

ZESPRI GROUP LIMITED AND SUBSIDIARIES – CORE BUSINESS
SPECIAL PURPOSE FINANCIAL STATEMENTS
ADDITIONAL DISCLOSURES
FOR THE YEAR ENDED 31 MARCH 2022

**ZESPRI GROUP LIMITED AND SUBSIDIARIES CORE BUSINESS
SPECIAL PURPOSE FINANCIAL STATEMENTS
Additional Disclosures
FOR THE YEAR ENDED 31 MARCH 2022**

The Special Purpose Financial Statements comprise the attached Zespri Group Limited (ZGL) Annual Report for the year ended 31 March 2022 and the additional disclosures below.

Basis of preparation

These special purpose financial statements were prepared in accordance with the financial reporting provisions required by the Kiwifruit Export Information Disclosure Handbook (the "Handbook") as required by the Kiwifruit Export Regulations 1999 (the "Regulations").

1. Exemption from Separate Accounting for "Other" Business

ZGL has obtained exemption from Kiwifruit New Zealand for the following requirements:

- to disclose as 'Other' business all sales, expenses, assets and liabilities of the New Zealand sourced fresh Kiwifruit into Australia and New Zealand.

ZGL's 'other' business relates to the following activities:

- New cultivar;
- Non-New Zealand grown Kiwifruit; and
- All other segments.

Please note that the business is run on an amalgamated basis and therefore all cash is held centrally, and dividends, tax charges and financial hedges cannot be allocated to separate business segments.

2. Alternative Revenue Statement

The Alternative Revenue statement is detailed on pages 106 to 107 and the related footnotes on page 108 of the Zespri Group Limited Annual Report.

Pool costs as a percentage of pool revenue

Total pool costs as a percentage of total pool revenue are detailed on page 108 of the Zespri Group Limited Annual Report. Refer to Note 5 of these Special Purpose Financial Statements for cost as a percentage of revenue by class 1 pool.

3. Changes in accounting policies – Cloud Computing Arrangements

In March 2021 the International Financial Reporting Interpretations Committee (IFRIC) finalised its interpretation of the application of IAS 38 Intangible Assets to configuration and customisation costs incurred in Software-as-a-Service (SaaS) arrangements. The decision was ratified by the International Accounting Standards Board (IASB) in April 2021.

SaaS arrangements are cloud computing applications where the underlying software and associated infrastructure are hosted by a service provider, independent of the Zespri Group ("the Group").

The costs to configure and customise a SaaS arrangement may be recognised as an intangible asset when the application is controlled by the Group. Control requires the Group to have the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits. Configuration and customisation costs of SaaS arrangements meeting this criteria are to be capitalised and amortised over the useful life of the software.

SaaS arrangements which are not controlled by the Group do not constitute intangible software assets. All distinct configuration and customisation costs are to be expensed as incurred.

Zespri management assessed the impact of this decision and revised the Group accounting policy for configuration and customisation costs incurred under SaaS arrangements. The revised accounting policy has been applied retrospectively and the Group impact is outlined in the following tables.



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Net profit/(loss) by business segment									
	Audited year ended 31 March 2021						Restated audited year ended 31 March 2021		
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	Eliminations \$'000	Total \$'000	New Zealand kiwifruit adjustments \$'000	New Zealand kiwifruit \$'000 Restated	Total \$'000 Restated
Research and development	13,766	1,080	17,201	-	-	32,047	22,976	36,742	55,023
Amortisation / impairment of intangible assets	8,724	1	1,284	-	-	10,009	(4,446)	4,278	5,563
Total expense	3,367,717	444,099	32,426	834	(347,704)	3,497,372	18,530	3,386,247	3,515,902
Net profit before interest & taxation	53,710	28,821	319,775	2,028	-	404,334	(18,530)	35,180	385,804
Net profit after interest before tax	54,340	28,821	319,775	2,381	-	405,317	(18,530)	35,810	386,787

Total Assets by business segment									
	Audited year ended 31 March 2021						Restated audited year ended 31 March 2021		
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	Total \$'000	New Zealand kiwifruit adjustments \$'000	New Zealand kiwifruit \$'000 Restated	Total \$'000 Restated	
Current assets									
Prepayments	58,634	733	249	-	59,616	4,214	62,848	63,830	
Intangible assets									
Development costs	-	-	4,658	-	4,658	-	-	4,658	
Information systems	21,152	2	-	-	21,154	(12,147)	9,005	9,007	
Intangibles work in progress	33,104	-	-	-	33,104	(30,125)	2,979	2,979	
Total intangibles	54,256	2	4,658	0	58,916	(42,272)	11,984	16,644	
Other non - current assets									
Prepayments	2,022	-	-	-	2,022	46	2,068	2,068	
Other	10,250	-	-	-	10,250	5,920	16,170	16,170	
Current Liabilities									
Other current liabilities	(16,135)	9	-	-	(16,126)	4,692	(11,443)	(11,434)	
Equity	(307,232)	-	-	-	(307,232)	27,400	(279,832)	(279,832)	
Audited year ended 31 March 2020									
	Audited year ended 31 March 2020						Restated audited year ended 31 March 2020		
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	Total \$'000	New Zealand kiwifruit adjustments \$'000	New Zealand kiwifruit \$'000 Restated	Total \$'000 Restated	
Intangible assets									
Development costs	-	-	3,946	-	3,946	-	-	3,946	
Information systems	21,679	55	-	-	21,734	(15,084)	6,595	6,650	
Intangibles work in progress	9,283	-	-	-	9,283	(4,398)	4,885	4,885	
Total intangibles	30,962	55	3,946	-	34,963	(19,482)	11,480	15,481	
Other non - current assets									
Other	13,700	-	-	-	13,700	5,439	19,139	19,139	
Equity	(245,988)	-	-	-	(245,988)	14,043	(231,945)	(231,945)	

Cause of change						
	Audited year ended 31 March 2021			Audited year ended 31 March 2020		
	Total \$'000	Adjustments \$'000	Total \$'000 Restated	Total \$'000	Adjustments \$'000	Total \$'000 Restated
Prior year fruit and service payments (including loyalty premium)	1,963,184	-	1,963,184	1,821,755	-	1,821,755
Prior year ZGL profit for the year	200,821	(14,043)	186,778	179,806	-	179,806
Total prior year return	2,164,005	(14,043)	2,149,962	2,001,561	-	2,001,561
Changes due to volume increase/(decrease)	229,922	-	229,922	(5,378)	-	(5,378)
Changes due to market and profile mix	(58,065)	-	(58,065)	38,618	-	38,618
Total volume change	171,857	-	171,857	33,240	-	33,240
Changes due to change in price	81,071	-	81,071	84,986	-	84,986
Changes due to foreign exchange	14,363	-	14,363	11,014	-	11,014
Changes due to non-New Zealand fruit profit	17,704	-	17,704	3,037	-	3,037
Changes due to freight movements	18,335	-	18,335	869	-	869
Changes due to change in tax expense	(38,728)	(266)	(38,994)	(271)	5,439	5,168
Changes due to other income movements	96,806	-	96,806	25,319	-	25,319
Changes due to other cost movements	17,785	952	18,737	4,250	(19,482)	(15,232)
Total current year return	2,543,198	(13,357)	2,529,841	2,164,005	(14,043)	2,149,962
Represented by:						
Fruit and service payments	2,190,541	-	2,190,541	1,917,033	-	1,917,033
Future season total fruit and service payments accrued	(452)	-	(452)	676	-	676
Loyalty premium	62,619	-	62,619	45,475	-	45,475
ZGL profit for the year	290,490	(13,357)	277,133	200,821	(14,043)	186,778
Total current year return	2,543,198	(13,357)	2,529,841	2,164,005	(14,043)	2,149,962



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4. Cause of Change

	2022 \$000	2021 \$000	2020 \$000
		Restated	Restated
Prior year fruit and service payments (including loyalty premium)	2,252,708	1,963,184	1,821,755
Prior year ZGL profit for the year	277,133	186,778	179,806
Total prior year return	2,529,841	2,149,962	2,001,561
Changes due to volume increase/(decrease)	328,904	229,922	(5,378)
Changes due to market and profile mix ¹	44,874	(58,065)	38,618
Total volume change ²	373,778	171,857	33,240
Changes due to change in price ³	(32,916)	81,071	84,986
Changes due to foreign exchange ⁴	(24,981)	14,363	11,014
Changes due to non-New Zealand fruit profit	(1,960)	17,704	3,037
Changes due to freight movements	(62,646)	18,335	869
Changes due to change in tax expense	(33,971)	(38,994)	5,168
Changes due to other income movements	136,868	96,806	25,319
Changes due to other cost movements	(49,157)	18,737	(15,232)
Total current year return	2,834,856	2,529,841	2,149,962
Represented by:			
Fruit and service payments	2,420,295	2,190,541	1,917,033
Future season total fruit and service payments accrued	(144)	(452)	676
Loyalty premium	53,205	62,619	45,475
ZGL profit for the year	361,500	277,133	186,778
Total current year return	2,834,856	2,529,841	2,149,962

¹ Changes due to reallocation of kiwifruit between markets reflect the impact of change in market mix. This is calculated by calculating the total movement in year on year volumes on a region by region basis and changes in movement in year on year volumes by size.

² Changes due to volume are the sum of changes in volume by size by variety for New Zealand-grown kiwifruit between the prior year season multiplied by the corresponding NZD market return per tray for the prior season.

³ Changes due to price are calculated by size on a region by region basis where prices for individual product groups of New Zealand-grown fruit have changed between seasons. This is calculated using the following formula:

((Current year's average tray price per sales region (in sales currency) – prior year's average tray price per sales region (in sales currency)) / prior year's effective FX rate * current year's volume per sales region).

⁴ Changes due to foreign exchange reflect exchange movements in respect to the supply and sale of New Zealand-grown kiwifruit, and are calculated based on the total of:

- the movement in current year's sales and expenses versus prior year by size on a line by line basis calculated by the difference between the current year figures translated into New Zealand dollars at the transaction date exchange rate versus prior year's transaction date exchange rates;
- the movement between current and prior year realised gain or loss on forward cover contracts; and
- the difference between prior year and current year unrealised exchange gains or losses which are determined by the revaluation of foreign currency denominated assets and liabilities at year end exchange rates.



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5. New Zealand-grown kiwifruit revenue by pool

	2022 \$000	2021 \$000	2020 \$000
Zespri® Green kiwifruit	1,061,425	989,845	972,320
Zespri® Organic Green kiwifruit	55,062	51,378	49,588
Zespri® Gold kiwifruit ⁽¹⁾	2,281,026	1,999,665	1,708,486
Zespri® Organic Gold kiwifruit ⁽¹⁾	62,857	39,228	
Zespri® Sweet Green kiwifruit	4,176	4,947	6,695
Class 2 Green Kiwifruit ⁽²⁾	13,374	10,938	11,387
Class 2 Organic Green kiwifruit ⁽²⁾	1,260	739	800
Class 2 Gold / Organic Gold kiwifruit ⁽²⁾	12,414	10,997	7,191
Non Standard Supply	252	2,144	13,856
Net Sales of New Zealand-grown kiwifruit	3,491,846	3,109,881	2,770,323

(1) The 2019/20 comparatives presented here for Zespri SunGold kiwifruit reflects the combined pool of Zespri SunGold and Organic SunGold kiwifruit (Gold3). These varieties have been split into separate pools for the 2020/21 and 2021/22 years.

(2) Includes Family Kiwi™ and Zespri® brands



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6. New Zealand-grown kiwifruit costs as a percentage of revenue by class 1 pool

New Zealand-grown Kiwifruit Costs as a Percentage of Revenue	Zespri® Green kiwifruit		
	2021/22	2020/21	2019/20
Zespri margin ⁽²⁾	6.9%	6.7%	7.0%
Freight	9.1%	6.8%	7.9%
Insurance	0.4%	0.2%	0.2%
Duty and customs	2.0%	2.5%	2.2%
Other onshore direct costs	1.4%	1.6%	1.4%
Other offshore direct costs	4.3%	4.0%	4.3%
Promotion	4.3%	4.4%	5.0%
Interest	0.1%	0.0%	0.1%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of Kiwifruit	71.4%	73.7%	71.8%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Green Kiwifruit (\$'000)	1,061,425	989,845	972,320

New Zealand-grown Kiwifruit Costs as a Percentage of Revenue	Zespri® ORGANIC GREEN kiwifruit		
	2021/22	2020/21	2019/20
Zespri margin ⁽²⁾	8.0%	7.6%	8.0%
Freight	6.8%	4.9%	5.5%
Insurance	0.2%	0.2%	0.1%
Duty and customs	1.9%	2.2%	2.2%
Other onshore direct costs	1.5%	1.9%	1.9%
Other offshore direct costs	6.6%	7.7%	6.7%
Promotion	4.3%	4.4%	4.8%
Interest	0.0%	0.0%	0.1%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of Kiwifruit	70.6%	71.0%	70.6%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Green Organic Kiwifruit (\$'000)	55,062	51,378	49,588

New Zealand-grown Kiwifruit Costs as a Percentage of Revenue	Zespri® Gold kiwifruit ⁽¹⁾		
	2021/22	2020/21	2019/20
Zespri margin ⁽²⁾	8.3%	8.2%	8.4%
Freight	6.1%	4.7%	5.1%
Insurance	0.3%	0.2%	0.3%
Duty and customs	1.0%	1.1%	1.3%
Other onshore direct costs	3.9%	4.0%	3.9%
Other offshore direct costs	4.0%	3.9%	3.7%
Promotion	5.6%	5.9%	6.7%
Interest	0.0%	0.0%	0.0%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of Kiwifruit	70.7%	71.9%	70.5%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Gold Kiwifruit (\$'000)	2,281,026	1,999,665	1,708,486



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New Zealand-grown Kiwifruit Costs as a Percentage of Revenue	Zespri® Organic Gold kiwifruit ⁽¹⁾		
	2021/22	2020/21	2019/20
Zespri margin ⁽²⁾	8.2%	8.6%	
Freight	5.6%	3.5%	
Insurance	0.2%	0.1%	
Duty and customs	1.7%	1.7%	
Other onshore direct costs	4.1%	4.6%	
Other offshore direct costs	7.9%	6.8%	
Promotion	4.6%	4.9%	
Interest	0.0%	0.0%	
KNZ/NZKGI	0.1%	0.1%	
Purchase of Kiwifruit	67.6%	69.7%	
TOTAL	100.0%	100.0%	
Revenue attributable to Zespri Organic Gold Kiwifruit (\$'000)	62,857	39,228	

New Zealand-grown Kiwifruit Costs as a Percentage of Revenue	Zespri® GREEN14 kiwifruit		
	2021/22	2020/21	2019/20
Zespri margin ⁽²⁾	8.2%	8.4%	7.8%
Freight	9.1%	5.9%	7.8%
Insurance	0.2%	0.2%	0.2%
Duty and customs	0.4%	0.4%	0.5%
Other onshore direct costs	4.5%	5.0%	5.2%
Other offshore direct costs	5.0%	5.1%	3.8%
Promotion	1.0%	0.8%	10.7%
Interest	0.0%	0.0%	0.1%
KNZ/NZKGI	0.1%	0.1%	0.1%
Purchase of Kiwifruit	71.5%	74.1%	63.8%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Zespri Sweet Green Kiwifruit (\$'000)	4,176	4,947	6,695

(1) The 2019/20 comparatives presented here for Zespri SunGold kiwifruit reflects the combined pool of Zespri SunGold and Organic SunGold kiwifruit (Gold3). These varieties have been split into separate pools for the 2020/21 and 2021/22 years.

(2) The Zespri margin disclosed is net of loyalty premium payments and collaborative marketing.



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7. New Zealand-grown kiwifruit Supplier Return Analysis

Total Fruit and Service Payments (including Loyalty Premium) are detailed in Appendix B.

The allocation of revenue and cost between Pools and Corporate (non-pool) is based on the Annual Supply Agreement between Zespri Group Limited and Suppliers. The allocation between pools has been applied as follows:

- Sales are directly allocated to individual pools.
- Where expenses are directly attributable to one pool, they are allocated to that pool.
- Where expenses relate to more than one pool, amounts are allocated to pools based on allocation methods disclosed and agreed annually with the 'Industry Advisory Council' ('IAC'), captured in the Pool Policy Manual.

8. New Zealand Registered Number of Suppliers

	2022	2021	2020
Number of Suppliers	13	15	16
Trays Supplied	179,669,142	159,615,124	148,186,704

9. Regional Production Analysis

The Regional Production Analysis is shown in Appendix C.

The average trays per hectare in the tables in Appendix C equals Class 1 volumes submitted divided by productive hectares. The source data for productive hectares is derived from KPIN registrations and other returns by growers stating the number of producing hectares. While Zespri reviews this data for reasonableness, the information has not been audited and its integrity is reliant on the accurate completion of returns by growers. The trays per hectare may be distorted by the inclusion of orchards in the first years of production in the calculation.

10. Non-New Zealand-grown kiwifruit revenue by pool

	2022 \$000	2021 \$000	2020 \$000
Zespri® Green & Organic Green kiwifruit	147,441	139,868	112,969
Zespri® Gold & Organic Gold kiwifruit	385,786	328,203	251,473
Zespri® Class 2 kiwifruit	3,637	4,756	4,942
Net Sales of non-New Zealand-grown kiwifruit	536,864	472,827	369,384

11. Non-New Zealand-grown kiwifruit Total Fruit and Service Payments

	2022 \$000	2021 \$000	2020 \$000
Zespri® Green & Organic Green kiwifruit	118,167	110,583	88,652
Zespri® Gold & Organic Gold kiwifruit	290,139	242,333	181,095
Zespri® Class 2 kiwifruit	1,469	1,089	3,900
Non-New Zealand-grown kiwifruit supplier return	409,775	354,005	273,647



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12. Disclosure of Transfer Payments

In accordance with Regulation 13(e) of the Kiwifruit Export Regulations transfer payments between business segments are detailed in Appendix D. All transfers relate to goods or services performed in the year ended 31 March 2022.

During the year ended 31 March 2022 no inter-segment amounts have been written off or forgiven (2021: Nil).

13. Zespri Group Limited Shareholder Statistics

Shareholder statistics are detailed on pages 96 of the Zespri Group Limited Annual Report.

Please note the following in relation to the statistics detailed on page 96 of the Annual Report:

- The share price is the last price paid for shares on or before 31 March 2022 as per Unlisted share trading platform.
- The number of shares sold represents the number of shares transferred as advised by Computershare Investor Services Limited. This figure excludes off market share transfers, shares transferred with property sales and shares transferred within family entities which are separately disclosed.

14. Non-New Zealand-grown kiwifruit costs as a percentage of revenue

Non-New Zealand-grown kiwifruit Costs as a Percentage of Revenue	2021/22	2020/21	2019/20
Zespri margin	13.5%	13.5%	11.7%
Freight	2.6%	2.9%	3.2%
Insurance	0.2%	0.2%	0.0%
Duty and customs	1.2%	1.3%	3.0%
Other onshore direct costs	0.0%	0.0%	0.0%
Other offshore direct costs	4.0%	4.7%	5.1%
Promotion	2.2%	2.5%	2.9%
Interest	0.0%	0.0%	0.0%
KNZ/NZKGI	0.0%	0.0%	0.0%
Purchase of Kiwifruit	76.3%	74.9%	74.1%
TOTAL	100.0%	100.0%	100.0%
Revenue attributable to Non-New Zealand-grown kiwifruit (\$'000)	536,864	472,827	369,384

The Additional Disclosures to the financial statements were authorised for issue by the Directors of Zespri Group Limited on 22 June 2022.

Authorised for and on behalf of the Board:

J P Mason
Director



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Appendix A – Business Segment Analysis

Total Assets by business segment for the year ended 31 March 2022

TOTAL ASSETS BY SEGMENT	As at 31 March 2022				Total
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	\$'000
Current assets:					
Bank, cash, short-term investments	443,944	21	-	-	443,965
Trade debtors	66,354	43,866	3,793	-	114,013
Other debtors / current assets	7,698	-	-	-	7,698
Other financial assets	199,473	-	-	-	199,473
Inventory / stock	164,393	5,199	-	-	169,592
Prepayments	95,077	678	3,514	-	99,269
Total current assets	976,939	49,764	7,307	-	1,034,010
Fixed Assets:					
Information system assets	6,504	326	-	-	6,830
Motor vehicles	136	2	-	-	138
Office equipment	2,341	511	-	-	2,852
Land	-	-	-	12,149	12,149
Buildings	14,407	-	-	29,165	43,572
Leasehold improvements	896	712	-	-	1,608
Capital work in progress	1,079	52	1	894	2,026
Total fixed assets	25,363	1,603	1	42,208	69,175
Intangibles					
Development costs	-	-	5,992	-	5,992
Information systems	11,046	2	-	-	11,048
Intangibles work in progress	14,084	-	-	-	14,084
Total intangibles	25,130	2	5,992	-	31,124
Other non - current assets					
Other financial assets	187,854	-	-	-	187,854
Prepayments	1,731	-	-	-	1,731
Right of use assets	10,532	2,116	1,820	-	14,468
Other	12,347	-	-	-	12,347
Total other non-current assets	212,464	2,116	1,820	-	216,400
TOTAL ASSETS	1,239,896	53,485	15,120	42,208	1,350,709
Current Liabilities					
Accounts payable	(432,736)	(108,080)	(6,195)	(1,050)	(548,061)
Accrued payroll	(29,786)	(2,354)	-	-	(32,140)
Provisions and insurance liabilities	(910)	(64)	-	-	(974)
Lease liabilities	(4,151)	(709)	-	-	(4,860)
Other financial liabilities	(199,473)	-	-	-	(199,473)
Other current liabilities	(10,222)	15	-	-	(10,207)
Total current liabilities	(677,278)	(111,192)	(6,195)	(1,050)	(795,715)
Long term liabilities					
Accrued payroll	(1,492)	(1,318)	-	-	(2,810)
Provisions and insurance liabilities	(22)	-	-	-	(22)
Interest bearing liabilities	-	-	-	(30,000)	(30,000)
Lease liabilities	(6,692)	(1,498)	(1,952)	-	(10,142)
Other financial liabilities	(187,854)	-	-	-	(187,854)
Other long term liabilities	(792)	-	(1,287)	-	(2,079)
Total long term liabilities	(196,852)	(2,816)	(3,238)	(30,000)	(232,906)
Equity	(322,088)	-	-	-	(322,088)
Total equity & liabilities	(1,196,218)	(114,008)	(9,433)	(31,050)	(1,350,709)
Segment receivable / (loan) (before tax & dividend distributions)	(43,679)	60,523	(5,686)	(11,158)	-

NB: Equity is not split between segments, therefore is allocated to "core business" as dividends and taxation is not allocated by segments.

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Total Assets by business segment for the year ended 31 March 2021 (restated)

TOTAL ASSETS BY SEGMENT	As at 31 March 2021				Total \$'000 Restated
	New Zealand kiwifruit \$'000 Restated	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000	
Current assets:					
Bank, cash, short-term investments	414,622	21	-	-	414,643
Trade debtors	77,664	31,471	1,747	-	110,882
Other debtors / current assets	133	-	-	-	133
Other financial assets	140,326	-	-	-	140,326
Inventory / stock	189,496	5,882	-	-	195,378
Prepayments	62,848	733	249	-	63,830
Total current assets	885,089	38,107	1,996	-	925,192
Fixed Assets:					
Information system assets	6,453	179	-	-	6,632
Motor vehicles	99	3	-	-	102
Office equipment	2,673	474	-	-	3,147
Land	-	-	-	11,453	11,453
Buildings	15,266	-	-	30,106	45,372
Leasehold improvements	1,427	720	-	-	2,147
Capital work in progress	1,107	-	-	77	1,184
Total fixed assets	27,025	1,376	-	41,636	70,037
Intangibles					
Development costs	-	-	4,658	-	4,658
Information systems	9,005	2	-	-	9,007
Intangibles work in progress	2,979	-	-	-	2,979
Total intangibles	11,984	2	4,658	-	16,644
Other non-current assets					
Other financial assets	231,360	-	-	-	231,360
Prepayments	2,068	-	-	-	2,068
Right of use assets	11,547	2,718	1,595	-	15,860
Other	16,170	-	-	-	16,170
Total other non-current assets	261,145	2,718	1,595	-	265,458
TOTAL ASSETS	1,185,243	42,203	8,249	41,636	1,277,331
Current Liabilities					
Accounts payable	(429,634)	(86,906)	(7,931)	(6)	(524,477)
Accrued payroll	(26,000)	(2,461)	-	-	(28,461)
Provisions and insurance liabilities	(10,028)	(98)	-	-	(10,126)
Lease liabilities	(1,463)	(1,292)	(1,676)	-	(4,431)
Other financial liabilities	(140,326)	-	-	-	(140,326)
Other current liabilities	(11,443)	9	-	-	(11,434)
Total current liabilities	(618,894)	(90,748)	(9,607)	(6)	(719,255)
Long term liabilities					
Accrued payroll	(1,393)	(1,148)	-	-	(2,541)
Interest bearing liabilities	-	-	-	(30,000)	(30,000)
Lease liabilities	(10,223)	(1,432)	-	-	(11,655)
Other financial liabilities	(231,360)	-	-	-	(231,360)
Other long term liabilities	(2,688)	-	-	-	(2,688)
Total long term liabilities	(245,664)	(2,580)	-	(30,000)	(278,244)
Equity	(279,832)	-	-	-	(279,832)
Total equity & liabilities	(1,144,390)	(93,328)	(9,607)	(30,006)	(1,277,331)
Segment receivable / (loan) (before tax & dividend distributions)	(40,853)	51,125	1,358	(11,630)	-

NB: Equity is not split between segments, therefore is allocated to "core business" as dividends and taxation is not allocated by segments.

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Net profit/(loss) by business segment for the year ended 31 March 2022

	OTHER BUSINESS				Eliminations \$'000	Total \$'000
	New Zealand kiwifruit \$'000	Non-New Zealand supply \$'000	New cultivar \$'000	All other segments \$'000		
Revenue from sale of NZ kiwifruit (exc transfers)	3,491,846	-	-	-	-	3,491,846
Revenue from sale of Non-NZ kiwifruit	-	536,864	-	-	-	536,864
Total Sales revenue - external customers	3,491,846	536,864	-	-	-	4,028,710
Transfer Revenue:						
ZGL Commission from NZ Kiwifruit	331,572	-	-	-	(331,572)	-
Intercompany rent	-	-	-	2,935	(2,935)	-
New Cultivar Royalties	-	-	45,339	-	(45,339)	-
Inter-segment revenue	331,572	-	45,339	2,935	(379,846)	-
Revenue from insurance claims *	3,420	-	-	-	-	3,420
Revenue from licenses issued	-	-	436,731	-	-	436,731
Other	3,607	1,291	-	956	-	5,854
Research grant co-funding	3,187	-	3,983	-	-	7,170
External royalties	-	-	250	-	-	250
Other revenue *	10,214	1,291	440,964	956	-	453,425
Total revenue (exc interest)	3,833,632	538,155	486,303	3,891	(379,846)	4,482,135
Freight	246,967	18,213	-	-	-	265,180
Insurance (onshore and offshore)	11,963	900	-	-	-	12,863
Duty and customs	46,789	6,821	-	-	-	53,610
Promotion	179,285	14,192	-	-	-	193,477
Other direct costs - offshore *	145,644	22,832	-	-	-	168,476
Other direct costs - onshore	70,104	-	-	-	-	70,104
KNZ/NZKGI/KVH costs	5,095	-	-	-	-	5,095
Fruit and service payments	2,420,284	409,775	-	-	-	2,830,059
Loyalty premium	53,072	-	-	-	-	53,072
Research and development	14,849	1,402	14,445	-	-	30,696
Information system expenses	55,821	192	-	-	-	56,013
Depreciation	9432	974	609	619	-	11,634
Amortisation / impairment of intangible assets	3,583	-	1,479	-	-	5,062
Corporate and administration expenses	17,431	1,028	13,468	-	-	31,926
Land and building expenses	1,023	15	-	-	-	1,038
Motor vehicle expenses	755	348	8	-	-	1,111
Other travel	2,490	433	94	-	-	3,017
Office equipment maintenance	493	41	-	-	-	534
Human resource expenses	130,178	10,519	3,061	-	-	143,758
Marketing/advertising	6,510	482	-	-	-	6,992
Consultancy and legal	33,164	663	2,344	-	-	36,171
Other expenses	-	-	-	-	-	-
Foreign exchange hedging relating to Offshore Overheads	-	-	-	-	-	-
Transfer Payments:						
ZGL Commission from NZ Kiwifruit	331,572	-	-	-	(331,572)	-
Intercompany rent	2,935	-	-	-	(2,935)	-
Inter-segment service charge	(18,328)	16,087	2,241	-	-	-
ZGL royalty new cultivars	38,962	6,377	-	-	(45,339)	-
Total expense	3,810,073	511,294	37,749	619	(379,846)	3,979,889
Net profit before interest & taxation	23,559	26,861	448,554	3,272	-	502,246
Interest revenue on short term deposits	4,225	-	-	-	-	4,225
Intersegment interest income/(expense)	(1,524)	-	-	1,524	-	-
Interest expense	(1,346)	-	-	-	-	(1,346)
Net profit after interest before tax	24,914	26,861	448,554	4,796	-	505,125

NB: * In the segment note of the statutory accounts, all New Zealand pool offshore insurance revenue is treated as negative cost, it is included in other external expenses.

Revenues, direct costs, promotion and overheads are identified and recognised for each business unit under the application of NZ IFRS. The internal management information on which the segment results above are based uses a different method for allocating realised gains and losses on treasury activities. For internal management reporting, realised gains and losses from the management of foreign exchange risk are allocated to the business unit. Where material, these gains and losses are allocated against individual revenue and expense lines based on the underlying currencies of the transactions to affect what would be a 'hedged' rate on the cumulative transactions. Foreign exchange gains/losses that cannot be allocated are shown separately. For financial reporting purposes these net realised foreign exchange gains/(losses) on derivatives are disclosed separately from the operating revenue and operating expense within other net gains/(losses) (refer Note 4, Annual Report 2021/22).

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Net profit/(loss) by business segment for the year ended 31 March 2021 (restated)

	OTHER BUSINESS					Total \$'000 Restated
	New Zealand kiwifruit	Non-New Zealand supply	New cultivar	All other segments	Eliminations	
	\$'000 Restated	\$'000	\$'000	\$'000	\$'000	
Revenue from sale of NZ kiwifruit (exc transfers)	3,109,881	-	-	-	-	3,109,881
Revenue from sale of Non-NZ kiwifruit	-	472,827	-	-	-	472,827
Total Sales revenue - external customers	3,109,881	472,827	-	-	-	3,582,708
Transfer Revenue:						
ZGL Commission from NZ Kiwifruit	305,513	-	-	-	(305,513)	-
Intercompany rent	-	-	-	2,862	(2,862)	-
New Cultivar Royalties	-	-	39,329	-	(39,329)	-
Inter-segment revenue	305,513	-	39,329	2,862	(347,704)	-
Revenue from insurance claims *	198	-	-	-	-	198
Revenue from licenses issued	-	-	306,926	-	-	306,926
Other	3,157	93	-	-	-	3,250
Research grant co-funding	2,678	-	5,674	-	-	8,352
External royalties	-	-	272	-	-	272
Other revenue *	6,033	93	312,872	-	-	318,998
Total revenue (exc interest)	3,421,427	472,920	352,201	2,862	(347,704)	3,901,706
Freight	166,211	13,757	-	-	-	179,968
Insurance (onshore and offshore)	5,163	1,181	-	-	-	6,344
Duty and customs	48,361	6,280	-	-	-	54,641
Promotion	167,437	11,702	-	-	-	179,139
Other direct costs - offshore *	124,779	21,260	-	-	-	146,039
Other direct costs - onshore	65,133	-	-	-	-	65,133
KNZ/NZKGI/KVH costs	4,743	-	-	-	-	4,743
Fruit and service payments	2,190,089	354,005	-	-	-	2,544,094
Loyalty premium	62,619	-	-	-	-	62,619
Research and development	36,742	1,080	13,896	-	-	51,718
Information system expenses	15,549	205	-	-	-	15,754
Depreciation	8,529	1,097	259	629	-	10,514
Amortisation / impairment of intangible assets	4,278	1	1,284	-	-	5,563
Corporate and administration expenses	13,839	1,037	5,404	205	-	20,485
Land and building expenses	450	11	62	-	-	523
Motor vehicle expenses	478	281	19	-	-	778
Other travel	1,685	185	181	-	-	2,051
Office equipment maintenance	493	36	-	-	-	529
Human resource expenses	108,079	10,526	3,043	-	-	121,648
Marketing/advertising	6,138	592	-	-	-	6,730
Consultancy and legal	28,296	753	6,113	-	-	35,162
Other expenses	-	1,727	-	-	-	1,727
Transfer Payments:						
ZGL Commission from NZ Kiwifruit	305,513	-	-	-	(305,513)	-
Intercompany rent	2,862	-	-	-	(2,862)	-
Inter-segment service charge	(15,177)	13,012	2,165	-	-	-
ZGL royalty new cultitvars	33,958	5,371	-	-	(39,329)	-
Total expense	3,386,247	444,099	32,426	834	(347,704)	3,515,902
Net profit before interest & taxation	35,180	28,821	319,775	2,028	-	385,804
Interest revenue on short term deposits	2,333	-	-	-	-	2,333
Intersegment interest (income)/expense	(353)	-	-	353	-	-
Interest expense	(1,350)	-	-	-	-	(1,350)
Net profit after interest before tax	35,810	28,821	319,775	2,381	-	386,787

NB: * In the segment note of the statutory accounts, all New Zealand pool offshore insurance revenue is treated as negative cost, it is included in other external expenses.

Revenues, direct costs, promotion and overheads are identified and recognised for each business unit under the application of NZ IFRS. The internal management information on which the segment results above are based uses a different method for allocating realised gains and losses on treasury activities. For internal management reporting, realised gains and losses from the management of foreign exchange risk are allocated to the business unit. Where material, these gains and losses are allocated against individual revenue and expense lines based on the underlying currencies of the transactions to affect what would be a 'hedged' rate on the cumulative transactions. Foreign exchange gains/losses that cannot be allocated are shown separately. For financial reporting purposes these net realised foreign exchange gains/(losses) on derivatives are disclosed separately from the operating revenue and operating expense within other net gains/(losses) (refer Note 4, Annual Report 2021/22).

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Appendix B – New Zealand Total Fruit and Service Payments (including Loyalty Premium)

	RETURN \$m 2021/22	\$ PER TE 2021/22	\$ PER TE 2020/21	\$ PER TE 2019/20	\$ PER TE 2018/19	\$ PER TE 2017/18
Zespri® Green Kiwifruit						
Total tray equivalents supplied (m)		73.92	67.54	68.68	81.03	65.12
Fruit payments	346.60	4.69	8.65	4.10	4.10	5.35
Fruit incentives	278.50	3.77	0.36	4.15	3.01	2.96
Service payments	110.70	1.50	1.39	1.59	1.67	1.55
Loyalty premium	22.20	0.30	0.40	0.31	0.31	0.28
Total fruit and service payments (including loyalty premium)	757.90	10.25	10.80	10.16	9.09	10.14
Zespri® Organic Green Kiwifruit						
Total tray equivalents supplied (m)		2.99	2.76	2.79	3.52	2.76
Fruit payments	18.70	6.25	11.54	5.64	6.74	7.72
Fruit incentives	16.40	5.50	0.46	5.71	4.10	2.84
Service payments	2.90	0.96	0.81	0.90	1.00	0.87
Loyalty premium	0.90	0.30	0.40	0.31	0.31	0.28
Total fruit and service payments (including loyalty premium)	38.90	13.02	13.21	12.56	12.14	11.71
Zespri® Gold Kiwifruit ⁽¹⁾⁽²⁾						
Total tray equivalents supplied (m)		97.69	85.52	73.71	66.03	52.57
Fruit payments	763.80	7.82	14.18	6.32	7.17	6.86
Fruit incentives	661.30	6.77	0.83	8.14	6.31	5.76
Service payments	157.50	1.61	1.42	1.57	1.58	1.28
Loyalty premium	29.30	0.30	0.40	0.31	0.31	0.28
Total fruit and service payments (including loyalty premium)	1,611.90	16.50	16.82	16.35	15.37	14.18
Zespri® Gold Organic Kiwifruit ⁽¹⁾⁽²⁾						
Total tray equivalents supplied (m)		2.50	1.45			
Fruit payments	18.10	7.21	16.95			
Fruit incentives	20.50	8.20	0.55			
Service payments	3.20	1.30	0.96			
Loyalty premium	0.70	0.30	0.40			
Total fruit and service payments (including loyalty premium)	42.50	17.02	18.85			
Zespri® Green14 Kiwifruit						
Total tray equivalents supplied (m)		0.26	0.27	0.39	0.89	1.22
Fruit payments	1.90	7.16	12.70	6.59	6.53	5.68
Fruit incentives	1.00	3.98	0.50	3.92	3.37	2.70
Service payments	-	-	-	-	0.12	0.22
Loyalty premium	0.10	0.30	0.40	0.31	0.31	0.28
Total fruit and service payments (including loyalty premium)	3.00	11.44	13.61	10.82	10.34	8.88
Class 2 Green Kiwifruit						
Total tray equivalents supplied (m)		1.33	1.10	1.15	1.41	0.69
Fruit payments	9.70	7.18	7.32	7.01	5.97	6.18
Service payments	0.20	0.16	0.13	-	0.04	-
Total fruit and service payments	9.80	7.34	7.45	7.01	6.01	6.18
Class 2 Organic Green Kiwifruit						
Total tray equivalents supplied (m)		0.09	0.05	0.05	0.06	0.06
Fruit payments	0.90	9.87	10.02	10.02	9.86	9.67
Service payments	-	0.20	0.15	0.13	0.19	0.22
Total fruit and service payments	0.90	10.07	10.17	10.15	10.05	9.89
Class 2 Gold Kiwifruit						
Total tray equivalents supplied (m)		0.85	0.78	0.51	0.66	1.06
Fruit payments	7.90	9.36	9.02	8.44	7.68	6.20
Service payments	0.20	0.19	0.16	0.03	0.08	0.13
Total fruit and service payments	8.20	9.55	9.18	8.47	7.76	6.33
Class 2 Organic Gold Kiwifruit						
Total tray equivalents supplied (m)		0.03	0.03			
Fruit payments	0.40	14.10	13.42			
Service payments	-	0.03	0.04			
Total fruit and service payments	0.40	14.14	13.47			

Fruit and Service Payment amounts above are not rounded; therefore, rounding differences may apply to totals.



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Appendix B – Total Fruit and Service Payments (including Loyalty Premium) - *continued*

	RETURN \$m 2021/22	\$ PER TE 2021/22	\$ PER TE 2020/21	\$ PER TE 2019/20	\$ PER TE 2018/19	\$ PER TE 2017/18
Non-Standard Supply						
Total tray equivalents supplied (m)		0.01	0.14	0.85	0.46	0.96
Fruit payments	0.10	8.47	9.71	4.20	5.60	7.66
Fruit incentives	-	5.17	-	3.49	2.79	-
Service payments	-	0.43	0.77	0.96	0.54	0.05
Total fruit and service payments	0.10	14.07	10.48	8.65	8.93	7.71
Total All Pools						
Total tray equivalents supplied (m)		179.66	159.65	148.13	154.06	124.43
Fruit payments	1,167.80	6.50	11.74	5.28	5.53	6.08
Fruit incentives	977.80	5.44	0.61	6.12	4.41	4.07
Service payments	274.70	1.53	1.37	1.54	1.59	1.38
Loyalty premium	53.20	0.30	0.39	0.31	0.30	0.27
Total fruit and service payments (including loyalty premium)	2,473.50	13.77	14.11	13.25	11.83	11.80
Total fruit and service payments 2020/21 (NZ IFRS)	2,253.20					
Total fruit and service payments 2019/20 (NZ IFRS)	1,962.50					
Total fruit and service payments 2018/19 (NZ IFRS)	1,821.75					
Total fruit and service payments 2017/18 (NZ IFRS)	1,468.10					

Fruit and Service Payment amounts above are not rounded; therefore, rounding differences may apply to totals.



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Appendix C – Regional Production Analysis – New Zealand-grown kiwifruit (trays supplied to Zespri)

	2021/22		2020/21		2019/20		2018/19	
Zespri Green kiwifruit	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	79	7,410	81	8,829	100	6,835	106	8,498
Auckland	237	9,332	243	8,030	256	7,175	262	9,974
Bay of Plenty								
- Katikati	824	11,343	859	8,011	830	8,960	859	9,882
- Opotiki	433	11,363	436	10,735	444	10,834	455	11,315
- Tauranga	987	11,711	996	10,625	1,066	9,773	1,087	12,014
- Te Puke	2,969	12,672	3,079	11,551	3,190	11,058	3,292	12,380
- Waihi	101	10,822	106	7,608	132	7,771	138	9,858
- Whakatane	279	9,153	309	7,434	331	8,369	366	10,541
Waikato	210	9,327	202	8,297	204	9,113	203	9,076
Poverty Bay	31	7,035	40	6,054	44	6,801	52	7,745
Hawkes Bay	39	6,332	41	6,005	41	6,916	45	7,358
Lower North Island	69	6,482	69	8,623	69	9,062	70	9,291
South Island	133	6,903	197	6,226	208	6,519	223	7,258
Total producing hectares	6,390	-	6,659	-	6,915	-	7,158	-
Average TE supplied per hectare	-	11,529	-	10,133	-	9,932	-	11,320
Zespri Green Organic kiwifruit	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	-	-	-	-	-	-	-	-
Auckland	1	4,569	1	5,118	1	2,626	1	5,364
Bay of Plenty								
- Katikati	29	8,862	29	6,427	30	6,095	30	9,061
- Opotiki	22	7,337	22	7,400	21	7,092	21	7,493
- Tauranga	177	7,331	177	7,333	174	6,599	182	8,604
- Te Puke	38	8,926	35	8,276	37	7,924	38	8,775
- Waihi	20	6,207	22	3,961	22	5,077	22	6,589
- Whakatane	4	2,463	4	2,742	4	3,178	4	4,594
Waikato	142	5,226	147	4,875	147	6,047	148	6,885
Poverty Bay	-	-	-	-	0	2,728	1	4,042
Hawkes Bay	-	-	-	-	-	-	-	-
Lower North Island	6	8,097	2	3,330	2	3,763	2	4,439
South Island	-	-	-	-	-	-	-	-
Total producing hectares	438	-	439	-	437	-	448	-
Average TE supplied per hectare	-	6,805	-	6,296	-	6,386	-	7,863
Zespri SunGold kiwifruit (Gold3) ⁽¹⁾	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	430	12,461	386	13,251	368	11,738	356	12,327
Auckland	286	13,447	234	14,312	227	12,865	214	12,143
Bay of Plenty								
- Katikati	707	16,072	597	13,285	537	13,421	497	13,531
- Opotiki	603	15,771	571	13,901	543	14,132	520	13,871
- Tauranga	519	15,443	517	14,580	500	13,133	476	14,100
- Te Puke	2,643	15,621	2,402	15,252	2,085	14,228	1,811	13,744
- Waihi	82	15,412	97	12,256	105	11,887	92	12,811
- Whakatane	425	14,283	341	13,405	274	12,074	240	11,931
Waikato	194	14,204	185	12,773	197	11,239	192	10,712
Poverty Bay	346	13,532	311	10,727	267	12,321	244	11,937
Hawkes Bay	167	12,522	165	11,034	156	12,559	152	10,840
Lower North Island	1	10,010	1	10,096	1	11,093	2	5,955
South Island	119	11,335	241	15,189	224	14,897	200	14,135
Total producing hectares	6,522	-	6,047	-	5,483	-	4,996	-
Average TE supplied per hectare	-	14,964	-	14,130	-	13,443	-	13,216

Producing TE hectares includes all hectares producing fruit in the relevant season. Producing hectare amounts are not rounded to whole numbers; therefore, rounding differences may apply to totals.



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Appendix C – Regional Production Analysis – New Zealand-grown kiwifruit (trays supplied to Zespri) - continued

Zespri Organic SunGold kiwifruit (Gold3) ⁽¹⁾	2021/22		2020/21		2019/20		2018/19	
	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	24	9,745	9	7,579				
Auckland	4	4,877	4	8,687				
Bay of Plenty								
- Katikati	10	12,156	2	7,868				
- Opotiki	11	12,335	11	7,939				
- Tauranga	41	12,613	30	10,618				
- Te Puke	102	11,643	52	12,350				
- Waihi	6	9,545	13	9,307				
- Whakatane	-	-	-	-				
Waikato	19	9,256	18	8,263				
Poverty Bay	4	11,702	3	4,871				
Hawkes Bay	-	-	-	-				
Lower North Island	-	-	-	-				
South Island	-	-	-	-				
Total producing hectares	222	-	142	-				
Average TE supplied per hectare	-	11,299	-	10,253				
Zespri Sweet Green kiwifruit (Green 14)	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha	Producing Hectares	TE supplied per ha
Northland	-	-	-	-	-	-	1	5,809
Auckland	9	4,957	12	3,088	14	2,894	18	4,916
Bay of Plenty								
- Katikati	6	5,153	8	4,307	9	4,718	8	5,871
- Opotiki	5	8,653	5	5,687	5	7,353	8	8,003
- Tauranga	1	9,330	1	5,771	1	7,380	4	7,254
- Te Puke	8	10,775	9	8,719	17	7,778	59	6,944
- Waihi	-	-	-	-	-	-	-	-
- Whakatane	2	6,670	5	5,844	7	5,674	17	6,863
Waikato	-	-	-	-	8	6,248	11	5,032
Poverty Bay	-	-	-	-	-	-	3	5,298
Hawkes Bay	7	5,605	7	7,831	7	5,920	8	3,682
Lower North Island	-	-	1	2,471	2	3,181	4	2,602
South Island	-	-	-	-	-	-	2	4,013
Total producing hectares	37	-	48	-	70	-	145	-
Average TE supplied per hectare	-	6,969	-	5,608	-	5,668	-	6,150

Producing hectares includes all hectares producing fruit in the relevant season. Producing hectare amounts are not rounded to whole numbers; therefore, rounding differences may apply to totals.



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Appendix D – Transfer Payments

2021/22

Item	Recipient of transfer income	Recipient of transfer expense	Description of transfer item	\$'000
Inter-segment service charge	New Zealand Kiwifruit	Non-New Zealand Supply	Recharge of costs incurred by corporate on Non-New Zealand-grown kiwifruit behalf e.g. salary costs.	16,087
Inter-segment service charge	New Zealand Kiwifruit	New Cultivar	Recharge of costs incurred by corporate on new cultivar kiwifruit segment's behalf e.g. salary costs	2,241
Intercompany rent	All other segments	New Zealand kiwifruit	Payment made from New Zealand kiwifruit to Land & Buildings segment in relation to orchard, property and building rent charges.	2,935
New Cultivar Royalty payments from New Zealand kiwifruit	New Cultivar	New Zealand Kiwifruit	Payment made from New Zealand kiwifruit, based on sales value, for royalties on Zespri PVRs.	38,962
New Cultivar Royalty payments from non-New Zealand kiwifruit	New Cultivar	Non-New Zealand Supply	Payment made from non-New Zealand kiwifruit, based on sales value, for royalties on Zespri PVRs.	6,377
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	Non-New Zealand Supply	Profit is transferred to New Zealand Kiwifruit equity.	26,861
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	New Cultivar	Profit is transferred to New Zealand Kiwifruit equity.	448,554
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	All other segments	Profit is transferred to New Zealand Kiwifruit equity.	4,796

Note:

1. All material transfers between segments have a fair value assigned. No nil value or nominal value transfers representing a material underlying fair value have occurred.
2. All inter-segment transfers have been fully settled within the year. No transfer balances are outstanding at 31 March 2022.

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Appendix D – Transfer Payments - continued

2020/21

Item	Recipient of transfer income	Recipient of transfer expense	Description of transfer item	\$'000
Inter-segment service charge	New Zealand Kiwifruit	Non-New Zealand Supply	Recharge of costs incurred by corporate on Non-New Zealand-grown kiwifruit behalf e.g. salary costs.	13,012
Inter-segment service charge	New Zealand Kiwifruit	New Cultivar	Recharge of costs incurred by corporate on new cultivar kiwifruit segment's behalf e.g. salary costs	2,165
Intercompany rent	All other segments	New Zealand kiwifruit	Payment made from New Zealand kiwifruit to Land & Buildings segment in relation to orchard, property and building rent charges.	2,862
New Cultivar Royalty payments from New Zealand kiwifruit	New Cultivar	New Zealand Kiwifruit	Payment made from New Zealand kiwifruit, based on sales value, for royalties on Zespri PVR's.	33,957
New Cultivar Royalty payments from non-New Zealand kiwifruit	New Cultivar	Non-New Zealand Supply	Payment made from non-New Zealand kiwifruit, based on sales value, for royalties on Zespri PVR's.	5,371
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	Non-New Zealand Supply	Profit is transferred to New Zealand Kiwifruit equity.	28,821
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	New Cultivar	Profit is transferred to New Zealand Kiwifruit equity.	319,775
Profit before tax transferred to New Zealand Kiwifruit	New Zealand Kiwifruit	All other segments	Profit is transferred to New Zealand Kiwifruit equity.	2,381

Note:

1. All material transfers between segments have a fair value assigned. No nil value or nominal value transfers representing a material underlying fair value have occurred.
2. All inter-segment transfers have been fully settled within the year. No transfer balances are outstanding at 31 March 2021.



Independent Auditor's Report

To the shareholders of Zespri Group Limited

Report on the audit of the special purpose financial statements

In our opinion, the accompanying special purpose financial statements of Zespri Group Limited (the 'Company') and its subsidiaries (the 'Group') on pages 2 to 19:

- i. Present in all material respects the Company's financial position as at 31 March 2022 and its financial performance for the year ended on that date in compliance with the financial reporting provisions required by the Kiwifruit Export Information Disclosure Handbook (the "Handbook") under the Kiwifruit Export Regulations 1999 (the "Regulations"); and
- ii. Are correctly referenced to the audited consolidated financial statements of Zespri Group Limited.

We have audited the accompanying special purpose financial statements which comprise the additional disclosures included in pages 2 to 19.



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 Company 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 special purpose financial statements* section of our report.

Our firm has also provided other assurance services relating to overhead allocations between segments, limited assurance over non-financial disclosures, agreed upon procedures, taxation consulting and compliance services. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.



Emphasis of matter – Basis of Accounting

Without modifying our opinion, we draw attention to the Basis of Preparation note to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to meet the requirements of the Handbook and Regulations. As a result, the special purpose financial statements may not be suitable for another purpose.



Other matter

The Company has prepared a separate set of consolidated financial statements for the year ended 31 March 2022 in accordance with New Zealand Equivalents to International Financial Reporting Standards on which we issued a separate unqualified auditor's report to the shareholders of the Company dated 22 June 2022.



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 special purpose financial statements

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

- The preparation of the special purpose financial statements in accordance with Handbook under the regulations;
- Implementing necessary internal control to enable the preparation of a special purpose 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 special purpose financial statements

Our objective is:

- To obtain reasonable assurance about whether the special purpose 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 special purpose financial statements.

A further description of our responsibilities for the audit of these special purpose 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-1/>

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



KPMG
Auckland

22 June 2022