

# ***EastPack*** ***Entity Trust***

EASTPACK ENTITY TRUST

SPECIAL PURPOSE FINANCIAL STATEMENTS

for year ended 30 June 2024

# **EastPack**

## **Entity Trust**

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## **TRUST INFORMATION**

**Nature of business:**

Kiwifruit grower funds administration

**Registered Office:**

1 Washer Road, Te Puke, New Zealand

**Auditors:**

KPMG

**Solicitors:**

Sharp Tudhope

**Bankers:**

Bank of New Zealand

## **EastPack Entity Trust**

### **STATEMENT OF FINANCIAL PERFORMANCE**

For the Year Ended 30 June 2024

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Receipts on behalf of growers</b>			
Crop Receipts	<b>3</b>	573,246,752	581,471,627
Interest Received		4,742	234
Other Income	<b>4</b>	25,817	24,826
<b>Total Revenue</b>		<b>573,277,311</b>	<b>581,496,687</b>
<b>Payments on behalf of growers</b>			
Service Payments	<b>9b</b>	174,246,564	201,085,470
Other Expenses	<b>5</b>	470,084	410,593
<b>Total Costs</b>		<b>174,716,648</b>	<b>201,496,063</b>
<b>Net Surplus before distributions to growers and tax</b>		<b>398,560,663</b>	<b>380,000,624</b>
<b>Distributions to growers</b>			
Payments To Growers (Class 1 Fruit)		386,551,808	370,761,182
Payments To Growers (Non-Class 1 Fruit)	<b>9c</b>	12,008,904	9,239,644
<b>Total Distributions to growers</b>		<b>398,560,712</b>	<b>380,000,826</b>
<b>Net surplus/(deficit) before tax</b>		<b>(49)</b>	<b>(202)</b>
Taxation	<b>10</b>	-	-
<b>Net Surplus/(deficit) after tax</b>		<b>(49)</b>	<b>(202)</b>

## EastPack Entity Trust

### STATEMENT OF MOVEMENT IN TRUST FUNDS

For the Year Ended 30 June 2024

	Retained earnings \$	Capital	Total Equity \$
<b>Balance at 1 July 2022</b>	(2,360)	340	(2,020)
Net surplus/(deficit)	(202)	-	(202)
<b>Balance at 30 June 2023</b>	<b>(2,562)</b>	<b>340</b>	<b>(2,222)</b>

	Retained earnings \$	Capital	Total Equity \$
<b>Balance at 1 July 2023</b>	(2,562)	340	(2,222)
Net surplus/(deficit)	(49)	-	(49)
<b>Balance at 30 June 2024</b>	<b>(2,611)</b>	<b>340</b>	<b>(2,271)</b>

## EastPack Entity Trust

### STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Trust funds</b>		<b>(2,271)</b>	<b>(2,222)</b>
<b>Represented by:</b>			
<b>Current Assets</b>			
Cash and bank balance		1,714	1,499,907
Accounts Receivable		686,997	-
GST Receivable		3,188,558	1,455,486
Prepayments	6	333,442,892	233,733,334
<b>Total Current Assets</b>		<b>337,320,161</b>	<b>236,688,727</b>
<b>Total Assets</b>		<b>337,320,161</b>	<b>236,688,727</b>
<b>Current Liabilities</b>			
Accounts Payable		85,186	298,245
Accruals	7	9,350	9,350
Income Received in Advance	8	298,608,367	206,894,354
Related Party Payables - EastPack Limited	9a	38,619,529	29,489,000
<b>Total Current Liabilities</b>		<b>337,322,432</b>	<b>236,690,949</b>
<b>Net Assets</b>		<b>(2,271)</b>	<b>(2,222)</b>

For and on behalf of the Board : Braden Hungerford



Trustee

16 October 2024

Dated

For and on behalf of the Board : Paul Edkins



Trustee

16 October 2024

Dated

## **EastPack Entity Trust**

# Notes to the Special Purpose Financial Statements

### **1 Reporting Entity**

EastPack Entity Trust is a trust who acts on behalf of its growers (beneficiaries) who are involved in the growing of Kiwifruit in New Zealand. The Trust provides the service of managing and distributing the crop receipts on behalf of its growers.

### **2 Statement of Accounting Policies**

#### **Basis of preparation**

These special purpose financial statements have been prepared in accordance with the accounting policies set out below.

These financial statements have been prepared for internal and taxation purposes and may not be suitable for any other purpose.

#### **Historical Cost**

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

#### **Changes in accounting policy**

There have been no changes in accounting policy during the year.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the Trust and revenue can be reliably measured.

The statement of financial performance discloses all revenue earned in relation to the 2023 kiwifruit season.

#### **Accounts receivable**

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for uncollectable amounts. Individual debts that are known to be uncollectable are written off in the period that they are identified.

#### **Financial instruments – financial liabilities**

Financial liabilities, including borrowings and bank overdrafts, are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss on an effective yield basis.

## EastPack Entity Trust

### Notes to the Special Purpose Financial Statements

#### 3 Crop Receipts

	Note	2024	2023
		\$	\$
Zespri Group Ltd Receipts		561,237,848	572,231,983
EastPack Ltd Receipts	9C	12,008,904	9,239,644
		<u>573,246,752</u>	<u>581,471,627</u>

#### 4 Other income

	2024	2023
	\$	\$
Hort NZ Levy	25,817	24,826
	<u>25,817</u>	<u>24,826</u>

#### 5 Other expenses

	2024	2023
	\$	\$
Audit Fees	9,990	9,222
Bank Charges	161	216
Advisory Committee Fees	58,054	65,269
Interest	401,879	335,886
	<u>470,084</u>	<u>410,593</u>

#### 6 Prepayments

	2024	2023
	\$	\$
Distributions prepaid to growers for the 2024 crop	170,520,211	-
Prepayments to EastPack for the 2024 crop	162,922,681	-
Distributions prepaid to growers for the 2023 crop	-	112,642,519
Prepayments to EastPack for the 2023 crop	-	121,090,815
	<u>333,442,892</u>	<u>233,733,334</u>

#### 7 Accruals

	2024	2023
	\$	\$
Audit Fees	9,350	9,350
	<u>9,350</u>	<u>9,350</u>

#### 8 Income Received in Advance

	2024	2023
	\$	\$
Income Received in Advance (2024 Crop)	298,608,367	-
Income Received in Advance (2023 Crop)	-	206,894,354
	<u>298,608,367</u>	<u>206,894,354</u>



## 9 Related Parties

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
a) Short term borrowings		
EastPack Ltd	38,619,529	29,489,000
	<u>38,619,529</u>	<u>29,489,000</u>
Interest paid on loan	401,879	335,886

During the course of the season EastPack Ltd will advance funds to the Trust in order to meet cash flow requirements to ensure Growers are paid on time.

This loan is interest bearing at 8.52% p.a. (2023: 8.28%), unsecured and repayable on demand.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
b) <i>The Trust made distributions to EastPack Ltd during the year:</i>		
Net Payments for services	174,246,564	201,085,470
<b>Total</b>	<u>174,246,564</u>	<u>201,085,470</u>

The Trust acts as a protected intermediary between Zespri, EastPack Ltd and Growers. Service payments to EastPack Ltd include packing, cool storage, repacking, controlled atmosphere storage, bulk storage, transport, monitoring of kiwifruit and orchards, condition checks and administration. The Advisory Committee and EastPack Ltd negotiate all service payments during the negotiation of packing charges.

Service Payments for a particular season that are made prior to the commencement of the financial year in which the season relates are accrued as a prepayment. This prepayment is realised into service payments in the financial year in which they relate. Therefore, the value recognised as service payments in the financial statements is for an entire season and would not include any service payments made for the following season.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
c) <i>Crop Receipts - Non Class 1</i>		
<i>EastPack made distributions to EET during the year:</i>		
Receipts of Non-Class 1 Income for the 2023 Crop	12,008,904	-
Receipts of Non-Class 1 Income for the 2022 Crop	-	9,239,644
<b>Total</b>	<u>12,008,904</u>	<u>9,239,644</u>

EastPack Ltd provides revenue to the Trust from Non-Class 1 fruit sold on the local and Australian markets using a number of marketers, including Zespri. EastPack Ltd deducts Service payments prior to payment to the Trust.

#### d) Related Parties - Administrative Services

EastPack Ltd also provides administrative services to the Trust as per the agreed services negotiated by the Advisory Committee and EastPack Ltd during the negotiations of packing charges.

#### e) Related Parties - Guarantee

EastPack Entity Trust holds an all obligations unlimited guarantee from EastPack Limited.

### 10 Taxation

	2024	2023
	\$	\$
Net Surplus/(Deficit) before Tax	(49)	(202)
Income Tax @ 33%	(16)	(67)
<i>Adjusted for:</i>		
Tax Losses not recognised	16	67
<b>Taxation</b>	<b>-</b>	<b>-</b>

### 11 Subsequent Events

There have been no subsequent events.