statements, which have been prepared in accordance with NZ IFRS and IFRS.

The consolidated financial statements are presented in New Zealand dollars (NZD), which is the Company's functional currency. All financial information presented in NZD has been rounded to the nearest thousand unless otherwise stated.

The financial statements have been prepared on a historical cost basis, with the following exceptions:

- Available-for-sale investments are measured at fair value.
- Land, land improvements and buildings are remeasured using the revaluation model
- Biological assets are measured at fair value
- Derivative financial instruments are measured at fair value

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

The interim financial statements were approved by the Board of Directors on 12 August 2024. Once issued, the Directors do not have the power to amend these interim financial statements.

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.

Summary of significant changes in accounting policies

The accounting policies have been applied consistently throughout the periods presented in the financial statements.

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 2024 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2023 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2023 AUDITED (\$000'S)
Revenue from contracts with customers			
· Post harvest operations	217,498	156,739	183,464
· Orchard management	15,811	10,524	14,746
Total revenue from contracts with customers	233,309	167,263	198,210
Dividends received	-	14	248
Rent revenue	8	158	160
Interest revenue	122	249	701
Pollen revenue	74	144	3,148
Other revenue	5,326	4,359	10,107
Total	238,839	172,187	212,574

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

	6 MONTHS TO JUNE 2024 UNAUDITED (\$000'S)	6 MONTHS TO JUNE 2023 UNAUDITED (\$000'S)	12 MONTHS TO DECEMBER 2023 AUDITED (\$000'S)
Net profit/(loss) after tax	39,359	19,434	(96)
Add / (less) Non cash items			
Depreciation	12,359	10,934	23,061
Bonus issue of shares in unlisted companies	-	-	(139)
Deferred tax expense/(income)	(145)	(93)	(183)
Derivative financial (income)/expense	(574)	1,480	(94)
	11,640	12,321	22,645
Movement in Working Capital			
Increase/(decrease) in trade and other payables, excluding movement relating to purchases of property, plant and equipment	8,400	(9,112)	(4,938)
Increase/(decrease) in employee entitlements	582	426	(41)
(Increase)/decrease in trade and other receivables	(60,162)	(41,466)	1,376
Decrease/(increase) in biological assets	4,109	4,092	(17)
Decrease/(increase) in inventory	70	(336)	(1,998)
(Decrease)/increase in income in advance	(1,144)	1,705	(561)
Increase/(decrease) in provision for tax	15,842	6,658	(1,283)
	(32,303)	(38,033)	(7,462)
Items classified as investing/financing activities			
Loss/(gain) on sale of investments	-	-	-
Loss/(gain) on sale of property, plant and equipment	-	(1)	-
	-	(1)	-
Net cash flow from operating activities	18,696	(6,279)	15,087

Accounting Policies

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

3. Share capital

	JUNE 2024 UNAUDITED NUMBER OF SHARES	JUNE 2023 UNAUDITED NUMBER OF SHARES	JUNE 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)
Ordinary Shares as at 1 January	106,921,916	104,650,797	48,073	44,843
Cancellation of nil paid shares	(1,013,948)	-	(1,396)	-
Ordinary shares issued	-	1,271,843	-	1,889
Nil paid shares issued	-	971,377	-	1,343
Ordinary Shares Balance as at 30 June	105,907,968	106,894,017	46,677	48,075

At reporting date there were 105,907,968 shares on issue.

In February 2023, the Company completed a share issue for undershared growers. Growers had the option of acquiring their full complement of shares at \$1.42 per share or have their full complement issued over a 2 year period issued at \$1.50 per share payable one third February 2023, one third in February 2024 and a final instalment in February 2025. Following changes to EastPack's shareholding requirements, 1,013,948 Nil paid shares payable in February 2024 and February 2025 were cancelled in March 2024.

All ordinary shares have no par value, 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

In the six months to 30 June 2024 no dividends have been paid (2023: nil).

5. Borrowings

	JUNE 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)	DECEMBER 2023 AUDITED (\$000'S)
Banking facility	179,500	183,000	150,500
Subordinated note	28,810	28,810	28,810
Subordinated note issue costs	(1,536)	(1,981)	(1,758)
Total	206,774	209,829	177,552
Current portion	29,500	33,000	10,500
Non current portion	177,274	176,829	167,052
Total	206,774	209,829	177,552

The current portion represents borrowings which have a maturity date of less than twelve months from reporting date. The Group secured a banking facility in 2022 with a syndicate of 3 banks (ASB Bank, Rabobank, and Bank of New Zealand) with a total facility of \$205m. The facility is in two tranches that mature on 16 October 2025 and 4 November 2025. Bank of New Zealand operate as security agent for the syndicate.

On 4 September 2022, EastPack Limited released a Product Disclosure Statement of subordinated unsecured fixed rate notes to New Zealand retail investors. The note issue offer was subscribed at \$28.8m on 12 December 2022 and issued on 16 December 2022. The bond issue has a term of five years and matures on 16 December 2027 with a fixed 9.15% interest rate for the year to 16 December 2024. The interest rate is set annually at the 5 Year Government bond rate plus a margin of 4.5%. A minimum interest rate of 8.5% applies over the term of the Notes. Transaction costs associated with the issue of the bond totalling \$2.3m were recognised in the profit and loss using the effective interest rate methodology over the term of the Note.

Banking covenants

The Group is subject to various banking covenants as part of the Group's total facility with the syndicate of banks. The Group obtained agreement from its banking syndicate in October 2023 to reduce the 30 June 2024 interest cover ratio. The long term covenants return to agreed levels from 31 December 2024.

6. Trade and other Payables

	JUNE 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)	DECEMBER 2023 AUDITED (\$000'S)
Trade payables	15,167	10,883	6,456
Sundry payables	7,371	5,754	5,890
GST payable	7,284	3,608	2,215
Related party payables	-	-	3,267
Total	29,822	20,245	17,828

7. Employee Entitlements

	JUNE 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)	DECEMBER 2023 AUDITED (\$000'S)
Balance as at 1 January	2,287	2,328	2,328
Net movement in provision	582	426	(41)
Closing Balance	2,869	2,754	2,287
This is represented by:			
Current liability	2,869	2,754	2,287
Non-current liability	-	-	-
Total	2,869	2,754	2,287

8. Property, Plant and Equipment

	JUNE 2024			JUNE 2023		
	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	285,666	62,496	223,170	252,758	73,406	179,352
Land and improvements	48,486	4,261	44,225	49,580	3,886	45,694
Plant and equipment	209,231	124,333	84,898	180,527	111,809	68,718
Furniture and fittings	8,209	4,046	4,163	7,641	3,398	4,243
Capital work in progress	19,915	-	19,915	76,196	-	76,196
Total	571,507	195,136	376,371	566,702	192,499	374,203

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

	JUNE 2024 (\$000'S)	JUNE 2023 (\$000'S)
Buildings	163,026	116,182
Land and improvements	23,147	23,332

Key land and improvements and buildings were revalued to their estimated fair value in accordance with the valuation reports dated 28 November 2023 by independent registered valuer, Paul Higson (ANZIV, MPINZ) and Michael Reay (ANZIV, MPINZ) of the firm CBRE ("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 current financial period are as follows:

	BUILDINGS (\$000'S)	LAND AND IMPROVMENTS (\$000'S)	PLANT AND EQUIPMENT (\$000'S)	FURNITURE AND FITTINGS (\$000'S)	CAPITAL WIP (\$000'S)	TOTAL (\$000'S)
2024						
Balance at 1 January 2024	227,024	44,226	86,740	4,153	10,369	372,512
Additions	-	-	248	-	14,963	15,211
Transfers from Capital WIP	359	188	4,555	315	(5,417)	-
Revaluations	-	-	-	-	-	-
Disposals	-	-	(52)	-	-	(52)
Depreciation expense	(4,213)	(189)	(6,593)	(305)	-	(11,300)
Carrying amount at 30 June 2024	223,170	44,225	84,898	4,163	19,915	376,371

	BUILDINGS (\$000'S)	LAND AND IMPROVMENTS (\$000'S)	PLANT AND EQUIPMENT (\$000'S)	FURNITURE AND FITTINGS (\$000'S)	CAPITAL WIP (\$000'S)	TOTAL (\$000'S)
2023						
Balance at 1 January 2023	182,680	45,661	69,147	4,377	58,155	360,020
Additions	324	223	5,228	223	18,043	24,041
Transfers from Capital WIP	-	-	-	2	(2)	-
Leases completed	-	-	576	-	-	576
Disposals	(2)	-	(528)	(8)	-	(538)
Write off of assets	-	-	(1)	-	-	(1)
Depreciation expense	(3,650)	(190)	(5,704)	(351)	-	(9,895)
Carrying amount at 30 June 2023	179,352	45,694	68,718	4,243	76,196	374,203

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.

9. Trade and other Receivables

	JUNE 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)	DECEMBER 2023 AUDITED (\$000'S)
Trade receivables	6,453	7,410	10,750
Expected credit loss allowance	(34)	(34)	(34)
Accrued income and sundry receivables	67,189	49,749	4,942
Prepayments	6,587	5,737	4,374
Related party receivables	36,178	26,142	10
Associate receivables	-	-	1
Total	116,373	89,004	20,043

Related party receivables represent temporary advances to EastPack Entity Trust grower pools. These advances will be fully repaid by December 2024.

Sundry receivables includes \$46.0m (June 2023 - \$38.4m) 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 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)	DECEMBER 2023 AUDITED (\$000'S)
Balance at 1 January	4,109	4,092	4,092
Costs capitalised	-	-	4,109
Costs released to profit and loss	(4,109)	(4,092)	(4,092)
Closing Balance	-	-	4,109

Accounting Policy

Biological assets represent the value of developing the fruit on leased orchards that is 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 2024 UNAUDITED (\$000'S)	JUNE 2023 UNAUDITED (\$000'S)	DECEMBER 2023 AUDITED (\$000'S)
Packaging stock	4,019	4,724	4,101
Pollen stock	3,675	1,729	3,713
Provision for obsolescence	(17)	(186)	(17)
Other materials and chemicals	399	217	349
Total	8,076	6,484	8,146

Packaging and other inventory is subject to retention of title clauses.

Accounting Policy

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.

12. 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 \$213.9m (June 2023: \$154.6m) for the provision of services to EastPack Entity Trust.

13. 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, 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.

2024	LEVEL 1 (\$000'S)	LEVEL 2 (\$000'S)	LEVEL 3 (\$000'S)
Derivative financial instruments – asset	-	1,428	-
Derivative financial instruments – liability	-	-	-
Unlisted equity shares	-	1,602	-
Land and improvements and buildings	-	-	267,395
	-	3,030	267,395

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 2023.

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
Current market rental	Higher market rental results in increased fair value. Lower market rental results in a decreased fair value.
Discount rate	Higher discount rate results in decreased fair value. Lower discount rate results in an increased fair value.
Terminal capitalisation rate	Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value.
Capitalisation rate of return	Higher capitalisation rate results in decreased fair value. Lower capitalisation rate results in a increased fair value.
Current market sales	Higher market sales results in increased fair value. Lower market sales 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 and ASB.

14. Commitments

As at 30 June 2024 the Group was committed to incur \$20.8m (June 2023 – \$2.9m) 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.

15. Significant events after the reporting date

There have been no material events occurring subsequent to the reporting date requiring adjustment to our disclosure in the financial statements.



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