

*Celebrating*

40

*years*



**HUME**

Katikati's  
Kiwifruit  
Company





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## OUR MISSION

“Enable our people to do  
the best work of their lives”



“ I am delighted to report we delivered some of our best cost of production and fruit quality numbers that our business has ever achieved. ”





# CEO Report

With the 2024 season now in full swing, below is a reflection on 2023. I am immensely proud of what we have achieved together in exceptionally challenging circumstances and I am excited about the opportunities that lie ahead.

Despite the unprecedented challenges brought about by unfavourable environmental conditions and a difficult avocado outlook, our unwavering commitment to excellence and resilience enabled us to navigate through and emerge stronger.

I am delighted to report we delivered some of our best cost of production and fruit quality numbers that our business has ever achieved. Unfortunately for us, these results were diluted back over low tray numbers which is reflected in our financial result. These accomplishments are a testament to the dedication and hard work of our talented team, whose passion and creativity continue to drive our success. With the volume outlook for 2024 much more favourable, our team is poised to repeat this performance on a larger scale.

Our OGR returns for all varieties were significantly ahead of industry which reflects the fruit quality supplied and the focus we had on making the best of a low volume season for growers. Gold was \$0.26 above industry, Green \$0.45 above, HE \$0.06 above and Red \$0.43 above. In a year where every cent and every tray counted more than normal, we are proud to have delivered better returns and supplied more fruit to market for our growers.

At Hume we understand the importance of sustainability and business responsibility. Throughout the year, we have remained steadfast in our commitment to making a positive impact on our community and environment. We have continued to support deserving local causes and continue to search for ways to reduce the footprint of our business for the benefit of the next generation.

Looking ahead, we are poised for even greater success. Our strategic roadmap for the future is built on innovation, agility and customer-centricity. We are committed to rebounding financially from a tough couple of years and ensuring that we continue to deliver value to our team, growers, shareholders, kiwifruit industry and the local community. I am confident that with our collective efforts, we will achieve these milestones and surpass expectations.

I would like to express my sincere gratitude to our shareholders for their continued support and trust in our vision. To our dedicated employees, thank you for your hard work and unwavering commitment to excellence. And to our valued growers and industry partners, thank you for your collaboration and loyalty.

As we embark on the next chapter of our journey, I am filled with optimism and enthusiasm for what lies ahead. Together, we will continue to innovate, grow and create value for all our stakeholders.

On behalf of our team – thank you for your continued support, and we look forward to delivering exceptional value into the future.



**Simon Bowker - CEO**





# Chairman's Report

I am pleased to present to you our company's annual report for 2024. As we reflect on the past year, I am filled with pride and gratitude for what we have accomplished together as we look forward to the future.

In the face of significant challenges, our team has demonstrated remarkable resilience, adaptability and determination. Despite the uncertainties posed following the frost and unfavourable avocado outlook, we have remained focused on our goals and have achieved notable success. The Board has immense confidence in the leadership across the business with our team continuing to thrive on the opportunity to take full ownership.

When the frost hit on 7 October we knew that it would shape the outcome of the season for our business operationally and financially. I felt the impact firsthand with my own orchard also being frosted. Initially we thought the impact would have sat around 25% but as the season unfolded, the end result was a reduction of over 35% in the trays packed. In a business that generates its return on units handled, our financial result was inevitable when you suffer such a hit.

The other notable impact was the closure of KauriPak after the business and local avocado industry had been in steady decline. While a challenging decision for the Board to make, it was the right decision for the business, shareholders and growers overall. In challenging times, consolidation for the avocado industry will deliver better value for growers as economies of scale can be realised and greater resilience built for the long-term.

Looking forward, we are excited about the opportunities that lie ahead. Over the past seven months we have been able to reshape the Board and bring together a diverse range of people, skills and experience. With this complete, it has enabled us to review our strategic plan

through a fresh set of eyes. Our strategic priorities for the coming year are focused on further market expansion to maintain market share and reduce geographical risk, innovation, grower experience enhancement and ensuring that we continue to give back to our staff and shareholders. With a clear vision, strong leadership, and the collective efforts of our talented team, I am confident that we will continue to achieve sustainable growth and deliver long-term value to all our stakeholders.

I would like to extend my heartfelt thanks to our shareholders for their unwavering support and confidence in our company's vision and mission. To our dedicated employees, thank you for your hard work, commitment and passion.

As we embark on the next phase of our journey, I am filled with optimism and enthusiasm for what we can accomplish. Together, we will continue to innovate, evolve and make a positive difference in the kiwifruit industry.

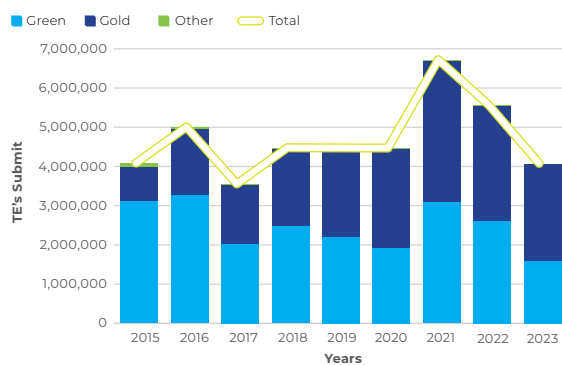
After 40 years in business, starting from my father's vision that kiwifruit could change the local community, I would like to thank you on behalf of the Hume family for your continued belief in Hume.



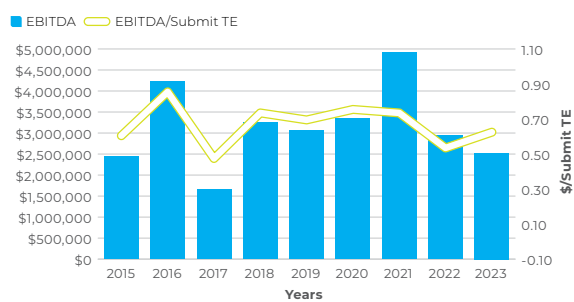
**ML Hume - Chairman**



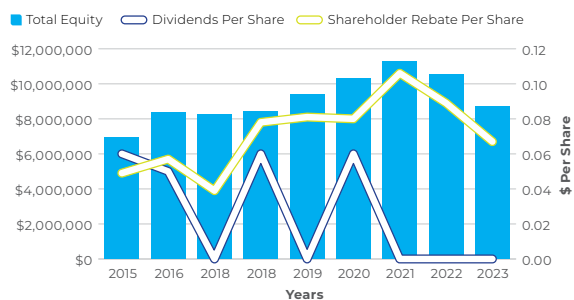
## CLASS 1 SUBMIT



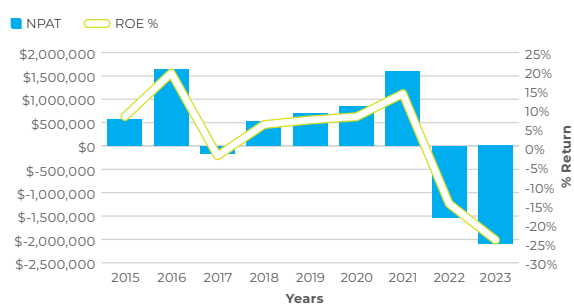
## EBITDA, EBITDA/SUBMIT TE



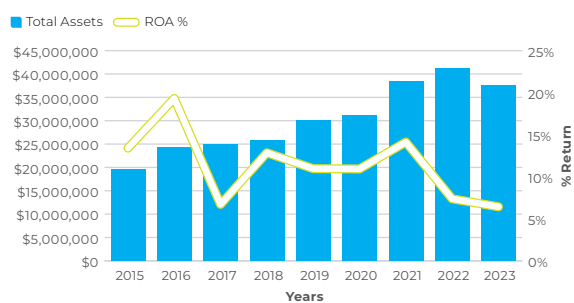
## EQUITY, SHAREHOLDERS REBATES AND DIVIDENDS RETURNED



## RETURN ON EQUITY



## RETURN ON ASSETS (EBITDA/ASSETS)









## Sponsorship

With 2024 representing 40 years in business for Hume Pack-N-Cool, we know that this milestone would not be possible without the continued support of our local community. Hume was launched in 1984 by farmer and community leader, the late Dave Hume. Dave was a respected member of the community who served as a Western Bay of Plenty District Councillor for more than 20 years, and chaired Katikati Community Board. He was a widely respected member of our community and was affectionately called the unofficial mayor of Katikati. Those who knew him best recount stories of a man who was passionate about the area and community. Fast-forward 40 years and we still pride ourselves on Dave's beliefs.

Below are a list of the events and initiatives we have been proud to support in 2023:

- Looking after those who look after us by supporting the Katikati Fire Brigade Fishing Tournament
- Kickstarting the next generation by supporting Katikati Football First Kicks as well as the First XI football team
- Keeping the community walking on water through Waihi Beach Surfing for Farmers supporting local farmers and growers
- Ensuring a diverse community by supporting the BOP Sport and Cultural Club
- Acknowledging future community leaders by supporting Katikati College's First In Class Awards
- Not only looking after green kiwifruit but also looking after the greens by sponsoring both the Fairview and Omokoroa Ambrose Golf Tournaments. And amazingly Hume took out first place in both
- While celebrating our history, we are also celebrating over 140 years of rugby in the community and local legends by supporting the open-air art rugby murals.

Moving forward, we believe we can play a bigger part in our community and will be looking for opportunities to utilise our team's vast skillsets through the off season. We remain great believers that many hands make light work and at times we have just that. If you feel you know of a great cause or project that could use a helping hand, please let us know through [grow@humepack.co.nz](mailto:grow@humepack.co.nz).

As our business continues to grow, we hope that our contribution to the community does as well which is made possible through your continued support.

## Looking Forward

While we never had an 'end' destination in mind when we started this journey 40 years ago, we have always kept our eyes and ears open and looked to the future. With the industry's forecasted growth in licenced varieties projected out to 2030, we will continue to remain nimble and deliver value.

While others focus on growth at all costs, we remain steadfast on our commitment to our valued team members, growers and shareholders.

Through our forward-focused thinking, we dived into automation early and continued to adopt it at a rapid rate which has us in a good position to grow our production. To support this increasing production in future our additional coolstorage at KauriPak and the 2022 coolstore build provide us with a good platform to grow from.

We know we have untapped potential in our daily throughput which will allow us to follow the industry's projected growth without significant additional capital investment in the short-term. Fruit quality remains one of the biggest drivers of capacity. Investing more time in the field with growers to build production, quality and ultimately profitability, will deliver a win-win.

With a business that has evolved on the same site over 40 years there are naturally some areas we would like to transform to ensure we are providing a modern, comfortable environment for our team. We believe our people are our greatest asset and that by looking after and valuing them, they will do the same for our growers.

We have built the capacity to pack over 8 million trays which will see us through the near-term growth in volume from our growers. We will continue to stay ahead of the curve and our team has scoped out the addition of a further robotic palletiser, pallet conveying and a bin store to hold fruit prior to packing. These additions will help to continue developing capacity for growers and deliver stronger fruit quality outcomes which will benefit everyone.

# People & Culture Manager Report

As we review our performance, it is our pleasure to underscore the substantial commitment and investment dedicated to the development and enhancement of our exceptional team.

Over the past year, we've allocated significant resources, both in terms of time and financial investment, to foster the growth and improvement of our people within the company. Acknowledging that our workforce stands as our most valuable asset, we've embarked on initiatives to cultivate a culture of continuous learning, skill development, and professional advancement.

Our comprehensive approach to talent development includes a spectrum of initiatives such as recruitment strategies, robust training programs, leadership development, performance reviews, engagement surveys, the introduction of a new health & wellbeing scheme, and various team-building activities. These endeavours are designed to empower our employees to excel in their roles, whilst fostering a supportive and inclusive workplace environment that encourages cooperation, innovation, and employee well-being.

Our strategic investment in employee development aligns with our vision for sustainable growth and operational excellence. By nurturing a skilled and motivated workforce, we strategically position ourselves to meet the evolving demands of the industry and tackle future challenges with agility and resilience.

Our dedicated team demonstrates an unwavering commitment to excellence and continuous improvement. Their collective efforts significantly contribute to our overall success, and we remain resolute in our commitment to providing a conducive environment for their professional growth.

Looking ahead, we will persistently prioritise investments in our people, recognising that their skills, expertise, and dedication are pivotal to the ongoing success of Hume Pack-N-Cool.

We express our deepest gratitude for your unwavering support and trust in our vision.

Sincerely,

Jimi Williams.

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## New Faces



**Frankie Hayes**  
HR Advisor

After a year away working in HR for North Island Mussels over in Tauranga, I got the call to return to the greener

pastures of Katikati and couldn't pass it up.

My wife Andi, 4 of our 7 kids, and I live in Welcome Bay where we are currently renovating our home.

Beyond the office, you'll find me longboarding, in the gym, tramping, or watching football (GO ARSENAL). I am excited about the future at Hume and look forward to working with you all!



**Amanda Royackers**  
External Operations Assistant

I have come to Hume from the banking industry, having been born and raised on a dairy farm up in Waipu (Northland). I moved to Katikati at the end of 2013 where I met my now husband.

We have 3 beautiful children who keep us busy with Rugby and Dance.

As a family you will often find us enjoying getting out and exploring the country and going to the beach.





**Jimi Williams**  
People & Culture Manager

A Tauranga local who is passionate about the great outdoors which we are spoilt for in the beautiful BOP. Whether it be in the waves at the Mount, wake boarding on the lakes around Rotorua or in the bush in the Kaimais.

My background is in leadership and people development in the Hospitality, Tourism and Retail industries, however, like most other locals some of my first jobs were picking, packing, thinning or pruning after school or during my time at the BOP Polytech.

I live with my wife and 3 amazing kids at The Mount and you'll often find me chasing them down the beach or practicing writing on the sand.



**Cathy Norman**  
Recruitment Officer

City chick turned country dweller, I made the leap to the stunning Bay of Plenty six years ago after 15 years in Auckland. Nestled on a picturesque lifestyle property, my days are filled with breathtaking views of the Kaimai Range, grazing cows, and many sheep. Embracing the joys of a blended family, our bustling household includes six energetic kids who thrive in the vast open spaces and love the opportunity to ride horses. My professional journey has taken me through various office roles, culminating in my last stint in the dynamic world of construction. A people person at heart, I relish the opportunity to meet and collaborate with others, constantly seeking new opportunities for learning and growth.



**Neil Fisher**  
Health & Safety Advisor

I was raised and educated in Waihi but for the past 13 years my wife and I have been living in Athenree. I am married to Donna, and we have 3 adult children.

I come into this role after spending 22 years in the mining industry as a Health & Safety Trainer and for the past year as a Compliance Officer based at the Tirohia Landfill. I have a passion for safety after suffering a life changing injury in my early 20's.

I am proud to be a Life Member of the Waihi Football Club. Outside of work I enjoy watching football and spending time with my family, especially our Grandson Cooper.



**Mandeep Singh Bumrah**  
Grower Services Representative

I came from India back in 2008 and I have been in the kiwifruit industry almost 12 years now! I started as a general labourer, now I am proud to be a part of Hume Pack-N-Cool as a Grower Services Representative. I am an easy going person, I value other people's cultural values & emotions so it's very easy to get along with me. I hold a bachelor's degree in Arts and also hold Horticulture diploma level 5.

When I'm not working I love spending my time around my family and I love cricket!



**Malc Douglas**  
Business Development Manager

Born in Hamilton, I got a touch of the "bogan" before forging a 25 year career in horticulture – from the wine industry to retail business management to kiwifruit grower services.

Professionally, I'm all about relationships and engagement. "Teamwork makes the dreamwork" or some other such fluffy phrase.

Hobbies include prying my son off playstation, ("before being involved in kiwifruit harvest") hunting and fishing and all manner of craft alcohol, single malts and fine wine appreciation.



**Todd Hardie**  
Grower Services Representative

I was born in Tauranga and have been in and around the kiwifruit industry for most of my life. I spent a number of years living in Sydney and London, during which time I travelled extensively, and primarily worked in Customer service and Sales roles in various industries.

Upon returning home in 2011, I got involved in Kiwifruit and have thoroughly enjoyed this ever evolving, dynamic industry for 12 years now.

When not working, my number one priority is spending time with my amazing Wife and two boys. I also love the outdoors, sport and music.

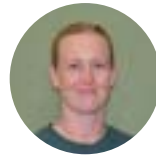
# New Board Appointments



**Kevin Christie**

Kevin's journey began in South Africa with aspirations of becoming an accountant, yet his path has taken him beyond those initial plans.

Having traversed multiple countries and experiences, he has evolved into a seasoned director. His diverse background includes steering transformative initiatives and overseeing finances across a spectrum of sectors, spanning from financial services to education. Committed to the principles of Good Governance, Kevin values the potency of dialogue and collaboration in tackling challenges head-on. With a pragmatic approach grounded in action, he seamlessly integrates business acumen with a deep understanding of governance principles into his roles.



**Lydia King**

I bring extensive experience and a fresh perspective to governance. Raised amidst Katikati's kiwifruit orchards, my passion for agriculture ignited early.

My academic journey at Massey University, culminating in a master's degree in science and a master's in Dairy Science and Technology, laid the foundation for my expertise in this field.

Joining Fonterra in 2012, I have held various roles spanning technical, manufacturing, and management domains.

Driven by a desire to contribute in new capacities, I embrace opportunities to transition my expertise into governance. Joining Hume Pack-N-Cool's board, I bring insights and strategic vision. With dedication to excellence, I am well-positioned to drive positive change for the company.



**Mel Manley**

Originally from Hamilton, I moved to the Bay in 2021 with my family after almost 20 years in Australia, residing just outside of Katikati on an avocado orchard with

my hubby, teenage son, and furry friend. With a Post-Grad in Human Resources Management and after many years in People & Culture roles in NZ and overseas, I branched out into Executive roles including manufacturing, logistics, marcomms and risk management. Currently the GM - Operations for Quayside Holdings (a \$2.8 billion investment company focussed on intergenerational wealth for the Bay of Plenty), I also run my own HR business, am the Event Manager for Beach 5's rugby in Australia and N.Z, and I am privileged to be a Board Director on the Bay of Plenty Rugby Union.

I am rugby mad, with a real love for travel and the outdoors with a family that focusses on 'active' relaxing. Our orcharding introduction has been a tough one, but with challenge comes opportunity, including working with Hume in an industry that is dynamic and has a lot of change on the horizon.



**Jayden Park**

I am a dairy farmer's son out of the Waikato, which was where I first developed my passion for the primary sector.

After school, I traded in milking cows for studying at Waikato University, where I completed my honours degree majoring in Finance and Economics.

It wasn't long and I found myself drawn back to the primary sector as a finance professional. I worked in rural banking for a period of five years and subsequently moved to kiwifruit in 2018 where I joined the team at Baygold Limited as CFO. In this role I have been able to learn about growing and developing kiwifruit orchards and expand my financial skills to positively influence successful outcomes.

I am excited about the journey that Hume Pack & Cool is on and am thrilled to have the opportunity to use my financial experience to add value to the business. I am also excited to expand my scope within the kiwifruit supply chain.









# Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

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FOR THE YEAR ENDED 31 DECEMBER 2023

# Statutory Information

## PRINCIPAL ACTIVITIES

The Company and subsidiaries principal activities are Packing and Coolstorage of Kiwifruit and Avocados. There have been no other changes in the nature of the Company's business during the financial year to December 2023.

## BOARD OF DIRECTORS

SN Bowker retired as Director in September 2023, CA Pooley retired as Director in October 2023, KB Christie was appointed as a Director in October 2023, EH Woudberg retired as a Director in December 2023, JD Park was appointed as a director in January 2024.

There were no other changes to the board in 2023. The Board of Directors have met regularly during the year.

## ENTRIES IN THE INTERESTS REGISTER/INTERESTED TRANSACTIONS

During the financial year to December 2023 no notices were received from Directors in relation to any interest in any transactions or proposed transactions by the Company and subsidiaries.

## COMPANY INFORMATION

During the financial year to December 2023 no notices were received from Directors requesting to use Company and subsidiaries information in their capacity as Directors which would not have been otherwise available to them.

## EMPLOYEE REMUNERATION

During the period the following number of non-director employees received remuneration and benefits of at least \$100,000.

	2023	2022
\$100-110,000	1	1
\$110-120,000	1	5
\$120-130,000	5	4
\$130-140,000	1	0
\$140-150,000	2	2
\$170-180,000	0	1
\$180-190,000	1	0
\$240-250,000	0	1
\$250-260,000	1	0

\$270-280,000	0	1
\$290-300,000	1	0
	<b>13</b>	<b>15</b>

## DIRECTORS LOANS

There is a Company loan with a balance of \$75,512 (2022: \$75,512) to SN Bowker. The loan was made for the purchase of Hume Pack-N-Cool Limited shares.

There are no other loans by the Company and subsidiaries to Directors.

## REMUNERATION OF DIRECTORS

The following Directors were remunerated in their capacity as Directors during the 12 month period to December 2023:

	2023	2022
<b>G. Hume (Retired June 2022)</b>	-	13,542
<b>M. Hume</b>	38,750	32,500
<b>O. Hume</b>	32,500	32,500
<b>E. Woudberg (Retired December 2023)</b>	32,500	32,500
<b>D. Oxley</b>	32,500	32,500
<b>C. Pooley (Retired October 2023)</b>	35,833	47,500
<b>S. Bowker (Retired September 2023)</b>	24,375	18,958
<b>K. Christie (Appointed October 2023)</b>	5,360	-
	<b>201,818</b>	<b>210,000</b>

## SHARE DEALINGS

Additional shares were purchased by Directors in the year:

	Shares
<b>M. Hume</b>	48,512

## STATEMENT OF DIRECTORS

In the opinion of the Director's, the Statement of Financial Position fairly states the Company and subsidiary affairs at 31 December 2023 and the Statement of Profit or Loss and Comprehensive Income fairly states the results for the year ended on that date.

# Statement of Profit or Loss and Comprehensive Income

	Note	2023 \$	2022 \$
Operating Revenue	4	43,636,210	57,321,688
Expenses	5	44,937,978	58,303,650
<b>Results from Operating Activities</b>		<b>(1,301,768)</b>	<b>(981,962)</b>
Finance Income	6	109,253	60,614
Finance Expense	6	1,678,435	1,154,644
Net Finance Cost		(1,569,182)	(1,094,030)
<b>Net Profit / (Loss) Before Tax</b>		<b>(2,870,950)</b>	<b>(2,075,992)</b>
Income Tax Expense / (Benefit)	7a	(807,080)	(578,353)
<b>Net Profit / (Loss) for the Year Transferred to Retained Earnings</b>		<b>(2,063,870)</b>	<b>(1,497,639)</b>
<b>Other Comprehensive Income / (Loss)</b>			
Financial Assets:			
Equity investment at FVOCI - Net Change in Fair Value		(34,676)	(41,686)
<b>Total Other Comprehensive Income / (Loss)</b>		<b>(34,676)</b>	<b>(41,686)</b>
<b>Total Comprehensive Income / (Loss) for the Year Attributable to Shareholders</b>		<b>(2,098,546)</b>	<b>(1,539,325)</b>

# Statement of Changes in Equity

	Note	Share Capital \$	Capital Reserve \$	Fair Value Reserve \$	Retained Earnings \$	Total Equity \$
Opening Balance at 1 January 2023		4,077,618	557,530	71,502	5,847,995	10,554,645
Profit / (Loss) for the Year		-	-	-	(2,063,870)	(2,063,870)
Other Comprehensive Income		-	-	(34,676)	-	(34,676)
Dividends Paid / Payable		-	-	-	-	-
Paid Up Share Capital		275,976	-	-	-	275,976
<b>Closing Balance at 31 December 2023</b>	<b>8</b>	<b>4,353,594</b>	<b>557,530</b>	<b>36,826</b>	<b>3,784,125</b>	<b>8,732,075</b>
Opening Balance at 1 January 2022		3,609,495	557,530	113,188	7,005,434	11,285,647
Profit / (Loss) for the Year		-	-	-	(1,497,639)	(1,497,639)
Other Comprehensive Income		-	-	(41,686)	-	(41,686)
Dividends Cancelled (September 2022)		-	-	-	340,200	340,200
Paid up Share Capital		468,123	-	-	-	468,123
<b>Closing Balance at 31 December 2022</b>	<b>8</b>	<b>4,077,618</b>	<b>557,530</b>	<b>71,502</b>	<b>5,847,995</b>	<b>10,554,645</b>



FOR THE YEAR ENDED 31 DECEMBER 2023

# Statement of Financial Position

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	9	1,329,283	1,175,922
Trade and Other Receivables	10	2,722,718	4,299,415
Prepayments	11	206,631	162,189
Inventories		807,067	958,409
Biological Assets	12	1,760,454	1,673,744
Income Tax Receivable		17,746	73,632
<b>Total Current Assets</b>		<b>6,843,899</b>	<b>8,343,311</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	14	29,678,348	32,300,030
Investments	16	472,053	573,848
Deferred Tax Asset	7a	504,461	-
<b>Total Non-Current Assets</b>		<b>30,654,862</b>	<b>32,873,878</b>
<b>Total Assets</b>		<b>37,498,761</b>	<b>41,217,189</b>
<b>Equity</b>			
Share Capital (Fully Paid)	8	4,353,594	4,077,618
Reserves		594,356	629,032
Retained Earnings		3,784,125	5,847,995
<b>Total Equity</b>		<b>8,732,075</b>	<b>10,554,645</b>
<b>Current Liabilities</b>			
Trade and Other Payables	13	7,972,852	10,011,803
Current Portion of Borrowings	19	16,066,668	5,088,076
<b>Total Current Liabilities</b>		<b>24,039,520</b>	<b>15,099,879</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	7a	-	299,873
Non Current Borrowings	19	4,727,166	15,262,792
<b>Total Non-Current Liabilities</b>		<b>4,727,166</b>	<b>15,562,665</b>
<b>Total Liabilities</b>		<b>28,766,686</b>	<b>30,662,544</b>
<b>Total Equity and Liabilities</b>		<b>37,498,761</b>	<b>41,217,189</b>



28/03/2024

Director



28/03/2024

Director



**Committed  
to grower  
profit.**





# Statement of Cash Flows

	Note	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		45,145,730	57,925,134
Interest Received		57,388	47,114
Dividends Received		51,865	13,500
Payments to Suppliers and Employees		(43,263,472)	(55,062,053)
Interest Paid		(1,496,453)	(951,607)
Interest Paid Lease Liabilities		(145,132)	(157,196)
Income Taxes Paid		58,632	(131,593)
Other Taxes Paid		-	(19,234)
<b>Net Cash Generated from Operating Activities</b>		<b>408,558</b>	<b>1,664,065</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from the Sale of Property, Plant and Equipment		167,015	11,123
Proceeds from the Sale of Investments		67,119	-
Proceeds (to)/from Related Parties		-	34,921
Purchase of Property, Plant and Equipment		(1,099,824)	(7,521,989)
Repayment/(Purchase) of Other Investments		-	(435,259)
<b>Net Cash Used in Investing Activities</b>		<b>(865,690)</b>	<b>(7,911,204)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Bank Borrowings		1,500,000	4,575,342
Proceeds from Other Borrowings		-	864,000
Proceeds from Related Party Borrowings		-	2,098,397
Proceeds from Issue of Share Capital		275,976	468,123
Repayment of Bank Borrowings		(43,148)	(42,118)
Repayment of Related Party Borrowings		(363,628)	-
Repayment of Other Borrowings		(219,775)	(184,944)
Repayment of Lease Liabilities Principal		(538,932)	(579,044)
<b>Net Cash Generated/(used) in Financing Activities</b>		<b>610,493</b>	<b>7,199,756</b>
<b>Net Increase / (decrease) in Cash and Cash Equivalents</b>		<b>153,361</b>	<b>952,617</b>
Cash and Cash Equivalents at the Beginning of the Year		1,175,922	223,305
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>9</b>	<b>1,329,283</b>	<b>1,175,922</b>



FOR THE YEAR ENDED 31 DECEMBER 2023

# Notes to the Financial Statements

## 1. GENERAL INFORMATION

The consolidated financial statements presented here are for Hume Pack-N-Cool Limited (The Company), its subsidiaries (Prospect Fencourt Limited and New Zealand Kiwi Fruit (2021) Limited) and its equity accounted investees (together the "Group"). The Group's main activities is the provision of services in connection with the packing and cool storage of Kiwifruit and Avocados. The Company is incorporated and domiciled in New Zealand and is registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 and Companies Act 1993.

## 2. BASIS OF PREPARATION

### (a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ("NZ IFRS RDR") and other applicable Financial Reporting standards, as appropriate for Tier 2 for-profit entities. The Group has elected to report in accordance with Tier 2 for-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity.

These consolidated financial statements are presented in New Zealand Dollars (\$), which is the Company's functional currency. All amounts are rounded to the nearest dollar.

### (b) Basis of Measurement

The Group financial statements have been prepared on the historical cost basis, except for financial assets which are held at fair value, refer to accounting policy 3 (i). Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The principal accounting policies are set out below.

### (c) Basis of Consolidation

The consolidated financial statements include the Company and its Subsidiaries. Subsidiaries are accounted for using the purchase method. All significant inter-company transactions are eliminated on consolidation.

### (d) Going Concern

These financial statements have been prepared on a going concern basis. Whilst the Group has a negative working capital balance at 31 December 2023, this is mostly due to two factors:

1. The timing of cashflows in relation to preparation for the coming harvest, which takes place after balance date in the months of March to June; and
2. Included in the negative working capital is the current portion of ANZ Group lending facilities which are refinanced as they become due.

The current banking facilities have various maturity dates from 28 June 2024 onwards. The Directors have considered the positive crop volumes and strong banking relationships and continue to adopt the going concern basis as appropriate.

On the back of the current year reduction in packing volumes as a result of the 2022 October Frost, the Directors are confident in a rebound in crop volumes, both at an industry and group level, resulting in a projected return to profitability.

Based on the above the Directors are satisfied that the going concern basis is appropriate.

## 3. SPECIFIC ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years in these financial statements.

### (a) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable for the sale of goods and services, net of GST, rebates and discounts and after eliminating sales within the Group.

## SPECIFIC ACCOUNTING POLICIES CONTINUED

Revenue is recognised as follows:

### (i) Orchard Services

This includes orchard management and associated services provided to growers who supply fruit to the Group. Fees for these services are invoiced on a monthly basis and recognised as the service is provided.

### (ii) Fruit Proceeds from Leased Orchards

Fruit proceeds from leased orchards includes revenue from fruit proceeds received for leased orchards. The revenue is recognised when Zespri take control of the fruit, which occurs within the financial year.

### (iii) Post Harvest Services

This includes fruit packing, coolstorage and other associated activities. These services are predominantly provided during the period from April to October with the majority of revenues collected by the end of November each year. Revenue is recognised as the service is provided.

### (iv) Other Operating Services

This includes all other services provided.

When the Company acts in the capacity of an agent rather than a principal in the transaction, the revenue recognised is the amount receivable from the services provided by the Company.

### (b) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Property still under construction at balance date, and not yet commissioned for use, has been included at cost as fixed assets under construction.

### (c) Depreciation

Land is not depreciated. All other property, plant and equipment are depreciated on a diminishing value basis at rates calculated to allocate the asset costs less estimated residual value over their estimated useful lives. Depreciation rates used are as follows;

Buildings	2.0% to 25.0%
Plant and Equipment	9.5% to 80.4%
Office Equipment & Furniture	9.5% to 80.4%
Motor Vehicles	12.0% to 30.0%
Right to Use Assets	5.0 % to 33.33%
Fixed Assets Under Construction	0.0%

### (d) Accounts Receivable

Trade and other receivables are classified as amortised cost financial assets. They are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any loss allowance. Trade and other receivables are short term in nature and the carrying amounts are considered to be a reasonable approximation of fair value. The Group applies the simplified approach to measure the loss allowance for trade and other receivables. Under this approach the loss allowance is the lifetime expected credit loss taking into account days past due and historical loss experience.

### (e) Inventories

Inventory is stated at the lower of cost or net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

### (f) Biological Assets/Work in Progress

The Group has a contractual right to grow and harvest kiwifruit crops under orchard leases. The Group carries costs until all picking, packing and production costs have been met. All proceeds beyond this point are paid to the owner.

The Group also undertakes other orchard maintenance work on non-leased orchards under a contract agreement.

The Group has determined that cost approximates fair value at reporting date as insufficient biological transformation has occurred. The costs incurred in biological assets/work in progress relate to direct labour, materials and other direct costs incurred in growing kiwifruit.

### (g) Goods and Services Tax

These Financial Statements have been prepared on a GST exclusive basis, apart from trade payables and receivables, which have been disclosed inclusive of GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is recorded in the Statement of Financial Position.

### (h) Taxation

The income tax expense charged to the Statement of Profit or Loss and Comprehensive Income includes both the current year's provision and the income tax effects of the timing differences using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences, is recognised if it is probable that future taxable profit will be available against which the temporary differences can be utilised.







## SPECIFIC ACCOUNTING POLICIES CONTINUED

### (i) Financial Assets - Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification depends on the purpose for which the investments were acquired and the nature of the cashflows. Management determines the classification of its investments at the initial recognition and re-evaluates this designation at every reporting date.

#### Financial Assets at Amortised Cost

Financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

A provision for doubtful debts is considered based on the collectability of receivables, which is reviewed on an ongoing basis. Where a receivable is known to be uncollectible, it is written off to the statement of profit and loss and comprehensive income

Financial assets comprise cash and cash equivalents, trade and other receivables and lease payments in advance.

#### Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income comprise: Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets. The Group has made an irrevocable election at initial recognition for financial assets, being investments

in shares to be presented as fair value through other comprehensive income as they are not held for trading. The Group has no financial assets classified as financial assets at fair value through the profit or loss.

### Financial Liabilities - Classification

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost.

#### Financial Liabilities Measured at Amortised Cost

Financial liabilities measured at amortised cost include trade and other payables and loans and borrowings. These 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 profit or loss over the period of the borrowing using the effective interest method.

Financial liabilities measured at amortised cost are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### (j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined. The Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.



FOR THE YEAR ENDED 31 DECEMBER 2023

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index of a rate, initially measured using the index of rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

The Group presents right-of-use assets in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position (see note 14 & 19c).

#### Short-Term Leases and Leases of Low-Value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group is not a lessor.

## 4. REVENUE

The following items are included in revenue:

	Notes	2023 \$	2022 \$
Orchard Services		5,509,661	6,013,963
Fruit Proceeds from Leased Orchards		16,509,102	23,469,486
Post Harvest Services*		20,136,772	26,306,918
Other Operating Revenue		1,480,675	1,531,321
		<b>43,636,210</b>	<b>57,321,688</b>

\*Net of Rebates and Discounts







FOR THE YEAR ENDED 31 DECEMBER 2023

## 5. EXPENSES

The following items are included in expenses:

	Note	2023 \$	2022 \$
Operating Expenses		20,802,107	26,630,606
Payments to/for Leased Orchards		16,509,103	23,672,437
Variable Lease Payments - Other		324,667	501,372
Administrative Expenses		3,204,301	3,320,518
Expenses Non-Deductible for Tax Purposes		5,222	3,320
Auditor's Remuneration		58,441	54,797
Directors Fees		201,818	210,000
Doubtful Debts (Movement)		1,233	(10,484)
Depreciation	14	3,023,432	3,196,226
Depreciation Right of Use Assets	15	639,509	671,157
Loss on Disposal of Non-Current Assets		168,145	53,701
		<b>44,937,978</b>	<b>58,303,650</b>

## 6. FINANCE INCOME AND EXPENSE

	Note	2023 \$	2022 \$
Interest Income		57,388	47,114
Dividends Received		49,115	11,500
Dividends Received - Non-Assessable		2,750	2,000
<b>Finance Income</b>		<b>109,253</b>	<b>60,614</b>
Interest Expense		1,533,303	997,448
Interest Expense Lease Liabilities	15 (b)	145,132	157,196
<b>Finance Expense</b>		<b>1,678,435</b>	<b>1,154,644</b>
<b>Net Finance Costs</b>		<b>(1,569,182)</b>	<b>(1,094,030)</b>

## 7. INCOME TAX EXPENSE

	Note	2023 \$	2022 \$
Profit/(Loss) Before Income Tax for the Period		(2,870,950)	(2,075,992)
Imputation Credits on Dividends Received		19,100	2,519
		<b>(2,851,850)</b>	<b>(2,073,473)</b>
Income Tax Using the Company's Domestic Tax Rate 28%		(798,518)	(580,572)
<b>Tax Effect of Amounts which are Non-Deductible / (Taxable) in Calculating Taxable Income:</b>			
Credit for Imputation Credits		(19,100)	(2,519)
Income Tax Relating to Associate Entities		-	-
Non-Assessable Income		(770)	(560)
Non-Deductible Expenses		11,834	13,025
Deferred Tax Adjustment for Depreciation of Buildings Pre May 2010*		3,652	1,780
Reintroduction of Depreciation of Buildings**		(4,178)	(9,507)
Tax Penalties		-	-
<b>Total Income Tax Expense / (Benefit)</b>		<b>(807,080)</b>	<b>(578,353)</b>

The income tax expense is represented by:

<b>Current tax expense / (benefit)</b>			
Tax payable in respect of the current period		(2,746)	705
Credit for imputation credits		-	-
Tax Penalties		-	-
<b>Total current tax expense / (benefit)</b>		<b>(2,746)</b>	<b>705</b>
<b>Deferred Tax Expense / (Benefit)</b>			
Movement of Temporary Differences	7a	(804,334)	(579,058)
<b>Total Deferred Tax Expense / (Benefit)</b>		<b>(804,334)</b>	<b>(579,058)</b>
<b>Total Income Tax Expense / (Benefit)</b>		<b>(807,080)</b>	<b>(578,353)</b>

\* A deferred tax adjustment is required to account for the difference between the accounting base and tax base of buildings purchased prior to May 2010. As buildings are depreciated the deferred tax liability will reduce.

\*\* This is a result of the COVID-19 (Taxation and Social Assistance Urgent Measures) Bill enacted on 25 March 2021, which impacted the deferred tax as shown in Note 7.

## INCOME TAX EXPENSE CONTINUED

## 7a. DEFERRED TAX

**Recognised Deferred Taxation Assets and Liabilities**
**Assets / (Liabilities)**

		<b>2023 \$</b>	<b>2022 \$</b>
Accrued Expenses		15,120	20,860
Provision for Bad Debts		-	-
Provision for Depreciation		20,829	-
Holiday Pay Accrued		55,643	71,565
Work in Progress		(492,927)	(468,648)
Depreciation of Buildings pre May 2010		(250,326)	(254,504)
Right of Use Leases		77,232	-
Tax Losses Carried Forward		1,078,890	330,854
<b>Total Deferred Liability</b>		<b>504,461</b>	<b>(299,873)</b>

**Movement in Temporary Differences**

<b>Year Ended 31 December 2023</b>	<b>Balance 1 January 2023 \$</b>	<b>Recognised in Profit or Loss \$</b>	<b>Balance 31 December 2023 \$</b>
Accrued Expenses	20,860	(5,740)	15,120
Provision for Depreciation	-	20,829	20,829
Holiday Pay Accrued	71,565	(15,922)	55,643
Work in Progress	(468,648)	(24,279)	(492,927)
Depreciation of Buildings Pre May 2010	(254,504)	4,178	(250,326)
Recognition of Right of Use Leases	-	77,232	77,232
Tax Loss Carried Forward	330,854	748,036	1,078,890
<b>Total Temporary Differences</b>	<b>(299,873)</b>	<b>804,334</b>	<b>504,461</b>

<b>Year Ended 31 December 2022</b>	<b>Balance 1 January 2022 \$</b>	<b>Recognised in Profit or Loss \$</b>	<b>Balance 31 December 2022 \$</b>
Accrued Expenses	20,300	560	20,860
Provision for Bad Debts	2,935	(2,935)	-
Holiday Pay Accrued	74,985	(3,420)	71,565
Work in Progress	(713,140)	244,492	(468,648)
Depreciation of Buildings Pre May 2010	(264,011)	9,507	(254,504)
Tax Loss Carried Forward	-	330,854	330,854
<b>Total Temporary Differences</b>	<b>(878,931)</b>	<b>579,058</b>	<b>(299,873)</b>

## 8. EQUITY

<b>Share Capital (Fully Paid):</b>	<b>2023 \$</b>	<b>2022 \$</b>
5,860,270 (2022: 5,798,253)	4,353,594	4,077,618
Shares Issued		

All shares are fully paid and have no par value. All shares rank equally with one vote attached to each fully paid ordinary share.

Capital Reserve comprises the accumulation of capital gains on the sale of investments.

Fair Value Reserve comprises the cumulative net change in the fair value of financial assets until the investments are derecognised or impaired.

62,017 shares were issued to shareholders on 13 April 2023 at \$4.45 per share.

FOR THE YEAR ENDED 31 DECEMBER 2023

## 9. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, and in banks, net of outstanding bank overdrafts.

	Note	2023 \$	2022 \$
Bank Balances		2,188	2,646
ANZ Bank - Call Account		1,213,389	942,670
ANZ Bank - Freeplan Account	20	105,571	68,865
ANZ Bank - RSE Digicel		5,339	16
ANZ Bank - Prospect Fencourt Limited - Flexi Facility	20	2,507	(20,125)
ANZ Bank - Prospect Fencourt Limited - Call Account		121	119
ANZ Bank - New Zealand Kiwi Fruit (2022) Limited		793	181,731
ANZ Bank - Revolving Credit		(625)	-
		<b>1,329,283</b>	<b>1,175,922</b>

## 10. TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Employee Receivables	-	49
Director / Staff Loans	75,512	75,512
Accrued Leased Orchard Income	2,121,124	3,414,537
Net Trade Receivables	483,573	459,542
Trade Receivables from Related Parties	-	334,025
Advance - UPNZ Limited	-	15,750
GST Receivable	42,509	-
	<b>2,722,718</b>	<b>4,299,415</b>

## 11. PREPAYMENTS

	2023 \$	2022 \$
Prepaid Insurance	206,631	162,189
	<b>206,631</b>	<b>162,189</b>

## 12. BIOLOGICAL ASSETS

	2023 \$	2022 \$
Carrying Amount at the Beginning of the Year	1,673,744	2,507,779
Harvested	(1,673,744)	(2,507,779)
Cost Incurred in Growing Crops	1,760,454	1,673,744
	<b>1,760,454</b>	<b>1,673,744</b>

## 13. TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
Accrued Expenses	332,613	105,204
Audit Fees Accrual	54,000	52,000
Debtor Recharges	-	78,463
Grower Payable	3,753,040	3,658,929
Grower Accrual for Fruit Proceeds from Leased Orchards	2,121,124	3,414,537
Income in Advance	11,156	78,333
Interest Accrual	112,842	75,992
Shareholder Rebates Payable	359,978	518,851
Trade Payables	782,568	1,072,717
Wages Payable	445,531	834,292
GST Payable	-	122,485
	<b>7,972,852</b>	<b>10,011,803</b>

## 14. PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

### (a) Property, Plant and Equipment

	Note	2023 \$	2022 \$
Property, Plant and Equipment Owned	14 (b)	27,222,051	29,408,209
Right-of-use Assets	15 (a)	2,456,297	2,891,821
		<b>29,678,348</b>	<b>32,300,030</b>



## PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION CONTINUED

**(b) Property, Plant and Equipment Owned**

See accounting policies in notes 3(c) and 3(d).

**Reconciliation of Carrying Amount**

	Land and Buildings	Plant and Equipment	Office Equip and Furniture	Motor Vehicles	Under Construction	Total
<b>Cost</b>						
Balance at 1 January 2023	20,517,722	29,359,335	116,044	974,221	42,940	<b>51,010,262</b>
Additions	-	422,929	-	55,152	621,743	<b>1,099,824</b>
Disposals	-	(965,098)	(3,491)	(178,024)	-	<b>(1,146,613)</b>
<b>Balance at 31 December 2023</b>	<b>20,517,722</b>	<b>28,817,166</b>	<b>112,553</b>	<b>851,349</b>	<b>664,683</b>	<b>50,963,473</b>
<b>Accumulated Depreciation</b>						
Balance at 1 January 2023	5,011,995	15,894,430	74,616	621,012	-	<b>21,602,053</b>
Depreciation	455,991	2,486,228	8,138	73,075	-	<b>3,023,432</b>
Disposals	-	(749,417)	(1,736)	(132,910)	-	<b>(884,063)</b>
<b>Balance at 31 December 2023</b>	<b>5,467,986</b>	<b>17,631,241</b>	<b>81,018</b>	<b>561,177</b>	<b>-</b>	<b>23,741,422</b>
<b>Carrying Amount</b>						
At 1 January 2022	11,870,981	6,957,374	53,327	253,421	6,866,772	<b>26,001,875</b>
At 31 December 2022	15,505,727	13,464,905	41,428	353,209	42,940	<b>29,408,209</b>
<b>At 31 December 2023</b>	<b>15,049,736</b>	<b>11,185,925</b>	<b>31,535</b>	<b>290,172</b>	<b>664,683</b>	<b>27,222,051</b>

As at 31 December 2023, the Directors consider the fair market value of Land and Buildings of the Group to be at least \$29,500,000 (2022: \$30,000,000). The Directors have made their assessment based on the last independent valuation carried out on 31 December 2023.

## 15. LEASES

See accounting policies in notes 3(j).

**(a) Right-of-Use Assets**
**Reconciliation of Carrying Amount**

	Land and Buildings	Office Equip and Furniture	Motor Vehicles	Total
<b>Cost</b>				
Balance at 1 January 2023	3,467,662	15,675	678,140	<b>4,161,477</b>
Additions	101,973	-	110,612	<b>212,585</b>
Disposals	(8,600)	-	(95,535)	<b>(104,135)</b>
<b>Balance at 31 December 2023</b>	<b>3,561,035</b>	<b>15,675</b>	<b>693,217</b>	<b>4,269,927</b>
<b>Accumulated Depreciation</b>				
Balance at 1 January 2023	998,136	15,349	256,171	<b>1,269,656</b>
Depreciation	464,422	-	175,087	<b>639,509</b>
Disposals	-	-	(95,535)	<b>(95,535)</b>
<b>Balance at 31 December 2023</b>	<b>1,462,558</b>	<b>15,349</b>	<b>335,723</b>	<b>1,813,630</b>
<b>Carrying Amount</b>				
At 1 January 2022	3,125,300	4,245	337,962	<b>3,467,507</b>
At 31 December 2022	2,469,527	327	421,968	<b>2,891,821</b>
<b>At 31 December 2023</b>	<b>2,098,477</b>	<b>326</b>	<b>357,494</b>	<b>2,456,297</b>



## LEASES CONTINUED

### (b) Amounts Recognised in Profit or Loss

	Note	2023 \$	2022 \$
Interest on Lease Liabilities	6	145,132	157,196
Variable Lease Payments Not Included in Measurement of Lease Liabilities		16,509,103	23,672,437
Expenses Relating to Short Term Leases		324,667	501,372
Expenses Relating to Leases of Low-Value Assets, Excluding Short Term Lease of Low Value Assets		-	-
		<b>16,978,902</b>	<b>24,331,005</b>

### (c) Other Leases

The Group leases vehicles and equipment, with lease terms of three to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the lease assets at the end of the contract term.

The Group monitors the use of the vehicles and equipment, and reassesses the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets. As at 31 December 2023, the Group estimates that the expected amount payable under the residual guarantees is \$nil.

The Group also leases IT equipment and machinery with contract terms of one to three years. These are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENTS

### (a) Shares Held

	2023 \$	2022 \$
Shares - Seeka Corporation Limited 3,285 Shares @ \$2.55 (Market Value 2023) (2022: \$3.05)	8,377	10,019
Shares - Manawa Energy Limited 14,358 Shares @ \$4.29 (Market Value 2023) (2022: \$5.00)	61,596	71,790
Investment Units - Kauripak (2022) Limited Partnership	341,366	430,575
Shares - G6 Kiwi Limited	25,398	25,398
Shares - UPNZ Limited	-	750
Shares - Ballance Agri-Nutrients Limited	31,050	31,050
Shares - Farmlands Trading Society	4,266	4,266
Shares - Team Kiwi Limited	4,000	4,000
Uncalled Capital - Team Kiwi Limited	(4,000)	(4,000)
<b>Total Value of Shares Held</b>	<b>472,053</b>	<b>573,848</b>

## 17. EQUITY ACCOUNTED ASSOCIATES

### Vineworx Limited

The Group had a 50% shareholding in Vineworx Limited. This company was liquidated on 19/04/2023.

### Movement in the carrying amount of Vineworx Limited:

	2023 \$	2022 \$
<b>Balance as at 1 January</b>	<b>-</b>	<b>34,921</b>
Share of profits of associate (current year)	-	-
Dividends	-	(34,821)
Taxation	-	-
Movement of Group Lending	-	(100)
<b>Balance as at 31 December</b>	<b>-</b>	<b>-</b>

## 18. RELATED PARTY TRANSACTIONS

The following related party transactions were entered into with the Group during the financial year for which these Financial Statements are prepared:

(a) The Group is owned 55.67% (2022: 56.26%) by Kiwhihume Company Limited (KCL). KCL is the ultimate controlling entity of the Group. No funds have been advanced to the Group by KCL during the year. Transactions and balances for the year are:

	Note	2023 \$	2022 \$
Loan Advance from Kiwhihume Company Limited	19 (a)	(641,964)	(641,964)
Interest Paid to Kiwhihume Company Limited		44,937	44,937



## FOR THE YEAR ENDED 31 DECEMBER 2023

**(b)** The Group has a 16.67% (2022: 16.67%) shareholding in Team Kiwi Limited, a company which exports the Class II Kiwifruit. Transactions and balances for the year are:

	2023 \$	2022 \$
Payments Made by Team Kiwi Limited	(672,118)	(651,147)
Payments Made to Team Kiwi Limited	-	6,844

**(c)** The Group has a 39.81% (2022: 39.81%) shareholding in G6 Kiwi Limited and performs management functions for the company. Transactions and balances for the year are:

	2023 \$	2022 \$
Balance Due from G6 Kiwi Limited	22,288	21,551
Balance due from G6 Kiwi Supply Limited (100% Subsidiary of G6 Kiwi Ltd)	13,090	(6,022)
Balance due to G6 Kiwi Supply Limited (100% Subsidiary of G6 Kiwi Ltd)	103,536	4,497
Management Services Provided - Income	(264,160)	(222,981)

**(d)** The Group undertook transactions with Prospect Kiwi Limited. Prospect Kiwi Limited is the Group's supplier entity and share some common Directors. All transactions were for the provision of post harvest services. Transactions and balances for the year are:

	2023 \$	2022 \$
Balance Owing to Prospect Kiwi Limited	9,997	(78,463)
Payments Made to Prospect Kiwi Limited for Post Harvest Services	3,054,224	6,707,216
Payments made by Prospect Kiwi Limited for Post Harvest Services	(21,677,086)	(26,355,706)
Advances made to Prospect Kiwi Limited	610,000	287,250
Repayments made by Prospect Kiwi Limited	(610,000)	(307,250)
Management Services Provided - Income	(81,341)	(111,092)

**(e)** Tetley's Investor Syndicate (the "Syndicate") is a proportionate ownership scheme which owns the Tetley Road Cool Store. The Company by way of Management agreement manages the property on behalf of the Syndicate. The Company is also the primary lease holder of the Tetley Road Cool Store. During the year the Company provided management services, under a management agreement, to the Syndicate. Transactions and balances for the year are:

	2023 \$	2022 \$
Balance Due from Tetley Investor	592	609
Payments Made to Tetley's Syndicate for Lease	280,171	266,206
Payments Received from Tetley's Syndicate for Management Services	(6,138)	(5,721)
Payments on Behalf of Tetley's Syndicate for Construction of Assets	-	12,956

**(f)** The company contracted to provide post harvest services on behalf of grower shareholders during the year.

**(g)** The Company leased orchards or entities over which the Directors have control or significant influence; ML Hume & SN Bowker. Under the provisions of an orchard lease, costs are recovered before payments are made to the leasee. Transactions and balances for the year are:

	2023 \$	2022 \$
Payments to M L Hume for Leased Orchard	1,620,424	1,150,958
Payments to S N Bowker for Leased Orchard (Retired as a Director in September 2023)	33,885	42,368

**(h)** The Company provides orchard services to the following Directors or entities over which the Directors have control or significant influence. S N Bowker retired as a Director in September 2023. Transactions and balances for the year are:

	2023 \$	2022 \$
Balance due from M L Hume	640	378
Balance due from S N Bowker (Retired)	3,390	2,102
Payments Received from M L Hume for Orchard Services	(742,511)	(1,018,469)
Payments received from S N Bowker for Orchard Services (Retired)	(41,174)	(37,739)





FOR THE YEAR ENDED 31 DECEMBER 2023

## RELATED PARTY TRANSACTIONS CONTINUED

(i) The Directors provide services to the Group. Transactions and balances for the year are:

	2023 \$	2022 \$
Payments made to C Pooley for Services Provided (Retired as a Director in October 2023)	27,600	-

(j) No related party debts have been written off or forgiven during the year.

(k) The Company has provided an interest free loan to S N Bowker for the purchase of shares in the company.

	2023 \$	2022 \$
Balance Due from S N Bowker (Retired)	75,512	75,512

(l) In addition to the Directors Fees paid during the year, the following salaries were paid to;

	2023 \$	2022 \$
M L Hume	118,886	112,151
S N Bowker (Retired)	292,554	272,242

(m) KauriPak Limited Partnership is a Limited Partnership which owns the Land and Buildings at 364 Kauri Point Road, Katikati of which the Company is the sole lease holder. The Company by way of Management Agreement manages the property on behalf of the Partnership. The Company holds twelve of the sixty one loan units in the Partnership. During the year the company provided management services, under a management agreement, to the Partnership. Transactions and balances for the year are:

	2023 \$	2022 \$
Balance Due from KauriPak Limited Partnership	492	492
Payments Made to KauriPak Limited Partnership for Lease	256,435	256,435
Payments Received Form KauriPak Limited Partnership for Management Services	(5,129)	(5,129)
Distributions Received from the KauriPak Limited Partnership Investment Units	-	(18,587)
Interest Payments Received from the KauriPak Limited Partnership Investment Units	(26,669)	(40,201)
Balance of Loan Units	341,266	430,575

## 19. BORROWINGS

## Summary of Non Current Borrowings

	Note	2023 \$	2022 \$
Kiwihume Company Limited	19 (a)	641,964	641,964
ANZ Bank New Zealand Limited	19 (b)	-	9,449,198
Right of Use Lease Liabilities	19 (c)	2,307,463	2,784,262
Spark Business - Mobile Phones	19 (d)	1,090	4,599
KauriPak Limited Partnership	19 (e)	1,344,649	1,734,769
Morris Moore Farms Limited	19 (f)	432,000	648,000
<b>Total Non Current Borrowings</b>		<b>4,727,166</b>	<b>15,262,792</b>

## Current Portion of Borrowings

	Note	2023 \$	2022 \$
ANZ Bank	19 (b)	15,035,344	4,129,294
Lease Liabilities	19 (c)	424,862	378,546
Spark Business - Mobile Phones	19 (d)	342	608
KauriPak Limited Partnership	19 (e)	390,120	363,628
Morris Moore Farms Limited	19 (f)	216,000	216,000
<b>Total Current Portion of Borrowings</b>		<b>16,066,668</b>	<b>5,088,076</b>

## (a) Kiwihume Company Limited

	2023\$	2022\$
Amount Outstanding:	641,964	641,964

Security: Unsecured

Rate: ANZ Bank Freeplan Account overdraft rate

Repayment Terms: Interest Only

On 3 April 2017, the Company, Kiwihume Company Limited and ANZ Bank entered into a Deed of Postponement in favour of ANZ bank. This deed restricts the Company from making repayments towards Kiwihume Company Limited debt until such time as the ANZ Bank is satisfied that their debt has been repaid.

**(b) ANZ Bank New Zealand Limited Loans**

	Date of Maturity	Interest Rate	2023 \$	20220 \$
#1035	28/06/2024	8.85%	6,409,198	6,409,198
#1036	28/06/2024	8.85%	569,000	569,000
#1037	28/06/2024	8.85%	1,000,000	1,000,000
#1038	29/12/2024	8.85%	3,575,342	3,575,342
#1039	28/06/2024	8.85%	1,000,000	1,000,000
#1040	29/11/2024	8.85%	1,500,000	-
#1003	15/07/2024	8.64%	471,000	471,000
#1005	9/08/2024	8.65%	294,537	317,645
#1006	9/08/2024	8.65%	216,267	236,307
<b>Total ANZ Bank Term Loans</b>			<b>15,035,344</b>	<b>13,578,492</b>
Less: Current Portion			(15,035,344)	(4,129,294)
			-	9,449,198

The following is held as security over all ANZ loans:  
First ranking mortgage

- 4 Prospect Drive, Katikati
- 7 Fencourt Crescent, Katikati
- 13 Kattern Street, Katikati
- 1 Hyde Street, Katikati

**(c) Right to Use Lease Liabilities**

	2023 \$	2022 \$
Amount Outstanding	2,732,325	3,162,808
Less: Current Portion	(424,862)	(378,546)
	<b>2,307,463</b>	<b>2,784,262</b>

**(d) Spark Business - Mobile Phones**

	2023 \$	2022 \$
Amount Outstanding	1,432	5,207
Less: Current Portion	(342)	(608)
	<b>1,090</b>	<b>4,599</b>

Security: Unsecured

**(e) KauriPak Limited Partnership**

	2023 \$	2022 \$
Amount Outstanding	1,734,769	2,098,397
Less: Current Portion	(390,120)	(363,628)
	<b>1,344,649</b>	<b>1,734,769</b>

**(f) Morris Moore Farms Limited**

	2023 \$	2022 \$
Amount Outstanding	648,000	864,000
Less: Current Portion	(216,000)	(216,000)
	<b>432,000</b>	<b>648,000</b>

## 20. BANK SECURITIES

**ANZ Bank Freeplan Account**

Available credit on this account is \$200,000 as at 31 December 2023 (2022: \$200,000). The interest rate applying at balance date was 10.64% per annum (2022: 9.19%). The Freeplan Account is secured by a first charge registered mortgage on freehold horticultural land to the value of \$15,000,000 and a general security agreement over machinery and equipment owned by the Group.

**ANZ Flexi Facility**

Available credit on this account is \$1,500,000 as at 31 December 2023 (2022: \$1,500,000). The interest rate applying at balance date was 9.92% per annum (2022: 7.22%). There is a general security agreement over machinery and equipment owned by the Group.

**Guarantee**

The Company has provided an unlimited guarantee to its wholly owned subsidiary, Prospect Fencourt Limited, as part of group banking facilities.

**ANZ Flexi Facility - Prospect Fencourt Limited**

Available credit on this account is \$100,000 as at 31 December 2023 (2022: \$100,000). The interest rate applying at balance date was 8.75% per annum (2022: 8.10%).

## 21. CONTINGENT LIABILITIES

At balance date the Group has no contingent liabilities.

## 22. CAPITAL COMMITMENTS

Hume Pack-N-Cool Limited has entered into a commitment to establish additional RSE accommodation with a total project build of \$1.4million, \$400K had been spent at year end with an outstanding projected spend of \$1.0million. Additional funding of \$1.4million has been secured for the project which had not been drawn down at the year end.

## 23. SUBSEQUENT EVENTS

There were no significant events from the balance date of 31 December 2023 to date of signing that required disclosure.





## INDEPENDENT AUDITOR'S REPORT



# Independent Auditor's Report

To the shareholders of Hume Pack-N-Cool Limited

Report on the audit of the consolidated financial statements

### Opinion

In our opinion, the consolidated financial statements of Hume Pack-N-Cool Limited (the 'Company') and its subsidiaries (the 'Group') on pages 6 to 28 present fairly, in all material respects:

- i. the Group's financial position as at 31 December 2023 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.



### Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



## Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime) issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/>

This description forms part of our independent auditor's report.



KPMG  
Tauranga

28 March 2024







# Company Details

**IRD & GST NUMBER:**

045-687-686

**COMPANY NUMBER:**

230687

**DATE OF INCORPORATION:**

29 March 1984

**REGISTERED OFFICE:**

Prospect Drive, Katikati

**SHARE CAPITAL:**

\$4,353,594

**DIRECTORS:**

ML Hume

OR Hume

EH Woudberg (Retired December 2023)

DM Oxley

CA Pooley (Retired October 2023)

SN Bowker (Retired September 2023)

KB Christie (Appointed October 2023)

JD Park (Appointed January 2024)

**BANKERS:**

ANZ Bank

**SOLICITOR:**

Abernethy Broatch Law

Mount Maunganui

**AUDITOR:**

KPMG

Tauranga

**TAX AGENT:**

Ingham Mora

Tauranga

## NOTES





**HUME**



Small enough  
to care,  
**Big enough  
to make a  
difference**

4 PROSPECT DRIVE,  
RD2, KATIKATI, 3178

**PHONE:** 07 549 1011

**WWW.HUMEPACK.CO.NZ**

