Seeka

SELECT EXCELLENCE

ANNUAL REPORT

2022


Seeka
New Zea
Fresh Kiw

Contents

Welcome to our FY22 Annual Report where we detail how Seeka organises its business to supply the world with safe, high-quality, New Zealand and Australian fruit.

We report on our financial and operational performance as we work with our communities to deliver services in a very challenging season. We also update you on Seeka's environmental, social and corporate governance initiatives as we decarbonise our business and strive towards our goal to be net zero carbon by 2050.

The best way to view this integrated report is with Adobe Acrobat Reader. To navigate, click the section headers listed above. You can also click any light blue text for direct links to additional information. To return to a contents page, click the navigation header at the top of each page.

Our produce business

Select excellence from orchard to market

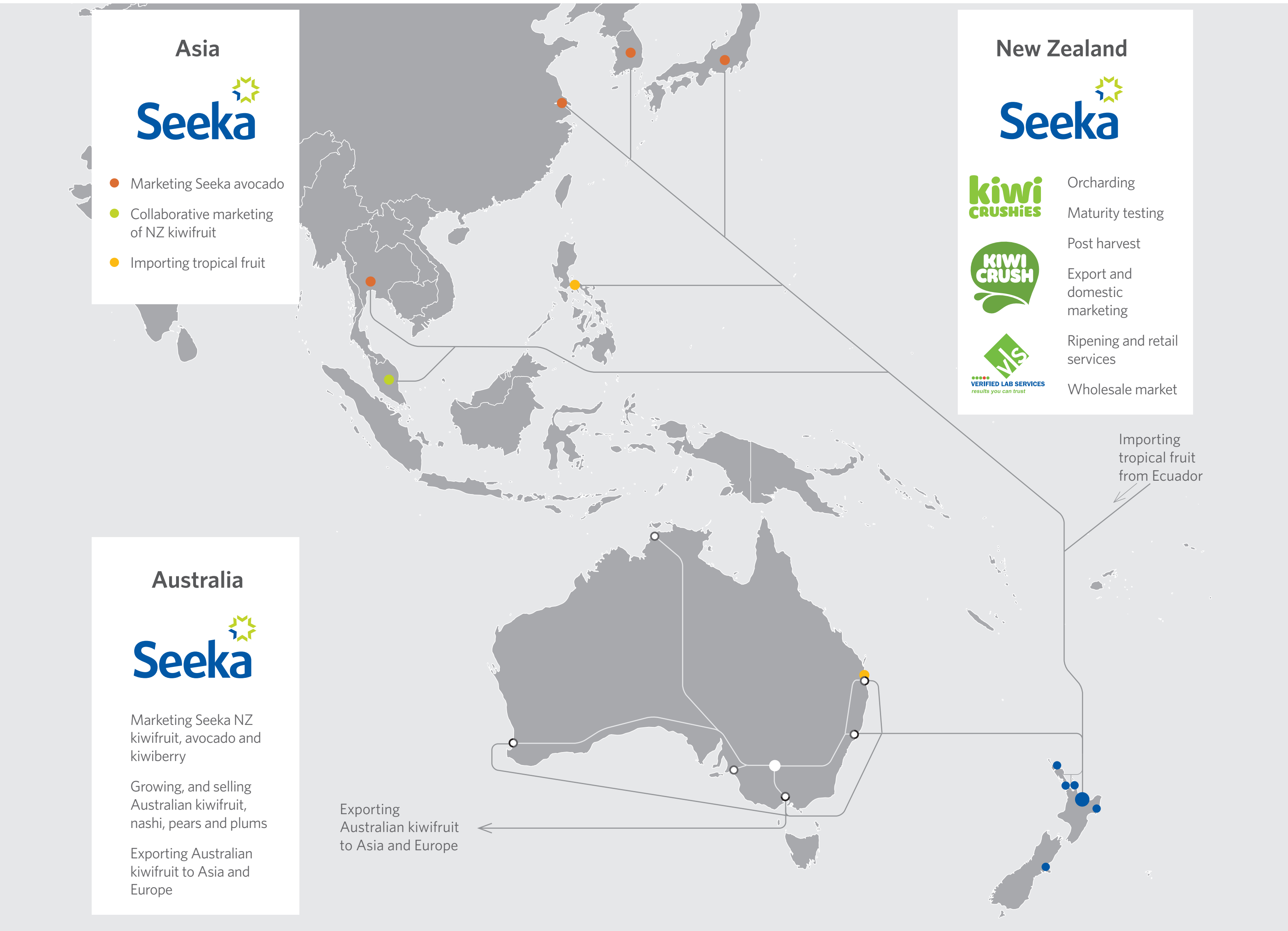
Seeka grows, processes and supplies premium, healthy fruit to domestic and international consumers. We are founded on kiwifruit and have expanded to be New Zealand and Australia's largest kiwifruit grower. We also grow and supply New Zealand kiwiberry, avocados and citrus and Australian nashi, pears and other fruits.

We supply Zespri with premium New Zealand kiwifruit, while also servicing key retail customers in New Zealand, Australia and other international markets. We also sell fresh produce from our Auckland wholesale market.

We are a large regional employer, operating packing and coolstore facilities in all major kiwifruit and avocado growing regions in New Zealand's North Island. Seeka also operates orchard and post harvest facilities in Victoria Australia, with Australians buying Seeka-supplied fruit all year round.

We focus on supply chain management, and have extended our services to import and condition tropical fruits for New Zealand retailers, plus we produce and sell avocado oil and the digestive aid Kiwi Crush.

At Seeka, we strive to deliver excellence from orchard to market.



Our year at a glance

$348m
Revenue
Up 13% on FY21 $310m

$6.5m
Net profit after tax
Down 56% on FY21 $14.9m

$46.1m
EBITDA
Down 19% on FY21 $56.8m

$19.1m
EBIT
Down 41% on FY21 $32.2m

$548m
Assets
Up 14% on FY21 $482m

$147m
Net bank debt
Up $46m on FY21 $101m

13cents
Dividends paid FY22

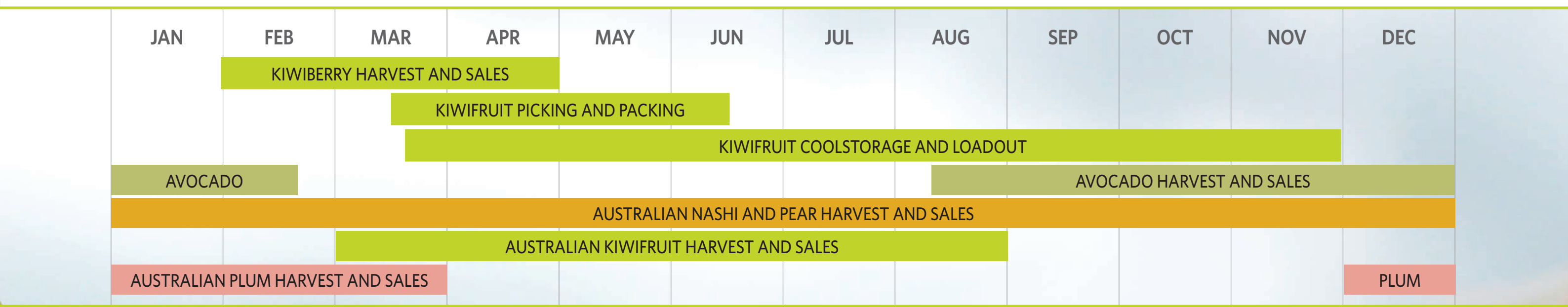
$18m
Acquisition of NZ Fruits

1600
Hectares of NZ kiwifruit grown by the Seeka team

42m
Trays of NZ class 1 kiwifruit packed at Seeka facilities

6500
People employed in NZ and Australia to pick, pack and supply premium Australasian fruit

3years
of carbon footprint data published in Seeka's first full Sustainability Report



Chair and Chief Executive's report

Welcome to Seeka's annual report and commentary for the year ended 31 December 2022.

Seeka and its supplying growers experienced a very difficult year. Covid-19, adverse weather events, extreme labour shortages, packing machine commissioning delays, shipping disruption, lower fruit yields and poor fruit quality were key challenges. Additionally, lower market returns also impacted financial performance. Despite these challenges, Seeka delivered $6.5 million profit after tax (2021 $14.9m); lower than target and the prior year, reflecting a difficult season.

Dividend distributions were paused while Seeka assessed its financial position and focussed on prudent financial ratios.

New Zealand national kiwifruit volumes were well down on expectation from seasonal fluctuations and storm damage in the Ōpōtiki region. The New Zealand kiwifruit harvest was then impacted by unusual maturity and poor weather, especially around the Gisborne catchment, and despite operating a full harvest season at OPAC, along with the newly acquired Orangewood and Seeka Gisborne sites, Seeka only packed 42.0 million class 1 trays of New Zealand kiwifruit in 2022, just 7% more than the 39.2m trays packed in 2021.

Labour availability was very tight and impacted by the surge in Omicron-related absences. The Group innovated by redeploying people and using contractors where available. Loyal personnel worked hard to ensure continuity of operations.

At one point Seeka was 1,100 people short from having a full New Zealand seasonal workforce with the shortages unevenly dispersed across regions and sites. The harvest was completed with an influx of RSE workers from the Pacific which added new challenges to accommodate them and formalise their employment documentation. The cost of labour also rose significantly as Seeka competed to fully resource operations. Additional allowances were paid to seasonal workers in response to the labour shortage.

The new, highly-automated MAF Roda kiwifruit packing machine commissioned at KKP packhouse was late due to Covid-19 shipping disruptions. This forced the redirection of kiwifruit to other packing sites.

Shipping delays disrupted the supply chain to market. Fruit quality in 2022 was poor, creating pressure on quality checking as Seeka and the industry strove to deliver excellent fruit to the market. Kiwifruit is a premium product requiring careful and deliberate handling through the supply chain. Early-season industry supply was out of specification reflecting intense harvest pressures. Lower fruit quality impacted market returns, which was exacerbated when Zespri experienced high off-shore fruit loss.

Seeka's fruit loss at the Ōpōtiki site was significantly higher than the industry. The company, on behalf of growers, has lodged an insurance claim for the associated losses in kiwifruit orchard returns. Acceptance of this claim by the underwriters is under review.

Seeka Australia managed severe labour shortages and market disruptions which impacted volumes and returns. Labour supply has improved, and the business is looking to lift earnings as Australian orcharding investments mature and production increases.

Seeka is focussed on the immediate job of optimising its operations, fully integrating recent acquisitions and improving financial results in a volatile business environment. This includes investing in packing automation and additional coolstorage ahead of the increase in crop volumes, with automation upgrades completed at Oakside packline 3 and at Gisborne, and new coolstores built at Transcool.

In June 2022 the Group published its first Sustainability Report, which alongside the publication of three years of independently-verified emission measurements, set Seeka's target to achieve net zero emissions by 2050, with interim steps to achieve a 30% reduction on baseline by 2025 and 50% by 2030.

The large Ōpōtiki and Bay of Plenty catchments suffered a heavy spring frost on 6 October 2022, which significantly affected some orchards and will lower 2023 crop volumes.

Since Cyclone Gabrielle, Seeka has been inspecting post harvest sites and supplying orchards to assess the potential impact on harvest 2023. While no significant damage was detected at Seeka's facilities, the full impact on crops will likely remain unknown until the fruit is harvested.

Seeka's core Bay of Plenty kiwifruit growing region was spared the worst and was not materially impacted. The Hawke's Bay, Gisborne, Coromandel and Kerikeri regions had varying degrees of impact, and approximately 5% of Seeka's kiwifruit supply is grown in the Hawke's Bay which was worst hit. The Group will continue to assess the situation and will update the market if it identifies a material loss.

Harvest 2023 kiwifruit volumes are expected to be lower than harvest 2022 due to the early season frost, variable bud break and the cyclone. Seeka's response includes a reduction to the 2023 capital expenditure programme and reducing costs in line with the lower crop expectation, with Seeka in a strong position to handle the 2023 crop.

Dividend

In this challenging environment the Board has determined that no dividend is payable.

Review of operations

Financial

2022 revenue of $348.4 million was up 13% on the 2021's $309.6 million. Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) was $46.1 million (2021: $56.8m); down 19%. Profit after tax of $6.5 million compares with $14.9 million in 2021 (down 56%).

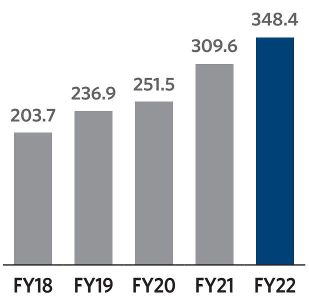
Key financial components of 2022 include:

- $348.4 million revenue (2021: $309.6m); up 13%
- $46.1 million EBITDA (2021: $56.8m); down 19%
- $19.1 million EBIT (2021: $32.8m); down 41%
- $7.6 million profit before tax (2021: $23.5m); down 68%
- $6.5 million profit after tax (2021: $14.9m); down 56%
- $547.9 million of total assets; up 14%
- $147.4 million net bank debt; up 46%
- $150.9 million interest-bearing debt; an increase of $37.9m from December 2021 after the purchase of NZ Fruits
- Seeka's banking syndicate supported Seeka's strategy through covenant relief as debt repayment slowed due to 2022's drop in profitability

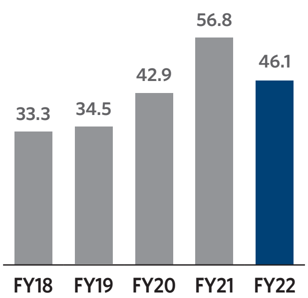
Key operational components include:

- Harvested all kiwifruit, avocado, kiwiberry, nashi and pear crops in New Zealand and Australia in a very challenging environment.
- Integration of the new businesses into Seeka; while crop volumes were below expectation, these businesses are ready to deliver accretive earnings.
- Publication of Seeka's first Sustainability Report.
- Excellent kiwiberry harvest and integrated packing and selling programme in conjunction with Freshmax. Fifth year of excellent orchard returns to growers which averaged more than $200,000 per hectare.
- Successful integration of RSE workforce, aided by dealing directly with the New Zealand Government and working closely with WorkSafe.
- Forward planning to integrate more RSE workers, including direct investment in purpose-built accommodation facilities.

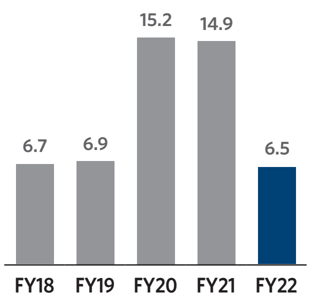
Group revenue
NZD Millions



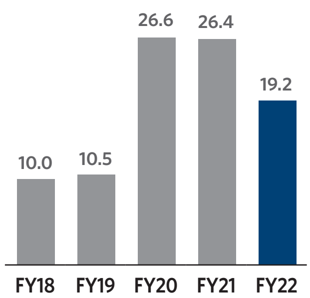
Group EBITDA[1]
NZD Millions



Group net profit after tax[1]
NZD Millions



Group comprehensive income[1]
NZD Millions



1. FY18 EBITDA, NPAT and comprehensive income was restated for *NZ IFRS 16 Leases*.

Group financial performance

Key indicators

New Zealand dollars (millions)	FY22	FY21	Change
Total revenue	$ 348.39	$ 309.57	13%
EBITDA before impairments and revaluations	$ 46.08	$ 56.79	(19%)
Depreciation expense	$ 16.06	$ 15.19	6%
Lease depreciation expense	$ 9.52	$ 7.94	20%
Impairments and amortisation of intangibles	$ 1.42	$ 1.48	(4%)
EBIT	$ 19.09	$ 32.18	(41%)
Interest expense	$ 7.20	$ 4.08	76%
Lease interest expense	$ 4.29	$ 4.61	(7%)
Net profit before tax	$ 7.59	$ 23.49	(68%)
Income tax charge	$ 1.62	$ 7.87	(79%)
Deferred tax expense	$(0.54)	$ 0.77	(170%)
Net profit attributable to equity holders	$ 6.50	$ 14.86	(56%)
Basic earnings per share (cents)	$0.16	$0.43	(63%)
Dividends per share paid in the financial year (cents)	$0.13	$0.26	(50%)
Cash flow from operating activities	$ 12.13	$ 41.58	(71%)
Total assets	$ 547.87	$ 482.27	14%
Property plant and equipment	$ 375.79	$ 327.83	15%
Net assets	$ 270.94	$ 246.49	10%
Net bank debt	$ 147.39	$ 100.64	46%

Values may not always sum due to rounding.

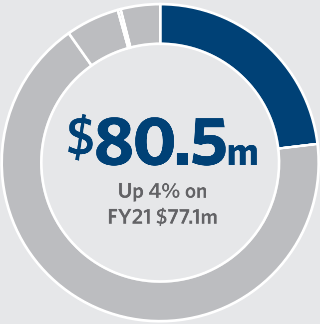
Orcharding

Led by GM Orchards Barry Penellum

Revenue

- Leased and long term leased orchards: costs plus profit share
- Managed orchards: costs plus management fees

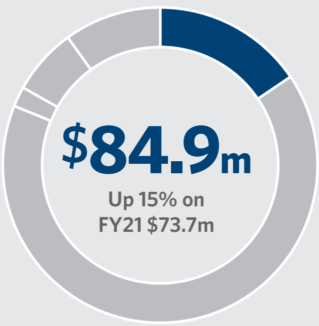
23%
of Group revenue



Assets

- Leased orchards: growing crops
- Long term leased orchards: developing orchards and growing crops

15%
of Group assets



Orcharding grew 17.0 million class 1 trays of kiwifruit compared to 14.4 million trays in 2021. The Ōpōtiki growing region was hit hard by high winds and wild weather late in 2021 which reduced the volumes that Seeka grew in this region by about 2 million trays.

Yields were much lower than expected. The average Hayward yield from Seeka's orcharding operations was 9,650 trays per hectare, down 22% on 2021. SunGold average yield of 12,000 trays per hectare was down 16% on 2021.

Seeka also grew 1.7 million kilograms of avocado (2021: 1.4m kgs) and 116,400 kilograms of kiwiberry (2021: 140,000 kgs), on orchards which it either owned or managed.

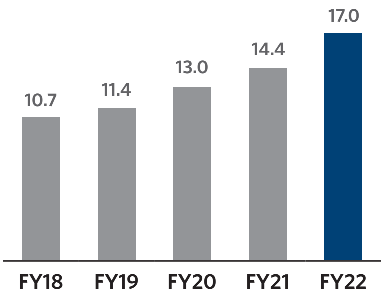
Labour shortages impacted the orchard business, including having to redeploy staff to keep packhouses operating. Experienced RSE people were also repatriated after having spent a prolonged stay in New Zealand. While sensible and fair, this resulted in untrained personnel being deployed to prune orchards, which affected timing. This situation is now resolved with an increase in the RSE quota alongside the normalisation of international travel.

2022 orchard operations revenue of $80.5 million only rose $3.4 million on 2021, which while disappointing, reflects lower yields and market returns. EBITDA was $4.6 million compared to $5.2 million in 2021, due to lower market returns and higher costs.

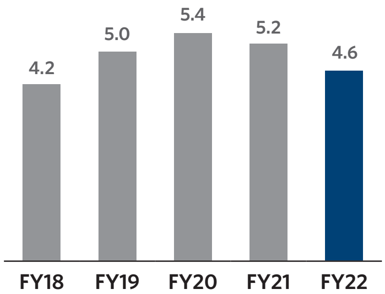
Seeka's orchard operations were largely unaffected by the frost event in October 2022.

Seeka continues to actively co-invest in long term orchard developments, and currently 142 hectares of kiwifruit, two hectares of kiwiberry and 16 hectares of avocado are in development. Fruit volumes from the orchard division are expected to increase as these orchards mature. Seeka's strategy is to continue to invest in long term leases to secure fruit volumes.

Kiwifruit grown
Millions of class 1 kiwifruit trays



Orchard EBITDA[1]
NZD Millions



Orchard operations span from Northland through the Coromandel, Bay of Plenty, Ōpōtiki and Te Kaha. Orchard operations include all aspects of growing and harvesting kiwifruit, avocado and kiwiberry on leased, long term leased, and Seeka-owned orchards. The orcharding business provides comprehensive orchard and vine management services to owners together with contract work on an as-required basis. The business develops orchards for landowners on contract or under long term leases and in partnership with iwi.

1. FY18 EBITDA was restated for *NZ IFRS 16 Leases*.

Post harvest

Led by GM Post Harvest Paul Crone

Post harvest packed 42.0 million class 1 trays of kiwifruit, above last year's combined 39.2 million trays (including 3.5m trays OPAC). Hayward volumes were down 21% and SunGold volumes up 36%, both significantly impacted by yield reductions despite the additional fruit provided from the three acquisitions.

Fruit loss was higher across the kiwifruit industry, and the Seeka OPAC site delivered very high fruit loss. This is under investigation and Seeka has lodged an insurance claim on behalf of growers.

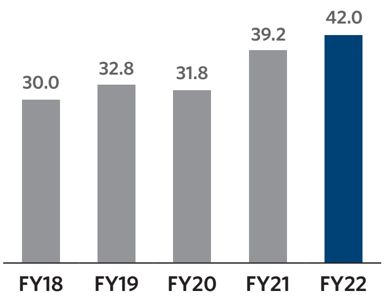
The cost of labour increased as the Group competed in a tight labour market amid Covid-19 disruption. The compliance requirements to meet demanding market requirements also added cost pressure. Packing operations peaked with the Omicron wave, and post harvest had to manage severe shortages. Seeka expects the labour market to improve in 2023 aided by the increase in RSEs and normalisation of travel.

In addition to packing avocado and class 2 kiwifruit for the SeekaFresh marketing programmes, Seeka also packed 14.9 million kilograms of citrus and 5.2 million kilograms of persimmons on contract for third party marketers.

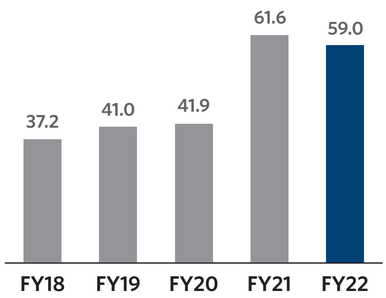
Post harvest revenue of $233.8 million was up from last season (2021: $195.9m) reflecting the recent acquisitions and price increases. EBITDA for the twelve months was $59.0 million compared to $61.6 million in 2021, reflecting higher labour costs to ensure continuity of operations.

With the completion of the KKP and Transcool upgrades, along with automation upgrades at NZ Fruits and Oakside, Seeka is well positioned to handle 2023 kiwifruit volumes, with the capacity to pack more fruit using significantly less labour.

Kiwifruit packed
Millions of class 1 kiwifruit trays



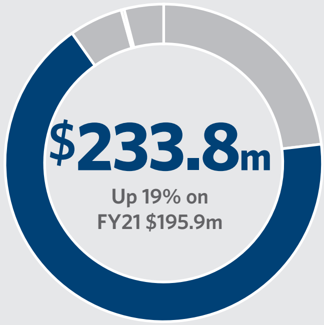
Post harvest EBITDA [1]
NZD Millions



Revenue

- Grading and packing service fee per unit handled
- Coolstorage and loadout fees

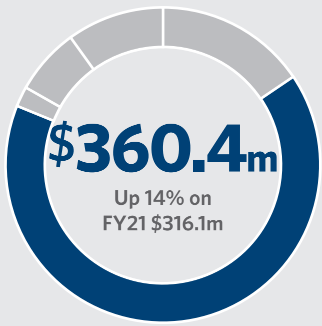
67%
of Group revenue



Assets

- 11 packing facilities with 15 graders
- Coolstores
- VLS laboratories

66%
of Group assets



Post harvest operates eleven packhouse facilities along with a network of cool stores. These packhouse facilities pack, cool and dispatch all produce from our orcharding operations and from our independent growers along with packing citrus and persimmons on contract for external marketers.

1. FY18 EBITDA was restated for *NZ IFRS 16 Leases.*

SeekaFresh retail services

Led by GM Supply and SeekaFresh Kate Bryant

Revenue

- Sales commission
- Service fee for imported fruit
- Processing fees

5%
of Group revenue

Assets

- Auckland and Christchurch service facilities
- Te Puke processing facility

2%
of Group assets

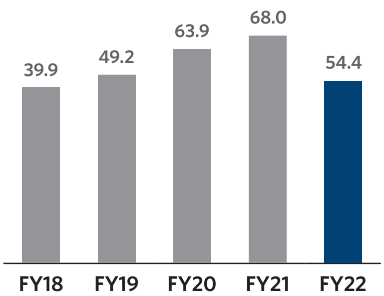
Revenue was down 12% to $19.1 million as seasonal variations in fruit volumes and quality slowed sales. This flowed through to a lower EBITDA of $0.8 million (2021: $2.3m) as Covid-19 continued to disrupt supply logistics and added costs.

Weather disruptions slowed the 2022/23 avocado programme and impacted yields along with the volume sold before year end. Export sales prior to Christmas were also restrained by weak Australian pricing, with a higher percentage marketed to New Zealand retail and wholesale.

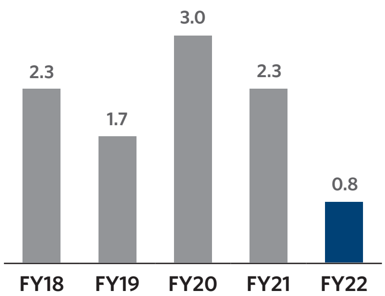
Lower volumes and early-season quality issues also impacted revenue from the SeekaFresh kiwifruit sales programme into New Zealand and Australia, and the Group's collaborative marketing programme into Asia.

SeekaFresh tropical fruit import and ripening services, along with kiwiberry sales, the Auckland wholesale market and Kiwi Crush operations, responded to the challenges and opportunities of 2022, and continued to make a contribution to Group earnings.

SeekaFresh retail services turnover
NZD Millions



SeekaFresh retail services EBITDA[1]
NZD Millions



SeekaFresh retail services includes the supply, export and sale of avocado, kiwiberry and class 2 New Zealand kiwifruit, sale of New Zealand kiwifruit through collaborative programmes, operation of the New Zealand wholesale marketing business including imported tropical fruits, and the manufacture and sale of Kiwi Crush and avocado oil.

1. FY18 EBITDA was restated for *NZ IFRS 16 Leases.*

Australia

Led by GM Australian Operations Jonathan van Popering

Seeka's Australian business was affected by Covid-19. The business adapted well under local management and delivered satisfactory results in challenging conditions.

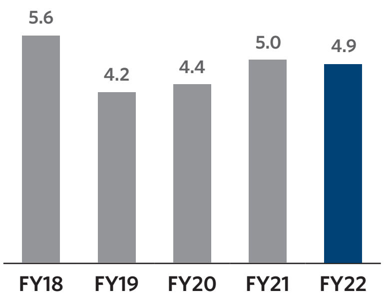
Labour was very short, and there was continuing market disruption through lockdown events in Australia. The Australian team innovated to complete 2022 on-orchard work and used post harvest automation to deliver customers excellent service and produce, despite supply chain disruptions.

Australian kiwifruit yields were 15% lower, mainly due to 2021 labour shortages which contributed to the late completion of orchard work. This has been rectified and the orchards are well prepared for harvest 2023, which will include the first crops from new developments.

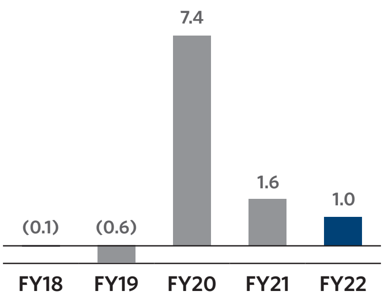
Markets were strong in 2022 for Seeka's Australian-grown produce with good pricing and demand across all categories.

Total revenue of $14.0 million is in line with 2021. EBITDA of $1.0 million is down on 2021's $1.6 million.

Seeka Australia volumes handled
Thousands of tonnes handled



Seeka Australia EBITDA[1]
NZD Millions



Revenue

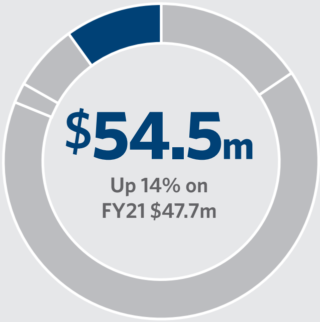
- Fruit sales

4%
of Group revenue

Assets

- 160 hectares of owned orchards and crop
- 114 hectares of kiwifruit on long-term leased orchards
- Packhouse and coolstores

10%
of Group assets



Seeka Australia Pty Limited, a 100% Seeka-owned company, leases and operates kiwifruit orchards, and owns and operates nashi and pear orchards along with associated post harvest facilities in Victoria, directly marketing Seeka's Australian produce domestically and to export customers.

1. FY18 EBITDA was restated for *NZ IFRS 16 Leases*.

Automation, technology and capacity

Seeka has undertaken numerous automation trials and assembled the best and latest packing equipment in the KKP packhouse.

The eight-lane MAF Roda includes fully automated delivery of packaging and automated packing stations, resulting in a very low labour demand. While it missed the 2022 commissioning date due to supply chain disruptions, the packline is now installed and fully commissioned for harvest 2023.

Seeka has invested in further automation enhancements at Oakside in the Bay of Plenty, and at Seeka Gisborne. The Oakside investment includes Spectrim grading and pre-sizing on machine 3, which will substantially reduce labour demand and lift machine throughput. The Gisborne investment includes automation of the placement and stacking of fruit post-packing on pallets. It removes labour and a processing bottleneck. Throughputs and operating hours at Gisborne are set to increase with automation reducing the associated labour demand.

Seeka continues to consider forward capacity, balancing likely crop volumes against the post harvest capacity. The efficient packing and coolstorage of kiwifruit as close as possible to its optimal maturity, sets the base to deliver high-quality fruit to the markets.

The industry is anticipating a large increase in SunGold volumes in the coming seasons. There is also a growing sentiment among the growers that the harvest must be completed earlier in the season. Both factors require continuing consideration of investment in packing automation and storage capacity.

Seeka, with the investments outlined, has sufficient capacity to handle the forecast crop volumes for 2023 and is considering the volumes and options for 2024 and beyond. The company has reviewed its five year capacity plan, and as a result has adopted a staged automation pathway and understands the options to address capacity pinch-points.

Sustainability

Seeka has released its first Sustainability Report; an important milestone in Seeka's sustainability journey. It details the founding of the sustainability team through to the verification of three years of carbon emissions data and the establishment of our commitment to reduce our impact on the environment.

As a result of these initiatives, Seeka has held its level of carbon emissions reasonably constant even though the Group has grown. It is our commitment to reduce our carbon emissions from our 2019 base year by 30% by 2025, 50% by 2030 and to be net carbon zero by 2050.

Achieving these goals will include removing harmful refrigerants by limiting equipment leaks, switching to low emission vehicles and an increasing investment in solar power. The Group has made good progress in understanding sustainability and our impact on the environments we operate in.

Health and safety

The continuing shortage of labour heightens the safety risk as the Group strives to deliver service to its grower customers.

Seeka people have worked hard, in stressful circumstances, with the added anxiety of Covid-19. Seeka took all efforts to ensure that we kept our people safe and have continued to invest in their safety. Sites were effectively locked down to minimise the chance of spreading illness between operations. Support staff were required to work from home and the business pivoted to remove face-to-face meetings.

FY22 health and safety	Actuals	Target
Lead performance Health and safety meetings	93%	90%
Lag performance Total recordable injury frequency	2.75	Below 4.5
Lag performance Serious injuries	1	Zero

The focus continues on physical safety with ongoing emphasis on barriers and guarding. Disappointingly Seeka had one serious harm injury at the Orangewood site. In that incident a person fractured their arm when their clothing got caught in a drive shaft while repacking fruit after the completion of harvest. It is disappointing given the significant effort and focus on safety throughout the Group and particularly through the heavy pressure of harvest.

Strategy

The Group continued to enact its strategy and concentrated on operational excellence. Seeka undertakes disciplined planning to ensure each harvest and all operations are well executed, and that we have the necessary capacity and that we pay attention to keeping people safe, while considering the financial attributes and contingency plans.

The Group continues to implement and trial automation technologies to improve efficiency, remove labour and improve fruit quality. Seeka also concentrates on supply chain efficiency wherever it operates an integrated supply service to the market or customer.

Seeka has focussed on integrating and optimising the newly-acquired operations from its growth strategy. Seeka predominantly operates in the horticultural industry and therefore operates in a seasonal environment. While 2022 yields were below normal and fruit quality was challenging, we expect these fluctuations to normalise following what will be a weather-impacted 2023 harvest.

Seeka has progressed its people and capability initiatives, made pleasing progress with its drive to understand and be more sustainable as a business, and maintained financial capability to invest and to deliver future earnings growth. The Group continues to concentrate on its foundation through disciplined planning.

Summary

Seeka's people have excelled in a difficult harvest across Australia and New Zealand. They have adapted, innovated and strived through a challenging year.

Dedicated key staff across the Group worked hard to deliver a continuous service to growers and Seeka's market partners. Our people continue to make Seeka an inspiring produce company to work for and are celebrated for their efforts.

Harvest 2022 kiwifruit yields were down across the industry, impacting the potential revenues from the Group's core post harvest business. Kiwifruit storage performance, both onshore and offshore, further impacted returns to New Zealand orchard operations.

The Group has reviewed its supply chain operations from the orchard to loadout, and is focussed on achieving excellence in fruit handling in 2023. Seeka is anticipating an improved labour supply with a large increase in RSE workers from the Pacific, and a normalisation of public health both in New Zealand and Australia.

The completion of automation projects at KKP and Oakside in the Bay of Plenty, and at Seeka Gisborne, will both lift post harvest capacity and improve fruit handling, while significantly reducing the demand for packhouse labour.

Seeka has the capacity, systems and personnel to deliver an excellent operational performance in 2023, and is considering options to build capacity as New Zealand kiwifruit volumes continue to grow. The range of complementary fruits grown, handled and marketed by the Group continues to grow, and will deliver incremental returns to shareholders.

As Seeka expands its operations, we continue to focus on delivering a sustainable business, and are implementing a range of carbon-reduction initiatives as we work towards becoming net zero carbon by 2050.

We value the communities we operate in, and thank our loyal growers, workforce and shareholders for their ongoing support.

Fred Hutchings
Chair

Michael Franks
Chief executive

ESG report 2022

Seeka is creating a sustainable future for the environment, employees, suppliers, customers, and shareholders as we work to grow, pack, store and supply fresh and healthy produce to the people of the world.

From eastern Tairāwhiti Gisborne to the north in Kerikeri, and across to Shepparton, in Victoria Australia, Seeka works with the land and its people to produce high-value nutritional fruit. By focussing on regenerative horticulture, Seeka is working to enhance biodiversity and create long-term wealth and employment.

As well as stewarding the land, Seeka adds to the social capital of rural communities. In 2022, Seeka employed 804 permanent and more than 5,700 seasonal workers, 1,200 of which were RSEs from the Pacific. Working with landowners, Seeka is converting land into profitable and sustainable orchards. As productivity grows and new horticultural regions are created, Seeka is instrumental in stimulating local economies and creating new employment opportunities.

Since 2019, Seeka has been measuring and verifying its carbon footprint, and in 2022 set its target to be net zero carbon by 2050. To progress its strategy, Seeka is reducing its carbon-intensive operations and collaborating with supply chain partners to achieve a stepped set of interim reduction targets. Gains include improved energy efficiency, new solar power installations, switching to low emission vehicles, and the diversion of organic waste to Seeka's own worm farm.

As operations are exposed to weather and the effect of climate change, in 2022 Seeka reassessed climate risks and adopted the XRB Climate Related Disclosure Framework to help build resilience and improve Seeka's adaptability,

Climate-related disclosures

Governance

Seeka's Board is responsible for ensuring Seeka meets its obligations under environmental, social and governance principles. The Board has delegated oversight of these activities to its Sustainability Committee.

The Sustainability Committee, comprised of three Board members, provides strategic guidance and feedback on Seeka's sustainability framework. The Committee oversees the establishment of reduction targets, footprint measurements, performance monitoring, and the assessment of the potential impacts and opportunities of a changing climate.

The Sustainability Committee has reviewed Seeka's climate-related risks and opportunities, and oversees Seeka's carbon reduction strategies and projects, including climate risk mitigation and adaptation planning.

Environmental report

Seeka's aim is to be an industry leader, transparently reporting its environmental impact along with the opportunities and risks associated with climate change.

Climate change is an active risk, impacting the yield, quality, and marketability of the produce Seeka grows and handles. By disclosing climate-related risks, stakeholders can see how Seeka is flexing business activities and operations to mitigate environmental risks and embrace new opportunities.

Seeka is committed to advancing regenerative horticulture practices with Seeka's research and development team conducting environmental trials to better understand the impact of orchard inputs such as sprays, fertilisers, and irrigation. The resulting knowledge leads to more sustainable on-orchard practices that are shared with our growers.

Seeka has analysed all business operations to identify and understand the production inputs, how they flow through the business, and the waste outputs that impact the environment. Seeka is working to transition to a regenerative model whereby waste is circulated back into operations, to reduce Seeka's environmental impact.

Sustainability reporting

In June 2022, Seeka released its first comprehensive Sustainability Report which outlines its journey to be a leader in sustainable horticulture practices and build long-term employment in rural communities. Sustainability is central to Seeka's business and lies at the heart of the brand value Growing Futures.

Seeka has measured, validated, and reported its carbon footprint since 2019, and in June 2022 Seeka set its goal to be net carbon zero by 2050. Seeka's annual Sustainability Reports will update stakeholders on Seeka's progress towards its environmental, social and governance goals, including climate risks and opportunities, along with potential impacts, mitigation, and adaptation strategies. Seeka's reports will align with the XRB's climate related disclosure requirements.

Climate change risk and opportunity analysis

New Zealand and Australia are expected to experience more extreme weather events, including high-intensity rainfall, higher sea levels, less winter chilling, higher average temperatures, and more extreme-heat days. To build resilience, Seeka has identified its climate change risk, impact, and adaptability, and is working to develop an adaptation plan to manage risk.

Transitional risks

Risks and opportunities	Impact	Response
Regulatory changes restrict chemical applications for pest control and crop maintenance.	By controlling pests and disease, chemical inputs improve fruit quality and yield. The chemical Hi-Cane improves kiwifruit yields by promoting uniform budbreak and flowering. Removing Hi-Cane without finding a viable alternative would disrupt the uniformity of fruit maturity resulting in lower yields, quality issues and subsequently increased food waste. High R&D cost to find alternative chemicals.	Active involvement in industry associations, including KGI, ISG and KSG, regional councils, government and regulators. Research and development focused on sustainable chemical alternatives and reduced chemical input, while achieving consistent quality and yields. It is anticipated that Hi-Cane will be phased out over the next ten years as viable alternatives are developed and deployed. Adopt regenerative horticulture practices, improve biodiversity, and encourage beneficial insects and planting.
Changing consumer preferences and new market restrictions.	Consumer concerns including carbon outputs, chemical inputs, pests, and diseases may impact orcharding practices, chemical use and carbon footprints.	Decarbonise our supply chains through collaboration, innovation, and smart purchasing decisions. Progress integrated pest management strategies and develop smart spray plans. Adopt regenerative horticulture practices to reduce synthetic chemical inputs. Respond to market trends. Research and development into sustainable chemical alternatives
Regulations restrict orchard water availability.	Temperature increases may increase demand for irrigation, which coupled with tighter water restrictions could stress orchards, impacting plant health and yields.	Develop farm environmental plans that encourage location-specific management practices. Improve irrigation infrastructure to ensure water resources are applied when and where needed without waste. New developments must be able to access water or have on-site water storage. Harvest rainwater. Utilise regenerative horticulture practices to improve soil health and water retention. Research and development focused on drought resilience.
Introduction of market mechanisms add new costs for carbon and environmental externalities.	The cost of carbon being priced into commodities such as fuel and fertiliser. Seeka is exposed to price increases until low-carbon alternatives are available. Rising demand for carbon neutrality is increasing the cost of carbon offsets.	Seeka has set 5, 10 and 30 year targets to progressively reduce its carbon footprint. Understand scope-3 emissions and work with suppliers to measure and reduce their carbon footprints. Develop a procurement strategy that values low carbon products and services. Invest in lower carbon technology, such as solar energy, LED lighting, and low-emission vehicles. Transition to refrigerant gases with zero global warming potential.

Physical risks

Risks and opportunities	Impact	Response
Risk to fruit yields and quality from extreme weather events.	Heavy rain, flooding, frost, hail, high winds, heat waves and fire can physically damage plants and fruit, and impact fruit quality and storability. Extreme weather events such as high winds and flooding could damage post harvest facilities.	Geographic spread of orchards distributes the risk from extreme weather events. Invest in crop protection measures, such as irrigation, fans, protection, shelter belts, and hail netting. Improve biodiversity and natural resilience through regenerative horticulture practices. Avoid orchard development on land vulnerable to climatic impacts such as steep slopes and low-lying coastal areas. Consider flood plains, water supply and free drainage when developing new orchards and post harvest facilities. Improve weather forecasting and response planning. Develop innovative crop protection solutions. Genetic and variety diversification.
Risk to fruit yields and quality from higher average temperatures.	Warmer winters reduce kiwifruit bud break and yields, and increase the reliance on chemical bud enhancers. Warmer winters increase pest pressure. Higher temperatures impact water quality and availability, raise drought conditions, and degrade soil quality and biodiversity. Warmer temperatures may increase energy demand to cool fruit. Cooling warm fruit can damage fruit cell structures and impact storage quality.	Increase the geographical spread of orchards. Develop farm environmental plans to provide locally relevant adaptation strategies. Improved weather forecasting and response planning. New developments must have access to water or on-site water storage. Actively engage in orchard water management and invest in efficient irrigation and fertigation technologies. Monitor and improve waterways, biodiversity, and natural ecosystem services. Investigate rainwater harvesting for irrigation. Industry collaboration to develop resilient orcharding practices and crops.
Unseasonal weather events impact crops and disrupt harvests.	Plants use the cycle of seasons to time growth, flowering and fruit development, with the industry matching on-orchard work and the fruit supply chain to best fit historical seasonal weather patterns. Climate change may impact plant health plus crop quality, yield and timing.	Adapt orchard and post harvest practices to changing seasons. Improve seasonal weather forecasting and response planning. Improve weather-event protection measures, such as irrigation and frost fans. Diversify crop types and variety.
Risk to fruit yields and quality from new pests and diseases or increased presence of existing pests and diseases.	Higher temperatures may support the introduction of new pests and diseases. Warmer, wetter conditions may support higher populations of existing pest species.	Adapt orcharding practices to monitor and control pests and diseases. Geographic spread of orchards distributes the risk and allows for targeted responses. Improve orchard shelter protection. Diversify crop types and variety. Monitor bio-security controls on disease and disease vectors. Introduce beneficial insects and plants to combat pests and disease. Research and develop better biological and chemical controls.
Rising sea levels.	Higher sea levels may raise the water table, reduce drainage, and increase ground water salinity. Unprotected coastal orchards may have a higher risk of coastal erosion.	Establish a minimum altitude for new orchard developments. Supply freshwater for orchards close to sea level. Create orchard transition plans.

Opportunities

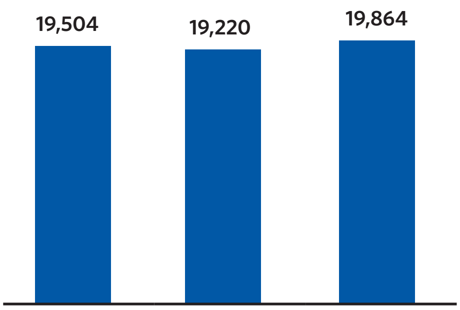
Risks and opportunities	Impact	Response
Consumer demand for sustainably produced, healthy foods increases demand for Seeka-handled fruit.	Stronger product demand and new markets.	Ensure Seeka is an industry leader in carbon reporting. Achieve carbon reduction targets. Work with industry and suppliers to reduce the supply chain carbon footprint.
Green financing for low-carbon developments.	Lower economic cost of carbon reduction and sustainability programmes.	Engage with lenders of sustainability-linked loans. Investigate grants for carbon reduction and low-carbon technology.
Higher soil CO2 levels improve plant water use.	Orchards require less water.	Understand soil carbon and water storage capacity. Establish orchard management practices that best capture carbon in the soil.
Climate change opens new growing regions.	Global warming may allow productive orcharding in colder regions.	Track and forecast new orcharding regions and match suitable fruit varieties. Leverage experience in handling multiple varieties in different regions. Adapt orchard practices.

Seeka's absolute carbon footprint

Seeka's carbon footprint is calculated using *ISO 14064-1: 2018 - Greenhouse gases* and independently verified by Toitū Envirocare.

Annual CO2e footprint, 2019 to 2021

Absolute carbon footprint in tonnes CO2e



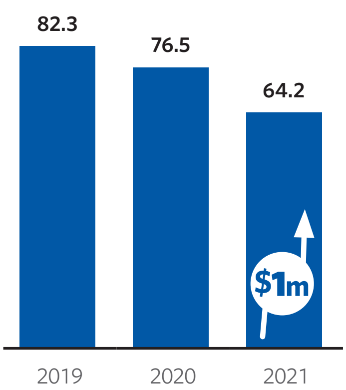
Category	2019	2020	2021	Emissions
1	4,051	3,803	3,900	Direct emissions controlled by Seeka
2	3,973	3,696	4,487	Indirect emissions from purchased electricity
3	4,069	4,452	3,987	Indirect transport emissions from Seeka's supply chain
4	7,411	7,269	7,490	Other indirect emissions from Seeka's supply chain
Total	19,504	19,220	19,864	

Intensity-based performance indicators

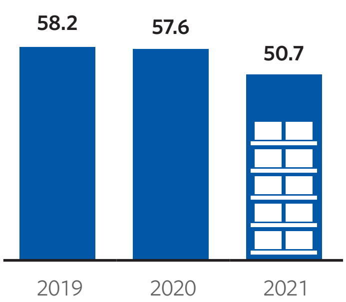
Seeka is in a fast-growing industry. While it is important to report our absolute carbon result, as an expanding business it is equally important to report our efficiency gains. To capture performance gains while our business continues to grow, our total emissions are being benchmarked against three intensity-based measures:

- Revenues generated by Seeka - tonnes CO2e per $1,000,000 revenue
- Fruit handled by Seeka - tonnes CO2e per 100,000 class 1 trays packed
- Time invested to grow, handle and sell crops - tonnes CO2e per permanent employee

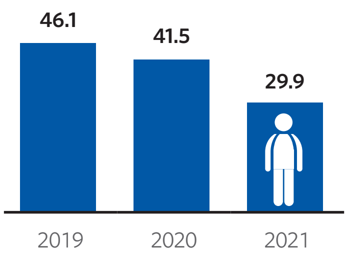
Per $1,000,000 revenue
Tonnes CO2e



Per 100,000 class 1 trays packed
Tonnes CO2e



Per permanent employee
Tonnes CO2e



Carbon reduction targets and initiatives

In June 2022, Seeka published its ambition to be net zero carbon by 2050, and set performance milestones for 2025 and 2030.

Absolute and intensity-based carbon reduction targets

for **categories 1 and 2 starting** *from* **2019 baseline**

2025 30% Reduction

2030 50% Reduction

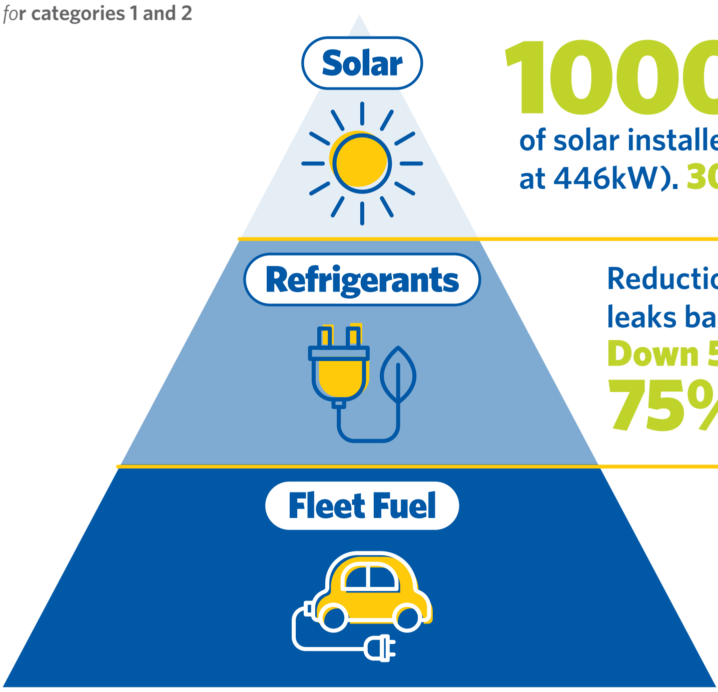
2050 Net Zero Carbon

Carbon reduction initiatives

By measuring its carbon footprint, Seeka has been able to identify carbon intensive operations and develop initiatives to reduce Seeka's total footprint.

Initiatives to achieve targets

for **categories 1 and 2**



1000kW
of solar installed by 2025 (already at 446kW). **3000kW by 2030**

Reduction in fugitive emissions leaks based on 2019 levels
Down 50% by 2025 and
75% by 2030

Percentage of total fleet either low or zero emissions vehicles
2025 = 15% &
2030 = 25%

Sustainability projects 2022

Seeka's 2022 carbon reduction initiatives have delivered sustainability gains, and form a base for further developments in 2023.

Hybrid vehicle fleet

To facilitate the transition to low carbon transport, Seeka has installed two 7kW electric vehicle chargers at Seeka 360 Head Office. New low-carbon options are being added to Seeka's owned and leased vehicle fleet which currently operates ten hybrid vehicles.

Seeka's 2023 goals are to grow its electric vehicle charging network and the percentage of low-carbon vehicles.

Worm farm

In 2022, 50 tonnes of organic post harvest waste was diverted from landfill to Seeka's worm farm. Nutrient-rich organic soil conditioner recovered at the worm farm is recycled back to Seeka orchards in a regenerative process.

Seeka's 2023 goals are to maximise worm farm waste recovery and trial alternative organic waste inputs, and investigate applying circular waste management to other areas of the business.

Solar energy

In 2022, Seeka had 446kW of solar installed across its Australia and New Zealand sites which produced more than 400MWh of renewable energy; enough to power an electric car 66 times around the earth. Seeka's post harvest facilities have large roof spaces suitable for solar. While reducing Seeka's carbon footprint, Solar also mitigates the cost of grid energy price increases.

Seeka's 2023 goal is to progress solar to achieve 1000kW of installations by 2025.

LED lighting and sensors

In 2022, Seeka added more LEDs and motion sensors to its large post harvest sites. These new LEDs use up to 70% less power than existing fittings. Stage one of Seeka's roll out is expected to save nearly a million kWh annually.

Seeka's 2023 goals are to explore daylight sensors, and continue installing LED lighting and motion sensors.

Waste management

In 2022, Seeka introduced soft plastics recycling at Seeka 360 Head Office to reduce waste going to landfill. On orchard, Seeka recycled strings from more than 100 hectares of kiwifruit vines, which are recycled into useful agricultural products.

Seeka's 2023 goals are to extend soft plastic recycling to regional operations, and work with our supply chain and waste service providers to promote closed-loop waste systems.

Regenerative horticulture

Regenerative horticulture builds natural resilience into our orchards. In 2022, Seeka promoted sward growth, beneficial plantings, mowing practices that reduce weed sprays, supported organic orcharding, reduced use of synthetic nitrogen fertilisers, protected sensitive environments with riparian plantings, and continued research on optimising soil health to improve carbon and water storage.

Seeka's 2023 goals are to expand regenerative horticulture, and share findings with the grower community.

Zero GWP refrigerants

In 2022, Seeka upgraded Transcool coolstores with a new zero-carbon refrigeration system. By replacing legacy coolstores with high-efficiency rooms and ammonia coolant systems, Seeka is progressing its commitment to achieve a 50% reduction in harmful coolant leaks from the 2019 baseline.

Seeka's 2023 goal is to further improve refrigerant leak detection and repair systems.

Packaging and waste

Seeka is moving the fresh produce industry towards a circular economy using low-impact packaging and is working with experts to introduce new technology and materials to the logistics processes.

Seeka's 2023 goals are to progress packaging innovation and align operations with the New Zealand Government's ban on plastic products.

Social report

Seeka's responsibility to support employees, growers and our communities is a core business focus. With "Select Excellence", Seeka strives to continually improve our performance for stakeholders and deliver an excellent service that supports prosperous communities.

Supply of healthy nutritious fruit

Initiative	Description	Achievements
Producer and supplier of healthy fresh fruit and vegetables.	Seeka produces and supplies nutritious fruit and vegetables which are high in vitamins, antioxidants, minerals and fibre to help support the healthy lifestyles of New Zealanders and our global customers.	Seeka's New Zealand product lines include kiwifruit, kiwiberry and Hass avocados, with the new Gem avocado variety in development. In Australia Seeka is that country's largest producer of Hayward kiwifruit and nashi, and produces a range of pears, dates and plums.
Kiwi Crush.	Kiwi Crush is recovered from fresh kiwifruit that are not suited for consumer sales. Seeka's DNFC facility produces Kiwi Crush which functionally benefits digestion. Sold direct to consumers and DHB inpatient facilities, Kiwi Crush helps people with mobility and health issues. Seeka's new freeze dried Kiwi Crush Gold provides the recommended daily intake of vitamin C per serve.	Supplying residential care units, oncology units, and all main DHBs. Consistent orders with positive feedback from clinicians and patients. Healthy gut support and laxative alternative where commercially prepared medications are not recommended.
Kiwi Crushies.	Supply through school catering services, Kiwi Crushies are a low-sugar option for healthy eating in schools, and provide a healthy option for fundraising sales.	Supplying a low-sugar ice block option that complies with school healthy eating guidelines. Lower in sugar and free of additives, preservatives, and artificial colours.
Avocado oil.	Avocados not suitable for market sales are milled to recover virgin avocado oil.	Produce and supply healthy food grade oil that is rich in healthy fatty acids and a good source of vitamin A and E. Reducing our organic waste by recovering avocado oil from avocados not suitable for direct sales.

People and community

Initiative	Description	Achievements
Employee assistance programme (EAP).	Seeka subscribes to EAP Services who provide a free professional and confidential support line to staff in need of assistance. This service extends to various issues our people, or their families, may face at home or at work.	In 2022, the EAP service was available to all Seeka staff.
Health insurance.	All permanent staff are provided with health and life insurance.	Health, life and trauma insurance available to 804 fulltime employees in 2022. Discounted health insurance rates extended to family members.
Sponsorship of community and sporting groups.	Seeka supports our people and communities.	Provided $320,834 in donations in 2022, see page 25 for the full list of organisations and events.
GRASP commitment to worker health, safety and welfare.	GLOBALG.A.P.	Seeka is focused on sustainable land management that supports long-term employment and wealth creation in our rural communities, and has formally implemented the GLOBALG.A.P GRASP module with its extended social standards for worker health, safety and welfare.
Seeka cadet programme.	The Seeka cadet programme supports the development of skills, growth and understanding within orchards and provides a full overview of the industry over a three-year period.	Supported six new cadets into the workforce in 2022. Seeka's 2022 cadets will be starting their horticulture level 3 certificates, with two cadets fast tracked through Toi Ohomai Level 4. Seeka's cadet programme has a clear progression towards leadership, and many cadets are achieving their goals and moving into supervisory roles.
Collaborative partnership with Māori.	Māori are major kiwifruit growers, and Seeka supports their communities through employment and orchard development.	Seeka fosters healthy communities and provides economic opportunities to many Māori entities. Seeka is investing in the long term welfare of Māori land, with over 75 hectares in development in partnership with Māori.
Local employment initiatives in collaboration with MSD, MPI, Te Arawa and Ngāti Hine.	Seeka is engaged in a joint training initiative with the Ministry of Social Development, the Ministry of Primary Industries, Te Arawa and Ngāti Hine. This training initiative comes with an offer of full-time employment. Training is focussed on developing fundamental skills required to fill current openings in the horticulture industry.	In 2022, Seeka trained all new seasonal staff to operate safely and efficiently within the kiwifruit industry. During the season Seeka worked with local employment agencies to provide transport and work opportunities to more than 40 people in search of work. Seeka's training initiatives get people back into the workforce.

RSEs

Initiative	Description	Achievements
Accommodation	Seeka arranges accommodation for all RSEs and ensures these facilities are at an acceptable standard, as audited by Immigration New Zealand.	In 2022, Seeka's RSE accommodation facilities were all approved by Immigration New Zealand.
Pastoral care.	Seeka employs seven pastoral carers to facilitate RSE health and wellbeing during their stay in New Zealand.	In 2022, Seeka's pastoral carers supported 1,200 RSEs, with 900 in country at any one time.
Supporting RSEs and their families.	Seeka highly values RSE workers from the Pacific and Malaysia. Many RSEs return year after year and have become an integral part of the Seeka team.	In 2022, Seeka employed RSEs from Kiribati, Malaysia, Solomon Islands, Samoa, Tonga and Vanuatu.

Sponsored organisations and events 2022

Ashbrook School
Auckland Rescue Helicopter Trust
Autism NZ
BOP Dragon Boat Club
BOP Rugby Union
BOP Symphonia
Citizens RSE Te Puke
Eastbay REAP
Eastern District Rugby & Sports
Fairhaven School Fundraising Association
Gisborne Tairāwhiti Rugby League
Gisborne Young Grower of the Year
Hauraki Waka Ama Club
Heart Kids
Katch Katikati Incorporated
Katikati Cricket Club
Katikati Hockey Club
Kerikeri Cricket Club
Kerikeri High School
Kerikeri Rugby Football Club
Kids Foundation
Lion Club Tauranga
Lions Club Katikati
Lions Club Gisborne
Made in Te Puke Trust
Matakana Island Rugby Team
Motu Trails
Mt Maunganui Bridge Club
Mums4mums Charitable Trust
Ngamuwahine Trust
Ngāpuhi Iwi Social Services
New Zealand Frisbee team
Omanu Golf Club
Ōpōtiki College
Ōpōtiki Golf Club's Matariki Golf Tournament
Ōpōtiki Surf Life Club
Otamarakau School
Our Kerikeri Community Charitable Trust
Paengaroa School
Pongakawa School
Purangi Golf & Country Club
Radio Lollipop for Children in Hospital
Rotary Club Katikati
Rotary Club Papamoa
Rotoiti Fishing Club
Tauranga Intermediate
Tauranga North Tai Mitchell
Te Aranui Youth Trust
Te Kura Mana Māori o Maraenui
Te Puke Agriculture & Pastoral Association
Te Puke Boys & Girls Agricultural Club
Te Puke Bridge Club
Te Puke Community Patrol
Te Puke Cricket Club
Te Puke Events and Promotions Group
Te Puke Golf Club
Te Puke High School
Te Puke Intermediate
Te Puke Pony Club
Te Puke Smallbore Riffle Club
Te Puke Sports & Recreation Club
Te Puke Squash Club
Te Puke Tai Mitchell
Te Puke Tennis Club
Te Ranga School
Te Rūnanga o Ngāti Ranginui
The Going Bananas Show
The Job Agency
The Kids Foundation
Tia Marae Charitable Trust
Toi Kai Rawa
Top Energy Far North Science
Te Puke Volunteer Fire Brigade
Waerenga-A-Hika Squash Club
Waihau Bay Sports
Western Bay Heritage Trust
Western BOP Cricket Association
Young Fruit Growers
Zespri AIMS Games

Financial report

Statement of profit or loss

For the year ended 31 December 2022 - Audited

New Zealand dollars	Notes	2022 $000s	2021 $000s
Revenue	3	348,387	309,569
Cost of sales	4	280,078	236,337
Gross profit		**68,309**	**73,232**
Other income	3	755	8,446
Share of profit of associates	24	1,154	236
Other costs	4	24,139	25,124
Earnings (EBITDA) [1]		**46,079**	**56,790**
Depreciation expense	10	16,055	15,185
Lease depreciation expense	13	9,516	7,943
Impairment of property, plant and equipment	10	144	1,188
Impairment of biological assets		191	-
Impairment of intangible assets	11	681	-
Amortisation of intangible assets	11	406	294
Earnings (EBIT) [2]		**19,086**	**32,180**
Interest expense		7,204	4,082
Lease interest expense	13	4,289	4,610
Net profit before tax		**7,593**	**23,488**
Income tax charge	6	1,624	7,865
Deferred tax (benefit)	7	(535)	763
Total tax charge / (credit)		**1,089**	**8,628**
Net profit attributable to equity holders		**6,504**	**14,860**
Earnings per share for profit attributable to the ordinary equity holders of the company during the year			
Basic earnings per share	20	$ 0.16	$ 0.43
Diluted earnings per share	20	$ 0.16	$ 0.42

1. EBITDA, a non-GAAP measure, is earnings before interest, tax, depreciation, amortisation, impairments and revaluations, see note 1.

2. EBIT, a non-GAAP measure, is earnings before interest and tax, see note 1.

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income

For the year ended 31 December 2022 - Audited

New Zealand dollars	Notes	2022 $000s	2021 $000s
Net profit for the year		6,504	14,860
Items that will not be reclassified to profit or loss, net of tax			
Gain on revaluation of land and buildings	10	9,736	11,535
Gain on revaluation of water shares	11	162	-
Net realised loss on revaluation of investment in shares		-	(3)
Total items that will not be reclassified to profit or loss		9,898	11,532
Items that may be reclassified subsequently to profit or loss, net of tax			
Movement in cash flow hedge reserve	21	2,864	96
Movement in foreign currency translation reserve	21	47	(38)
Movement in foreign currency revaluation reserve	21	(92)	(18)
Total items that may be reclassified subsequently to profit or loss		2,819	40
Total comprehensive income for the year attributable to equity holders		19,221	26,432

The accompanying notes form an integral part of these financial statements

Statement of financial position

As at 31 December 2022 - Audited

New Zealand dollars	Notes	2022 $000s	2021 $000s
Equity			
Share capital	18	162,746	151,681
Reserves	21	55,437	43,246
Retained earnings	21	52,760	51,564
Total equity		270,943	246,491
Current assets			
Cash and cash equivalents		3,554	12,361
Trade and other receivables	14	33,147	30,685
Biological assets - crop	12	18,408	18,443
Inventories	15	11,900	6,968
Irrigation water rights		127	294
Assets classified as held for sale	9	6,293	1,898
Total current assets		73,429	70,649
Non current assets			
Trade and other receivables	14	5,099	814
Property, plant and equipment	10	375,788	327,830
Intangible assets	11	26,934	27,079
Right-of-use lease assets	13	55,805	49,885
Investment in associates and joint arrangements	24	5,952	3,958
Derivative financial instruments	30	3,438	-
Investment in financial assets	23	1,424	2,054
Total non current assets		474,440	411,620
Total assets		547,869	482,269
Current liabilities			
Tax liabilities	6	337	7,463
Trade and other payables	16	32,778	33,034
Lease liabilities	13	9,631	6,782
Interest bearing liabilities	17	22,870	5,246
Total current liabilities		65,616	52,525
Non current liabilities			
Interest bearing liabilities	17	128,072	107,757
Lease liabilities	13	60,434	56,585
Derivative financial instruments	30	-	538
Deferred tax liabilities	7	22,804	18,373
Total non current liabilities		211,310	183,253
Total liabilities		276,926	235,778
Net assets		270,943	246,491

On behalf of the Board.

F Hutchings
Chairman

R Farron
Director

Dated: 23 February 2023

The accompanying notes form an integral part of these financial statements

Statement of changes in equity

For the year ended 31 December 2022 - Audited

New Zealand dollars	Notes	Share capital $000s	Cash flow hedge reserve $000s	Foreign currency revaluation reserve $000s	Foreign currency translation reserve $000s	Share entitlement reserve $000s	Water share revaluation reserve $000s	Land and buildings revaluation reserve $000s	Retained earnings $000s	Total $000s
2021										
Equity at 1 January 2021		97,917	(484)	108	(170)	1,290	2,597	29,097	45,938	176,293
Net profit		-	-	-	-	-	-	-	14,860	14,860
Foreign exchange movement		-	-	(18)	(38)	-	-	-	-	(56)
Other comprehensive income / (loss)		-	96	-	-	-	(3)	11,535	-	11,628
Total comprehensive income / (loss)		-	96	(18)	(38)	-	(3)	11,535	14,860	26,432
Transactions with owners										
Shares issued	18	43,069	-	-	-	-	-	-	-	43,069
Employee share scheme receipts	18	550	-	-	-	-	-	-	-	550
Grower share scheme receipts	18	8,782	-	-	-	-	-	-	-	8,782
Movement in employee share entitlement reserve	21	-	-	-	-	153	-	-	-	153
Movement in grower share entitlement reserve	21	1,363	-	-	-	(917)	-	-	-	446
Dividends declared and paid	22	-	-	-	-	-	-	-	(9,234)	(9,234)
Total transactions with owners		53,764	-	-	-	(764)	-	-	(9,234)	43,766
2022										
Equity at 31 December 2021		151,681	(388)	90	(208)	526	2,594	40,632	51,564	246,491
Net profit		-	-	-	-	-	-	-	6,504	6,504
Foreign exchange movement		-	-	(92)	47	-	-	-	-	(45)
Other comprehensive income / (loss)		-	2,864	-	-	-	162	9,736	-	12,762
Total comprehensive income / (loss)		-	2,864	(92)	47	-	162	9,736	6,504	19,221
Transactions with owners										
Shares issued	18	9,297	-	-	-	-	-	-	-	9,297
Employee share scheme receipts	18	794	-	-	-	-	-	-	-	794
Grower share scheme receipts	18	401	-	-	-	-	-	-	-	401
Movement in employee share entitlement reserve	21	461	-	-	-	(423)	-	-	-	38
Movement in grower share entitlement reserve	21	112	-	-	-	(103)	-	-	-	9
Dividends declared and paid	22	-	-	-	-	-	-	-	(5,308)	(5,308)
Total transactions with owners		11,065	-	-	-	(526)	-	-	(5,308)	5,231
Equity at 31 December 2022		162,746	2,476	(2)	(161)	-	2,756	50,368	52,760	270,943

The accompanying notes form an integral part of these financial statements

Statement of cash flows

For the year ended 31 December 2022 - Audited

New Zealand dollars	Notes	2022 $000s	2021 $000s
Operating activities			
Cash was provided from:			
Receipts from customers		346,084	322,400
Interest and dividends received		95	405
Cash was disbursed to:			
Payments to suppliers and employees		(313,426)	(264,868)
Interest paid		(7,204)	(4,082)
Lease interest paid		(4,289)	(4,610)
Income taxes paid		(9,132)	(7,661)
Net cash flows from operating activities	5	12,128	41,584
Investing activities			
Cash was provided from:			
Sale of property, plant and equipment	10	596	70
Cash acquired in acquisition of business	19	33	1,501
Distributions from investment in associates	24	518	762
Sale of investment in shares	23	253	-
Proceeds from sale of assets classified as held for sale	9	527	2,310
Repayment of grower or grower entity advances		34,272	25,667
Cash was applied to:			
Purchase of property, plant, equipment and intangibles		(29,681)	(21,921)
Development of bearer plants		(4,183)	(7,569)
Acquisition of business	19	(8,853)	(1,302)
Acquisition of associates	24	(1,358)	(2,600)
Investment in shares	23	-	(1,000)
Advances to growers or grower entities		(34,022)	(25,673)
Net cash flows (used in) investing activities		(41,898)	(29,755)
Financing activities			
Cash was provided from:			
Proceeds of non-current bank borrowings	17	50,000	123,000
Proceeds of current bank borrowings	17	64,753	39,236
Proceeds from employee and grower loyalty share schemes	18	1,195	9,332
Cash was applied to:			
Principal lease payments	13	(9,231)	(8,093)
Repayment of non-current bank borrowings	17	(34,175)	(112,759)
Repayment of current bank borrowings	17	(47,216)	(42,882)
Payment of dividend to and behalf of shareholders	22	(4,374)	(11,717)
Net cash flows from / (used in) financing activities		20,952	(3,883)
Net (decrease) / increase in cash and cash equivalents		(8,818)	7,946
Effect of foreign exchange rates		11	(749)
Opening cash and cash equivalents		12,361	5,164
Closing cash and cash equivalents		3,554	12,361

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

For the year ended 31 December 2022 - Audited

This section contains the notes to the consolidated financial statements (financial statements) for Seeka Limited, its subsidiaries and associates. To give stakeholders a clear insight into how Seeka organises its business, the note disclosures are grouped into seven sections.

Basis of preparation

This section sets out the Group's accounting policies that apply to the full set of financial statements. Accounting policies which are limited to a specific note are described in that note.

Reporting entity and statutory base

The financial statements presented are those of the consolidated Seeka group. Seeka Limited is referred to as Seeka Limited or the Company. The group is referred to as the Group, Seeka, or Seeka Group.

Seeka Limited is a profit-orientated company registered in New Zealand under the Companies Act 1993 and a Financial Markets Conduct (FMC) Reporting Entity for the purposes of the FMC Act 2013. Seeka Limited is listed and its ordinary shares are quoted on the NZX main board equity security market (NZX Main Board).

Nature of operations

Seeka is a produce business operating in New Zealand and Australia.

In New Zealand the Group provides orchard management, orchard leasing, post harvest and retail services to New Zealand's kiwifruit, avocado, citrus, berry and kiwiberry industries. Seeka manufactures and sells the Kiwi Crush and Kiwi Crushies product range along with avocado oil. The Group also provides retail and ripening services for imported tropical produce, and operates a wholesale market.

In Australia, Seeka owns, leases and operates orchards and associated post harvest assets, making the Group the largest producer and supplier of Australian kiwifruit and nashi pears, a major supplier of European pears, plus lesser production of other temperate-climate fruits.

Summary of significant accounting policies

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

Statement of compliance and basis of preparation

The financial statements for the Group have been prepared in accordance with the requirements of Part 7 of the FMC Act 2013. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles (GAAP), incorporating New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit-orientated entities. The Group financial statements also comply with International Financial Reporting Standards (IFRS).

The financial statements are prepared on a historical cost basis, with the exception of:

- assets classified as held for sale at fair value (note 9)
- land and buildings at fair value (note 10)
- water shares at fair value (note 11)
- biological assets - crop at fair value (note 12)
- right-of-use lease assets and lease liabilities at present value of expected cash payments (note 13)
- investment in financial assets held at fair value (note 23)
- financial assets and liabilities (including derivative instruments) at fair value through comprehensive income (note 30 and note 31)

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

The financial statements were approved by the Board of Directors (the Board) on 23 February 2023.

Basis of consolidation

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets exchanged, equity instruments issued and liabilities incurred or assumed at the date the acquisition is settled. Direct acquisition costs are expensed as incurred.

Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency (NZD) using the exchange rates prevailing during the month of that transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement. The presentational currency is the New Zealand dollar (NZD).

Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each entity's balance sheet within the Group are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each entity's income statement and statement of comprehensive income, are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning future operational and financial performance. By definition, these assumptions may not always equal actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are identified in the notes below. Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions underlying management's estimates can be found in the following notes to the financial statements.

Note	Area of estimation or judgement
9. Assets classified as held for sale	Timing, valuation and recognition of gain on sale
10. Property, plant and equipment	Valuation and impairment assessment
11. Intangible assets	Impairment assessment and CGU allocation
19. Business combination	Valuation on acquisition

Going concern assumption

For the year ended 31 December 2022, the Group's profitability was adversely affected by lower kiwifruit crop yields, a wind event in Ōpōtiki, challenging fruit quality and a tight labour market. The 2023 harvest has been impacted by a significant frost event, variable bud break in spring 2022, and Cyclone Gabrielle in February 2023, see note 8.

Due to events prior to Cyclone Gabrielle, the Group obtained agreement from its banking syndicate in December 2022 to modify two of the financial covenants for the test dates as at 31 December 2022, 30 June 2023 and 31 December 2023.

The Directors have considered the forecast cash flows and covenant compliance, including the expected impact from Cyclone Gabrielle on the 2023 harvest. The Directors have concluded that, based on the current information, there are no material uncertainties that the Group would not be able to comply with those covenants as at 30 June 2023 and 31 December 2023, which are those within the 12 months following the approval of the Group's financial statements.

The key processes and assumptions applied in preparing the forecast financial covenant compliance for the next 12 months are:

- kiwifruit crop forecasts for the 2023 harvest have been based on inspections at orchards in late January and early February 2023
- targeted orchard inspections and discussions with affected growers following Cyclone Gabrielle and making adjustments to the kiwifruit crop forecasts for the expected crop reductions
- no further significant adverse weather events affecting the 2023 kiwifruit harvest and a normal picking and packing period.

The Group's earnings and cash flows can vary from expectations due to unanticipated events, and such variations may increase the possibility of breaching financial covenants. In the event that there was a potential future or actual breach of financial covenants, the Group has a number of avenues to manage costs and / or reduce debt. The Directors have confidence that the banking syndicate would work with the Group to further revise financial covenants, if that was required.

The Group's loan facilities expire on 31 January 2024 and 31 January 2025 (see note 17) and there is no indication that these would not be able to be refinanced at that time.

While there are uncertainties in the near-term financial performance of the Group, the outlook for the company and the industry remains positive. Annual crop volumes will grow as previous SunGold licence releases mature and reach full production, and the continuing release of new SunGold and RubyRed licences by Zespri.

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

Goods and services tax (GST)

The statement of profit or loss and statement of comprehensive income have been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Impact of standards issued but not yet applied by the entity

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

Performance

This section focuses on the Group's financial performance and details the contributions made from the individual operating segments.

1. Segment information

The Group's operating segments are entities that engage in business activities that earn revenues, incur expenses and are reported in a manner consistent with the internal reports provided to the chief decision makers, being the Directors, who regularly evaluate the allocation of resources alongside operational outcomes, such as EBITDA and EBIT, and are responsible for setting strategic direction.

The Group has five operating segments:

- Four New Zealand segments express the range of complementary services delivered to New Zealand's produce industries and the retail sector.
- A single Australian operating segment covers the integrated supply chain service for the Group's Australian-grown fruit.

Direct segment revenues and operating costs are allocated to each segment. Administration costs, overheads, grower service costs and other income from the sale of assets recorded in the statement of profit or loss are allocated to all other segments. Transactions between segments are conducted at arm's length and are eliminated on consolidation.

New Zealand segments

Orchard operations

The Group provides on-orchard management services to orchard owners who produce kiwifruit, avocado, citrus and kiwiberry crops.

The Group produces kiwifruit, avocado, citrus and kiwiberry from:

- Short term leased orchards (typically three-year rolling contracts) whereby the Group recovers costs and shares any profits with the orchard owners.
- Long term leased land which the Group has developed into productive orchards, pays all development and production costs, owns all crops for the term of the lease, and shares profit with the landowner after all costs are recovered from crop proceeds.
- Owned orchards whereby the Group incurs growing and harvest costs and receives all orchard income from crop sales.

Post harvest operations

The Group provides post harvest services to the kiwifruit, avocado, citrus, berry, persimmon and kiwiberry industries. This includes all crops from the Group's orchard management and lease operations, plus crops from independent orchard owners.

Retail service operations

The Group provides fruit marketing services in New Zealand and internationally, particularly in the Australian and Asian markets. This includes fruit from the Group's New Zealand based orchard and post harvest operations. In New Zealand the Group also provides retail and ripening services for imported fruit, and operates a wholesale market.

Retail service operations include the production and selling of Kiwi Crush, Kiwi Crushies and avocado oil to the retail sector and hospitals, along with post harvest services for kiwiberry.

All other segments - New Zealand

This represents the Group's aggregated administration, grower services and overhead sections recorded in the statement of profit or loss and impairment and revaluations of other assets not attributed directly to any other segment. It also includes the gain on sale from assets that had been classified as held for sale, and in 2021 the proceeds from the settlement of the Psa claim with the Crown.

Australian operations

The Group grows, provides post harvest services, and retails all produce from orchards the Group owns or leases in Australia. The main products are kiwifruit, nashi pears and European pears, which are primarily sold in Australia.

EBITDA and EBIT

EBITDA is earnings before interest, tax, depreciation, amortisation, impairments and revaluations. EBITDA is an indicator of profitability and reflects operating cash flow generation.

EBIT is earnings before interest and tax; an indicator of profitability that excludes interest and income tax expenses.

Non-GAAP financial information does not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Board considers EBITDA and EBIT as useful measures of financial performance for both investors and management as they are indicators of the Group's operating profitability that remove the impact of tax and the interest expense associated with debt (EBIT), along with depreciation, amortisation and revaluation expenses associated with the Group's large investments in fixed and leased assets (EBITDA).

The following table details the operating segments at balance date.

New Zealand dollars	New Zealand Orchard operations $000s	New Zealand Post harvest operations $000s	New Zealand Retail service operations $000s	New Zealand All other segments $000s	Australia Australian operations $000s	Group Total $000s
2022						
Income statement						
Turnover [1]	80,526	233,755	54,418	1,054	13,979	383,732
Gross segment revenue	80,589	237,297	19,072	1,054	13,979	351,991
Eliminations	(63)	(3,541)	-	-	-	(3,604)
Total segment revenue	80,526	233,756	19,072	1,054	13,979	348,387
EBITDA [2]	4,556	58,979	794	(19,231)	981	46,079
Depreciation expense [4]	(1,001)	(12,020)	(337)	(1,622)	(1,075)	(16,055)
Lease depreciation expense [5]	(1,311)	(5,636)	(616)	(1,118)	(835)	(9,516)
Impairment of property, plant and equipment	-	(144)	-	-	-	(144)
Impairment of biological assets	-	-	-	-	(191)	(191)
Impairment of intangible assets	-	-	(681)	-	-	(681)
Amortisation of intangible assets	-	-	-	(406)	-	(406)
EBIT [3]	2,244	41,179	(840)	(22,377)	(1,120)	19,086
Lease interest expense [5]	(422)	(2,217)	(307)	(412)	(931)	(4,289)
EBIT [3] (after lease interest expense)	1,822	38,962	(1,147)	(22,789)	(2,051)	14,797
Interest expense [6]	-	-	-	(6,000)	(1,204)	(7,204)
Tax charge on profit	-	-	-	(2,067)	978	(1,089)
Profit / (loss) after tax	1,822	38,962	(1,147)	(30,856)	(2,277)	6,504
Balance sheet						
Segment assets	84,881	360,366	11,482	36,613	54,527	547,869
Total assets	84,881	360,366	11,482	36,613	54,527	547,869
Segment liabilities	44,642	145,053	12,394	40,066	34,771	276,926
Total liabilities	44,642	145,053	12,394	40,066	34,771	276,926
2021						
Income statement						
Turnover [1]	77,070	195,908	68,000	1,122	13,867	355,967
Gross segment revenue	77,157	199,667	21,602	1,122	13,867	313,415
Eliminations	(87)	(3,759)	-	-	-	(3,846)
Total segment revenue	77,070	195,908	21,602	1,122	13,867	309,569
EBITDA [2]	5,248	61,557	2,318	(13,974)	1,641	56,790
Depreciation expense [4]	(773)	(11,375)	(356)	(1,771)	(910)	(15,185)
Lease depreciation expense [5]	(1,468)	(4,365)	(600)	(697)	(813)	(7,943)
Impairment of property, plant and equipment	-	(1,188)	-	-	-	(1,188)
Amortisation of intangible assets	-	(11)	-	(277)	(6)	(294)
EBIT [3]	3,007	44,618	1,362	(16,719)	(88)	32,180
Lease interest expense [5]	(741)	(2,187)	(324)	(385)	(973)	(4,610)
EBIT [3] (after lease interest expense)	2,266	42,431	1,038	(17,104)	(1,061)	27,570
Interest expense [6]	-	-	-	(3,382)	(700)	(4,082)
Tax charge on profit	-	-	-	(9,334)	706	(8,628)
Profit / (loss) after tax	2,266	42,431	1,038	(29,820)	(1,055)	14,860
Balance sheet						
Segment assets	73,676	316,088	11,671	33,147	47,687	482,269
Total assets	73,676	316,088	11,671	33,147	47,687	482,269
Segment liabilities	38,853	108,415	14,665	30,647	43,198	235,778
Total liabilities	38,853	108,415	14,665	30,647	43,198	235,778

1. Turnover is a non-GAAP measure, see calculations in note 2.
2. EBITDA, a non-GAAP measure, is earnings before interest, tax, depreciation, amortisation, impairments and revaluations.
3. EBIT, a non-GAAP measure, is earnings before interest and tax.
4. Depreciation includes the depreciation of fixed assets.
5. Lease interest and lease depreciation are as a result of *NZ IFRS 16 Leases*, see note 13.
6. Interest includes finance costs for borrowings.

The following table reconciles segment EBITDA before and after applying NZ IFRS 16.

New Zealand dollars	New Zealand Orchard operations $000s	Post harvest operations $000s	Retail service operations $000s	All other segments $000s	Australia Australian operations $000s	Group Total $000s
2022 - EBITDA						
EBITDA pre NZ IFRS 16	1,376	52,836	(51)	(20,535)	(1,067)	32,559
NZ IFRS 16 lease costs	3,180	6,143	845	1,304	2,048	13,520
EBITDA after applying NZ IFRS 16	4,556	58,979	794	(19,231)	981	46,079
2021 - EBITDA						
EBITDA pre NZ IFRS 16	2,379	55,318	1,495	(14,912)	(193)	44,087
NZ IFRS 16 lease costs	2,869	6,239	823	938	1,834	12,703
EBITDA after applying NZ IFRS 16	5,248	61,557	2,318	(13,974)	1,641	56,790

2. Turnover

The following table reconciles turnover to revenue.

New Zealand dollars	2022 $000s	2021 $000s
Turnover	383,732	355,967
Value of sales made as agent	(35,345)	(46,398)
Revenue	348,387	309,569

Turnover

The Board considers turnover a useful measure of the Group's operating activity as it represents the total transactional value of goods and services provided to external customers during the year. As such turnover includes the value of fruit sales made on behalf of growers and suppliers where the Group acts as the agent, and is considered the supplier by the purchasing party. This includes all produce sales both local and export.

3. Revenue and other income

New Zealand dollars	Notes	2022 $000s	2021 $000s
Total revenue		348,387	309,569
Other income			
Interest		16	67
Gain on sale of assets classified as held for sale	9	364	331
Grower share loyalty scheme	21	(9)	(446)
Dividends received		79	190
Increase in fair value of irrigation water rights		-	173
Proceeds from settlement of Psa claim		-	7,644
Other income		305	487
Total other income		755	8,446
Total revenue and other income		349,142	318,015

During the year the Group recognised $0.01m of costs relating to the measurement of the grower share scheme issued based on the Black Scholes Model (Dec 2021 - $0.45m).

Accounting policies

The Group's major revenue streams are post harvest operations, orchard management, retail services and Australian operations in accordance with *NZ IFRS 15: Revenue from contracts with customers (NZ IFRS 15)*.

Post harvest

The Group enters into two standardised post harvest contracts:

- The first has two performance obligations; to collect the supply of fruit via picking and transportation, and maturity testing. The charges are separated in the contract. All revenue is recognised when the service is performed.
- The second has three performance obligations; to pack fruit, to cool and dispatch fruit, and to sell class 2 fruit to authorised markets. These are stand-alone services provided by the Group. Each performance obligation has a separate transaction price detailed in the contract and the obligations are recognised when services are performed; packing revenue as fruit is packed, cooling revenue as fruit is loaded out from cool storage, and class 2 as fruit is sold and delivered.

Orchard management

The Group enters into two orchard management contracts that are largely standardised:

- The first has one performance obligation; to manage fruit growing. Revenue is recognised as the service is performed and calculated at cost plus a margin per the contract or at a fixed per-hectare charge. The management fee included in the contract is recognised evenly over the contract's 12 month period. An incentive fee is only recognised when agreed orchard gate return (OGR) targets are achieved and an incentive would be receivable.
- The second has one performance obligation; to collect the supply of fruit on short term and long term managed orchards. The transaction price is determined using a forecasted OGR. Revenue is recognised when crops are picked (in the June half year accounts for kiwifruit).

Retail services

The Group enters into three retail service contracts which are customised to the service being offered (such as ripening or fruit sales):

- The first has one performance obligation; to sell fruit on the owner's behalf. As the sales agent, the Group only collects a marketer's commission which is recognised when the fruit is sold and delivered.
- The second has one performance obligation; to either store or ripen fruit. Revenue is recognised as the fruit is stored or ripened.
- The third has one performance obligation; to provide ordered product. The transaction price is based on the agreed price (either in writing or verbally) with revenue recognised when the fruit is sold and delivered.

Australia

The Group has one type of contract that is entered by the Australian business; for the sale and supply of fruit.

- The fruit sale and supply contacts are entered on a one-to-one basis with the fruit purchaser and are largely standardised. They have one performance obligation; to provide the fruit to the customer. The transaction price is based on the agreed price (either in writing or verbally) and recognised when the fruit is sold and delivered.

Contracts from acquired businesses

All revenue contracts acquired as part of the Orangewood Limited (Orangewood) and NZ Fruits Limited (NZ Fruits) acquisitions, (see note 19) are substantially similar in nature to Seeka's current revenue contracts.

Principal versus agent relationship

A principal relationship is one where the Group has the performance obligation to provide the good or service directly and has control of the asset or has a right to direct the asset. An agency relationship is one where the performance obligation is to arrange for the good or service on behalf of the supplier. The Group currently has agent relationships for the sale of some fruit and vegetables in the retail services segment.

Impact of seasonality

Group revenues are generated from seasonal horticultural operations, with post harvest revenues recognised as services are provided and orcharding revenues recognised once the fruit is harvested. Retail revenues are generated at the point of sale. In New Zealand kiwifruit are harvested from March to June, avocados from July to February, and kiwiberry from February to March. In Australia nashi and European pears are harvested January to March, and kiwifruit from March to May. As a result of these harvest timings around 60~70% of orchard revenues are recognised in the first six months of the financial year. Due to seasonal fluctuations, the timing of the provision of post harvest services can vary from year to year, however normally 70~80% is recognised in the first six months of the financial year, but can be impacted by seasonal fluctuations.

Irrigation water rights

Water allocation rights are carried at fair value supported by the value of the traded rights on a recognised exchange or market at measurement date. Annual water allocation rights are recognised as a current asset when they are allocated to the Group's permanent water shares from the first of July each year by the Victorian Water Register, and are subsequently expensed when the entitlement is used to irrigate orchards. Any gain on revaluation is recognised in the statement of profit or loss.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Gain on sale of assets classified as held for sale

The gain on sale of assets classified as held for sale is recognised when a sale and purchase agreement is unconditional and the consideration is paid or payable at that date.

Proceeds from settlement of kiwifruit Psa claim

The income relating to the proceeds from the settlement of the kiwifruit Psa claim from the Crown was recognised in 2021 when the claim was settled and the amount was confirmed as received or receivable.

4. Cost of sales and operating expenses

New Zealand dollars	Notes	2022 $000s	2021 $000s
Operating materials and services		192,855	163,029
Direct employee benefits		87,188	71,861
Decrease in fair value of biological assets - crop	12	35	1,447
Total cost of sales		280,078	236,337
Total other employee benefits		12,476	12,491
General administrative expenses		8,587	7,883
Audit fees paid to principal auditors - paid on a Group basis		529	493
Tax compliance and consulting (2021: tax compliance, consulting, planning, structuring and due diligence) fees paid to principal auditors		12	242
Tax pooling services paid to principal auditors		12	13
Debt covenant compliance agreed upon procedures paid to principal auditors		7	6
Acquisition and restructuring costs		419	1,784
Directors' fees and expenses		624	536
Short term lease expenses		1,376	1,676
Decrease in value of irrigation water rights		97	-
Total other costs		24,139	25,124
Depreciation expense	10	16,055	15,185
Lease depreciation expense	13	9,516	7,943
Amortisation of intangible assets	11	406	294
Impairments and revaluations			
Impairment of property, plant and equipment	10	144	1,188
Impairment of biological assets		191	-
Impairment of intangible assets	11	681	-
Total impairment and revaluation		1,016	1,188
Interest expense		7,204	4,082
Lease interest expense	13	4,289	4,610
Total expenses		342,703	294,763

During the year the Group recognised $0.04m of costs relating to the measurement of the employee share schemes issued based on the Black Scholes Model (Dec 2021 - $0.15m).

Accounting policies

Operating expenses are recognised in the statement of profit or loss as incurred, except where future economic benefits arise and they are recorded as a prepayment.

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables. The employee liabilities are measured at the amounts expected to be paid when settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

5. Reconciliation of net operating surplus after taxation with cash flows from operating activities

New Zealand dollars	2022 $000s	2021 $000s
Net operating surplus after taxation	6,504	14,860
Add non cash items:		
Depreciation	16,055	15,185
Lease depreciation	9,516	7,943
Impairment of biological assets	191	-
Impairment of intangible assets	681	-
Impairment of property, plant and equipment	144	1,188
Revaluation of employee share scheme	38	153
Revaluation of grower share scheme	9	446
Movement in deferred tax	4,431	5,236
Movement in fair value of biological assets - crop	35	1,447
Amortisation of intangible assets	406	294
	31,506	31,892
Add / (less) items not classified as an operating activity:		
(Loss) / gain on sale of property, plant and equipment	(138)	12
Gain on sale of assets classified as held for sale	(364)	(332)
Increase / (decrease) in current water allocation account	133	(319)
	(369)	(639)
(Increase) / decrease in working capital:		
(Decrease) in accounts payable	(3,730)	(7,042)
(Increase) / decrease in accounts receivable/prepayments	(6,725)	6,167
(Increase) / decrease in inventory	(2,593)	940
(Decrease) in taxes due	(12,465)	(4,594)
	(25,513)	(4,529)
Net cash flow from operating activities	12,128	41,584

Accounting policies

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

6. Income tax expense

New Zealand dollars	Notes	2022 $000s	2021 $000s
a. Current tax expense			
Current year		1,410	8,454
Prior period adjustment		214	(589)
Total current tax expense		1,624	7,865
Deferred tax expense	7		
Origination and reversal of temporary differences		598	(1,566)
Prior period adjustment		(1,133)	2,329
Total deferred tax expense		(535)	763
Total income tax expense		1,089	8,628
b. Numerical reconciliation of income tax expense to prima facie tax payable			
Profit before income tax expense		7,593	23,488
Tax at the New Zealand tax rate of 28%		2,126	6,577
Tax at the Australian tax rate of 30%		(60)	(37)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		63	432
Benefit of tax credits		(121)	(84)
(Over) provision in prior years - temporary differences		(919)	1,740
Income tax expense		1,089	8,628
c. Imputation credit account			
Imputation credits available for use in subsequent reporting periods		27,742	28,265

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

a. Imputation credits that will arise from the payment of the amount of the provision for income tax
b. Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
c. Imputation credits that will arise from the receipts of dividends recognised as receivables at the reporting date.

d. Current tax (liability) / receivable	Notes	2022 $000s	2021 $000s
Opening balance of current tax (liability)		(7,463)	(6,952)
Current tax liability acquired via acquisition	19	(653)	(1,212)
Adjustments for prior periods		(214)	589
Current year tax		(1,410)	(8,454)
Less tax paid		9,362	8,610
Exchange differences		41	(44)
Current tax (liability)		(337)	(7,463)

Accounting policies

Income tax expense comprises both current and deferred tax and is recognised in the statement of profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the tax losses of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination and that affects neither accounting or taxable profit. Differences relating to investments in subsidiaries and jointly controlled entities are not recognised to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at balance date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

7. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally-enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The following table details the offset amounts.

New Zealand dollars	Notes	2022 $000s	2021 $000s
Net deferred tax liabilities:			
Opening balance		18,373	13,137
Deferred tax liability acquired via acquisition	19	226	1,865
Adjustments for prior periods		(1,133)	2,329
Exchange differences		(26)	18
Charged to the statement of profit or loss		598	(1,566)
Charged to revaluation reserve		3,653	2,553
Debited to hedge reserve		1,113	37
Closing balance at end of year		22,804	18,373
The balance comprises temporary differences attributable to:			
Temporary differences on non-current assets		22,712	21,574
Current liabilities		(2,094)	(4,749)
Prepayments and accrued income		2,186	1,548
Total deferred tax liability		22,804	18,373

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. No amounts were recognised at balance date and there were no unrecognised tax losses (Dec 2021 - Nil).

The deferred tax liability recognised in the financial statements does not represent the tax that would be payable on the disposal of the buildings; actual tax payable is limited to the reversal of tax depreciation claimed on that asset in prior period tax returns.

8. Events occurring after balance date

Cyclone Gabrielle

From 13 to 15 February 2023, Cyclone Gabrielle brought severe wind and rain over much of New Zealand's North Island. A number of the Group's kiwifruit and avocado growing regions felt the force of Cyclone Gabrielle.

The Group is undertaking an initial impact assessment, but a complete understanding of the full extent of the impact on the 2023 crops will likely remain unknown until the fruit is harvested.

The Group's core Bay of Plenty kiwifruit growing region was spared the worst of the weather and was not materially impacted by the event.

However, the Hawke's Bay, Gisborne, Coromandel and Kerikeri regions had varying degrees of impact, with Hawke's Bay being worst hit. Approximately 5% of the Group's kiwifruit supply is grown in the Hawke's Bay region. The Group will continue to assess the impact of the cyclone and will update the market if it identifies a material loss.

The Group has made an initial assessment of its major assets and has not identified any significant damage.

Harvest 2023 kiwifruit volumes are expected to be lower than the 2022 harvest year due to an early season frost, variable bud break and now this cyclone. The Group's response to this circumstance includes a reduction to the 2023 capital expenditure programme and a focus on reducing costs in line with the lower crop expectation.

There are no other material events occurring subsequent to balance date requiring adjustment to, or disclosure in, the financial statements.

Assets

How Seeka allocates resources across its operations

This section focuses on the physical and intangible assets used by the Group to operate the business, deliver benefits to stakeholders, add new income streams and generate revenues. Assets include post harvest facilities, retail service facilities, and software. Assets also include Group-owned land, vines, trees and crop on Group-owned and leased orchards. The Group also has interests in water shares, leases and goodwill arising from Group acquisitions.

Disclosures are made on additions, disposals, revaluations, depreciation, impairments and amortisation.

9. Assets classified as held for sale

New Zealand dollars	Notes	2022 $000s	2021 $000s
Opening balance at 1 January		1,898	3,844
SunGold licence transferred from intangible assets	11	491	-
Water shares transferred from intangible assets	11	3,283	-
Transfers from property, plant and equipment	10	1,915	-
Development costs incurred		313	33
Sales settled by third parties at carrying value		(1,607)	(1,979)
Total assets classified as held for sale		6,293	1,898

The following table details the assets classified as held for sale by asset class.

New Zealand dollars	2022 $000s	2021 $000s
Asset class		
Land and buildings	943	734
Property, plant and equipment	380	319
Intangible assets	3,783	304
Bearer plants	645	541
Bearer plants under development	542	-
Total assets classified as held for sale	6,293	1,898

At 31 December 2022, 16.6 hectares of Northland orchards (Dec 2021 - 13.5 hectares) owned by Seeka were classified as held for sale. During the year three additional properties including, one 3.5 hectare orchard in Ōpōtiki, were classified as held for sale, with two subsequently sold within the year. No growing costs have been attributed to the remaining orchards at 31 December 2022 as they are valued on a crop-off basis.

At 31 December 2022, 750ML of permanent water entitlement in Victoria, Australia, was classified as held for sale (Dec 2021 - Nil). The sale of the water entitlement settled on 22 February 2023 for a consideration of $3.08m AUD.

All assets classified as held for sale are included in the orchard operations segment, apart from $3.3m related to the water entitlement (Dec 2021 - Nil) which was included in the Australian operations segment.

Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable and the assets are available for immediate sale in their present condition, and the Group is committed to the sale and expects it to be completed within one year from the date of classification. The accounting standard allows for the period to extend past 12 months if the circumstances causing the delay are out of Seeka's control. As at 31 December 2022 one orchard of 13.5 hectares (Dec 2021 - one orchard of 13.5 hectares) has taken longer than 12 months to find a willing buyer, however Seeka remains committed to selling the property and a sale is anticipated within the next 12 months. Assets classified as held for sale are recorded at the lower of the carrying value or fair value less costs to sell.

Critical accounting estimates and judgements

The Group used judgement to recognise the remaining orchards as held for sale, despite one being held for sale for greater than 12 months.

This judgement is based on the ability to obtain a buyer for the assets classified as held for sale. This is impacted by external real estate market forces and changes to this estimate may result in the balance being reclassified to a non-current asset.

10. Property, plant and equipment

New Zealand dollars	Land and buildings $000s	Plant and equipment $000s	Motor vehicles $000s	Bearer plants $000s	Assets under construction $000s	Total $000s
At 1 January 2021						
Cost or valuation	186,565	112,652	1,281	25,453	3,864	329,815
Accumulated depreciation and impairment	(15,989)	(65,108)	(708)	(2,760)	(218)	(84,783)
Net book amount	170,576	47,544	573	22,693	3,646	245,032
Year ended 31 December 2021						
Opening net book amount	170,576	47,544	573	22,693	3,646	245,032
Additions from business combination	43,960	11,926	476	632	262	57,256
Additions and transfers - net	6,916	7,260	537	7,234	6,410	28,357
Depreciation	(6,791)	(7,618)	(246)	(530)	-	(15,185)
Disposals	(191)	(192)	(47)	-	-	(430)
Impairment	-	(1,013)	-	-	(175)	(1,188)
Revaluation	14,088	-	-	-	-	14,088
Foreign exchange	(41)	(17)	(1)	(40)	(1)	(100)
Closing net book amount	228,517	57,890	1,292	29,989	10,142	327,830
At 1 January 2022						
Cost or valuation	251,297	131,630	2,247	33,278	10,537	428,989
Accumulated depreciation and impairment	(22,780)	(73,740)	(955)	(3,289)	(395)	(101,159)
Net book amount	228,517	57,890	1,292	29,989	10,142	327,830
Year ended 31 December 2022						
Opening net book amount	228,517	57,890	1,292	29,989	10,142	327,830
Additions from business combination	12,900	5,955	64	-	-	18,919
Additions and transfers - net	4,126	13,195	1,040	5,228	10,774	34,363
Depreciation	(7,132)	(8,316)	(294)	(313)	-	(16,055)
Disposals	(4)	(139)	(221)	(114)	-	(478)
Impairment	-	-	-	(144)	-	(144)
Revaluation	13,118	-	-	-	-	13,118
Reclassification to assets classified as held for sale	(644)	-	-	(1,271)	-	(1,915)
Foreign exchange	57	26	1	66	-	150
Closing net book amount	250,938	68,611	1,882	33,441	20,916	375,788
At 31 December 2022						
Cost or valuation	280,850	150,667	3,131	37,187	21,311	493,146
Accumulated depreciation and impairment	(29,912)	(82,056)	(1,249)	(3,746)	(395)	(117,358)
Net book amount	250,938	68,611	1,882	33,441	20,916	375,788

Assets under construction are assets that are yet to be capitalised and are not depreciated. When the asset is ready for use it is transferred to the appropriate asset class. At 31 December 2022, assets under construction relate to the Transcool coolstore construction, and further investment relating to packhouse automation.

Land and buildings

Land and buildings are revalued to their estimated market value on a three-year rolling cycle (excluding assets under construction), plus any subsequent additions at cost, less subsequent depreciation for buildings. In New Zealand valuations are undertaken by CBRE Limited t/a Telfer Young from CBRE, independent registered valuer.

In Australia valuations were undertaken by Opteon (Goulburn North East Vic) Pty Ltd, independent valuers based in Victoria, Australia. All Australian land and buildings were revalued at 31 December 2022.

The valuers consider four different approaches in concert to arrive at a fair value;

1. Direct replacement cost - adds the value of the land to the replacement cost of the buildings and other improvements based on the current cost of construction less depreciation based on the age of the building with an allowance for physical depreciation. Specific consideration is given to the 'optimised depreciated replacement cost' methodology.
2. Sales comparison - considers sales of other comparable properties.
3. Capitalisation of rentals - assumes a hypothetical lease of the property with a current market rental being established and capitalising this at an appropriate rate of return that would be expected by a prudent investor. The 2022 year saw capitalisation rates decrease between 0.25% - 1.50% since the previous valuations of the same properties, some of which may have been up to three years prior.
4. Discounted cash flow - a variation of the investment method whereby it takes the current market rental calculated under the investment method and forecasts net cash flows over a ten-year period. Cash flows are adjusted for expected growth in market rentals and estimated costs incurred to maintain land and buildings in operational use. This method assumes land and buildings are sold in the terminal year (year 11).

Significant unobservable inputs inherit in the land and building valuation process include potential comparative market rentals, the market rental capitalisation rates and discount rates. The higher the rental rate, the higher the fair value, and the higher the capitalisation or discount rate, the lower the fair value. Significant changes in either of these inputs would result in significant changes to the fair value measurement. See below;

1. Market rental rates - Packhouse rental rates as described in the valuation reports obtained in 2022 between $60/m^2$ - $130/m^2$ (Dec 2021 - $47.50/m^2$ - $66.45/m^2$). Coolstore rental rates were between $0.40/tray - $0.65/tray (Dec 2021 - $0.36/tray - $0.60/tray)
2. Rental capitalisation rates - Capitalistion rates as described in the valuation reports obtained in 2022 were between 6.00% – 8.75% (Dec 2021 - 6.50% - 9.00%).
3. Discount rates – Discount rates as described in the valuation rates obtained in 2022 were between 6.50% - 9.00% (Dec 2021 – 7.00% - 9.25%).

The net book value of land is $47.41m (Dec 2021 - $36.87m) and buildings is $203.53m (Dec 2021 - $191.65m), see note 29.

The following table details the gain on revaluation of land and buildings recognised in the revaluation reserve, net of tax, of $9.74m in the year ended 31 December 2022 (Dec 2021 - $11.54m).

New Zealand dollars	Land $000s	Buildings $000s	Total $000s
Land and buildings revaluation reserve	3,000	6,736	9,736

As a consequence of the building revaluations conducted December 2022, $6.38m (Dec 2021 - $3.45m) of accumulated depreciation was offset directly against the assets' cost or valuation, prior to revaluation.

During the year the Group reviewed and estimated the useful lives of its buildings. The result of this review was an increase of the useful lives of the buildings to align them all with a 50 year useful life from the date of the estimate. This has standardised the useful lives of the buildings, but they remain within the useful life range of the existing accounting policy. This change in useful lives took effect from 1 July 2022. The effect of the change was to decrease depreciation in the second half of the year by $1.2m, compared to what the depreciation would have been if no changes had been made. This will have a similar effect on future periods.

The following table details the depreciated value of land and buildings if they were to be stated on a historical cost basis.

New Zealand dollars	2022 $000s	2021 $000s
Cost	251,959	234,937
Accumulated depreciation	(56,783)	(49,227)
Depreciated historical cost	195,176	185,710
Net book amount	250,938	228,517

Impairment of bearer plants

For the year ended 31 December 2022, $0.14m of assets were impaired (Dec 2021 - Nil). This related to the impairment of capitalised structures on a long-term-leased orchard.

Impairment of plant and equipment

For the year ended 31 December 2022, the Group did not impair any fixed assets. For the year ended 31 December 2021, the Group impaired the following fixed assets:

- Coolstore facilities at Transcool in preparation for the construction of a new five-high, semi-automated, coolstore facility
- An existing canopy at KKP packhouse in preparation for the construction of the packhouse extension
- Decommissioning of the existing 10 lane grader at KKP to be replaced by a new MAF Roda grader

Accounting policies

Bearer plants

Bearer plants are the Group's investment in kiwifruit vines, pear, avocado and other fruiting vines and trees on Group-owned and leased land. Bearer plants are stated at historical cost less depreciation. Historical cost includes all costs incurred to purchase or establish the asset.

Land and buildings

Land and buildings are shown at fair value, based on periodic, but at least triennial valuations by independent valuers, plus any subsequent improvements at cost, less depreciation. At each annual balance date, no less than one third of assets classified as land and buildings are revalued and those valuations are used to assess the appropriateness of the carrying values of all land and building assets held by the Group, which effectively revalue all land and buildings annually. Revaluations are performed more frequently if changing industry conditions may cause their carrying value to differ significantly from fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Changes in the carrying amounts arising on revaluation of land and buildings are accounted for through comprehensive income and other reserves, except where an asset's assessed fair value is less than the original cost, in which case the change is recognised in the statement of profit or loss.

Property, plant and equipment

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes all costs incurred to purchase the asset.

Subsequent additions at cost are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Asset impairments are recognised in the statement of profit or loss.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight line or diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. The depreciation of bearer plants on leased land orchards is aligned to the term of the lease.

The estimated useful lives of assets from revaluation date are:

- Buildings 20 - 50 years
- Machinery 10 - 20 years
- Vehicles 2 - 15 years
- Furniture, fittings and equipment 3 - 10 years
- Bearer plants 5 - 50 years

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at balance date and an asset's carrying amount is immediately written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount, and any gain or loss is included in the statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve in respect of those assets are transferred to retained earnings.

Critical accounting estimates and judgements

At 31 December 2022, 42% (Dec 2021 - 44%) of Seeka's New Zealand land and building portfolio was revalued in line with policy. From 1 July 2022 the Group has reviewed the useful lives of its buildings and noticed many that required evaluation, while remaining within the policy above. The impact of this evaluation in 2022 is an increase in useful lives and a $1.2m decrease in depreciation charged in the period.

All building useful lives remain within the policy above with it remaining unchanged. Seeka operates in the food production industry, which remained stable with a high demand for healthy foods during the Covid-19 pandemic. Properties situated in the Bay of Plenty are also expected to be less affected than other regions given the ongoing strength of horticulture and agriculture businesses.

Sensitivity analysis suggests the remaining properties that were not revalued this year could cause a movement in land and buildings of between 5.5-6.5%. This is not considered a material movement in land and building values.

11. Intangible assets

New Zealand dollars	Notes	Software $000s	Goodwill $000s	Water shares $000s	Other intangibles $000s	Total $000s
At 1 January 2021						
Cost		3,147	10,963	8,310	-	22,420
Accumulated amortisation and impairment		(2,767)	(2,031)	-	-	(4,798)
Net book amount		380	8,932	8,310	-	17,622
Year ended 31 December 2021						
Opening net book amount		380	8,932	8,310	-	17,622
Additions		761	-	184	-	945
Additions from business combination	19	82	8,249	-	555	8,886
Disposals		(7)	-	-	-	(7)
Foreign exchange		-	-	(73)	-	(73)
Amortisation		(261)	-	-	(33)	(294)
Closing net book amount		955	17,181	8,421	522	27,079
At 1 January 2022						
Cost		3,983	19,212	8,421	555	32,171
Accumulated amortisation and impairment		(3,028)	(2,031)	-	(33)	(5,092)
Net book amount		955	17,181	8,421	522	27,079
Year ended 31 December 2022						
Opening net book amount		955	17,181	8,421	522	27,079
Additions		395	-	-	-	395
Additions from business combination	19	-	3,681	-	-	3,681
Transfers from investments in financial assets		-	-	-	377	377
Revaluation		-	-	212	-	212
Impairment		-	(681)	-	-	(681)
Foreign exchange		2	-	49	-	51
Reclassification to assets classified as held for sale	9	-	-	(3,283)	(491)	(3,774)
Amortisation		(375)	-	-	(31)	(406)
Closing net book amount		977	20,181	5,399	377	26,934
At 31 December 2022						
Cost		4,380	22,212	5,399	377	32,368
Accumulated amortisation and impairment		(3,403)	(2,031)	-	-	(5,434)
Net book amount		977	20,181	5,399	377	26,934

The amortisation period of software is four to five years.

Water shares are an integral part of land and irrigation infrastructure required to grow pears, kiwifruit and other annual crops in Australia and are carried at fair value based on the closing water share market price. The movement in the fair value is recognised in the statement of comprehensive income. There was a gain in the fair value of water shares in the year ended 31 December 2022 of $0.21m (Dec 2021 - Nil).

Impairment tests for goodwill

At 31 December 2022, the Group's market capitalisation was $128.1m compared to net assets of $270.9m. As a result, an impairment test was performed on all cash generating units (CGUs), in addition to CGUs with goodwill balances to ensure that future cash flows of the CGUs and Group support the fair value of the assets.

Goodwill represents the 2022 acquisition of NZ Fruits, the 2021 acquisitions of Ōpōtiki Packing and Cool Storage Limited (OPAC) and Orangewood Limited, the 2019 acquisition of Aongatete Coolstores Limited, the 2018 acquisition of the Northland business, the previously-acquired Glassfields business (now named SeekaFresh) and the acquisition of the Kiwi Crush and Kiwi Crushies product ranges.

The recoverable amount is based on the net present value of the five-year after-tax cash flow projection (value-in-use), with a terminal value beyond five years. Cash flows beyond the five year period are extrapolated using estimated growth rates and discount rates stated in this note. The assumptions used for the analysis of the net present value of forecast gross margin for the cash generating unit is determined based on past performance and the Board's expectations of future market dynamics, plus the Group's five year financial plans.

The impact of a frost event in spring 2022 along with a lower forecast yield as a result of variable bud break is forecasted to reduce the volume harvested in FY23. The effect of these events have been incorporated into the impairment tests. The impact of climate change has also been incorporated to the extent that it impacts the forecasts and considered as part of scenario planning from an operational capacity planning perspective. Any financial impact of climate change is expected to fall outside of the planning period given the long-term nature of climate change. However, scenario planning is being carried out across the Company to prepare for the impact of climate change on future yields, varieties and growing methods. Seeka has a long history of adapting to the environment, such as when Psa arrived in New Zealand and the business pivoted to the SunGold variety, alongside past climatic events such as droughts, hail and floods. The business will continue to adapt to the changing environment.

The annual impairment tests of goodwill were performed at 30 November 2022. Impairment indicators were considered at 31 December 2022, however no indictors were identified that required any further impairment tests. In previous years the annual impairment tests had been performed at 31 December. The change in the current year was made to more closely align with the timing of the annual budget and five year plan processes.

Additions to goodwill

During the year $3.54m of goodwill was recognised as a result of the NZ Fruits Limited (NZ Fruits) acquisition and a further $0.15m from updates to the goodwill acquired in the Orangewood Limited (Orangewood) acquisition. In the year ended 31 December 2021, $8.25m of goodwill was recognised, $7.63m from the OPAC acquisition and $0.62m from the Orangewood acquisition. See note 19 for details of the business combinations.

Cash generating units (CGUs)

During the year ended 31 December 2022, the scope of the post harvest CGUs were reviewed. Previously the post harvest CGUs were defined by the geographical region, with one CGU being the Bay of Plenty and East Coast region and a second CGU for Northland post harvest. However, based on the most recent update of the Group's capacity planning and five year financial planning, more fruit is expected to be connected through the supply chain between these two regions. Therefore, the fruit flows, and as a result the cash flows, are interdependent and the CGUs are better reflected as a single collective post harvest group.

This better reflects the operational coordination of packhouses in each region to maximise efficiency and flexibility by packing fruit at the optimum maturity by allocating it to the next available facility.

The goodwill that arose through the NZ Fruits acquisition, as well as the goodwill from the OPAC and Orangewood acquisitions, are all part of the post harvest CGU.

The following table details the key assumptions used for value-in-use calculations and the recoverable amount.

Group cash generating units	Operating segment	Goodwill carrying amount pre impairment $000s	Goodwill carrying amount post impairment $000s	Pre tax discount rate[1]	EBITDA [6] growth rate 1-5 years	Terminal growth rate[2]
2022						
Post harvest	Post harvest operations	20,181	20,181	12.5%	2% - 36%[3]	2.0%
SeekaFresh	Retail services operations	437	-	14.4%	40% - 203%[5]	2.0%
Kiwi Crush	Retail services operations	244	-	14.4%	0% - 9%[6]	2.0%
2021						
Bay of Plenty post harvest	Post harvest operations	14,663	14,663	11.1%	2% - 8%[3]	1.0%
Northland post harvest	Post harvest operations	1,841	1,841	12.5%	3% - 18%[4]	1.0%
SeekaFresh	Retail services operations	433	433	12.5%	4 - 10%[5]	2.0%
Kiwi Crush	Retail services operations	244	244	12.5%	2%[6]	2.0%

The following table details how water shares would be stated on the historical cost basis.

New Zealand dollars	2022 $000s	2021 $000s
Cost	1,436	4,719
Amortised cost	1,436	4,719
Net book amount	5,399	8,421

1. The discount rate is calculated based on the specific circumstances of the cash generating unit and its operations, and is derived from its weighted average cost of capital. The discount rate for Seeka's post harvest CGU is set at 9% as this represents the Board's assessment of the Group's weighted average cost of capital.
2. The long term growth rate is based on the long term expected inflation rate, being within the RBNZ inflationary target of 1%-3%. The Group has set its terminal growth rates at 2% to ensure a long term conservative growth estimate has been applied in the impairment tests.
3. The EBITDA growth rate for the 2024 year assumes a return to "normal" yields and therefore represents a 36% increase. However, the remaining EBITDA growth rates sit between 2-4%, which is considered conservative for the kiwifruit industry.

4. The EBITDA growth rates for Seeka Fresh appear significant, but only due to the low profitability achieved by this segment. The business remains in a loss making position over the period of the impairment test.
5. The EBITDA growth used for the Kiwi Crush reflect a 9.4% increase in year one, and then a growth rate between 0%-1% every year thereafter. This reflects the consistency in the profitability of this CGU, with limited growth expected over the period.
6. EBITDA, a non-GAAP measure, is earnings before interest, tax, depreciation, amortisation, impairments and revaluations.

At 31 December 2022, all goodwill balances were reviewed for indicators of impairment.

Post harvest CGU

The goodwill relating to the post harvest cash generating unit is supported by historical profitability, with a positive outlook and significant growth path ahead. The 2022 kiwifruit harvest, despite being challenging, achieved increased total volumes on the prior year and packing volumes are expected to increase further in future years. Challenges in the 2022 harvest, including lower yields, poorer storing kiwifruit, labour availability issues, and issues across the supply chain, caused a decline in profitability. However, the post harvest segment operated profitably throughout the year.

For these reasons, there are no indications of impairment of the goodwill relating to the post harvest cash generating unit.

No other reasonable changes to key assumptions would require an impairment of goodwill.

SeekaFresh CGU

The fresh market has been impacted significantly by three years of Covid-19 disruption, in particular servicing the hospitality industry which has been struggling due to lockdowns predominately in Auckland. The second half of 2022 saw promising improvements in the fresh market business as new markets and customers were accessed.

Profitability from commissions has decreased, due to lower volumes of class two kiwifruit, alongside lower volumes and variable quality in the start of the 2022/23 avocado harvest. The commissions in both these key categories have been lower than previous years. Class 2 kiwifruit returns are expected to improve in coming years as more volume comes onstream.

Despite the fresh market turnaround in the second half of the year, alongside a forecast kiwifruit volume increase, the forecast assumes a post-tax operating loss for the five year period of the impairment test. This has led to impairment being identified within the CGU and the entirety of the goodwill, being $0.43m, has been impaired in the year ended 31 December 2022.

The impairment and recoverable amount of the CGU have been calculated using both the value-in-use method and fair value less costs of disposal. The value-in-use method was used. The recoverable amount of the assets in the CGU is $2.07m.

Kiwi Crush CGU

The Kiwi Crush CGU has operated profitably and consistently since the business was acquired. The kiwiberry variety has performed very well. Demand for Kiwi Crush in supermarkets, hospitals, and aged care facilities remains high, particularly as the product is high in vitamin C and has proven health benefits. However, using a higher discount rate than in previous years, the returns of the business do not support the book value of the assets held. Impairment was identified within the CGU and the entirety of the goodwill, being $0.24m, has been impaired in the year ended 31 December 2022.

The impairment and recoverable amount of the CGU have been calculated using both the value-in-use method and fair value less costs of disposal. The value-in-use method was used. The recoverable amount of the assets in the CGU is $2.93m.

Accounting policies

Intangible assets

Assets with a finite useful life are subject to depreciation and amortisation and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite life are not subject to amortisation and are tested at least annually for impairment, with impairment losses recognised when the carrying amount exceeds the recoverable amount. When assessing impairment, assets are grouped at the lowest identifiable unit able to generate cash flow.

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internally developed computer software is capitalised when it enters the development phase and includes costs incurred to develop and test the software for use. Intangible assets are amortised over their estimated useful life (typically three to five years).

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets at the date of acquisition. Goodwill on a business acquisition is included in intangible assets, and on acquisition of an associate is included in investments in associates. When acquired in business combinations, the goodwill is annually tested for impairment (or more frequently if there are impairment indicators) and carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to that business.

Water shares

The Group records permanent water shares at fair value based on the market price at balance date. The shares are fully tradeable and have an indefinite life and are not amortised.

Other intangibles

Other intangibles subject to amortisation are amortised over the life of the asset on a straight line basis. The expense is charged to the statement of profit or loss.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units (CGUs)). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Critical accounting estimates and judgements

The intangible assets impairment tests require judgement to determine the appropriate forecast cash flows and inputs into the calculations. The primary estimates relate to the forecast EBITDA growth rates, discount rates and terminal growth rates.

At 31 December 2022, impairment was identified in the SeekaFresh and Kiwi Crush CGUs as a result of the impairment tests performed.

12. Biological assets - crop

Crops growing on bearer plants are classified as biological assets and measured at fair value.

Crop assets are kiwifruit, Nashi pears, Packham pears, Corella pears, other pear crops growing on leased and owned orchards and yet to be harvested at balance date.

The following table reconciles beginning balances to end balances for biological assets crop measured at fair value defined as level 3 in note 29.

New Zealand dollars	2022 $000s	2021 $000s
Carrying amount at beginning of period	**18,443**	**19,890**
Crop harvested during the period		
Fair value movement from the beginning of the period to point of harvest	12,075	18,504
Fair value when harvested	(30,518)	(38,394)
Crop growing on bearer plants at end of period		
Crop at cost	18,345	18,324
Crop at fair value	63	119
Carrying value at end of period	**18,408**	**18,443**

The following table reconciles fair value movement of biological assets - crop.

New Zealand dollars	2022 $000s	2021 $000s
Movement in carrying amount	(59)	(1,431)
Exchange differences	24	(16)
Net fair value movement in crop	**(35)**	**(1,447)**

The following table details the classification of biological assets - crop.

New Zealand dollars	2022 $000s	2021 $000s
Australia - all varieties	4,007	4,127
New Zealand - kiwifruit crop	13,597	13,673
New Zealand - avocado crop	804	643
Carrying value at end of period	**18,408**	**18,443**

Crop where fair value cannot be measured reliably

Kiwifruit, nashi, Packham and Corella pear crops are not considered to have achieved sufficient biological transformation at balance date therefore fair value is not able to be measured reliably and, as such, these crops are measured initially at cost less impairment.

Crop valued at fair value

Where a crop has achieved sufficient biological transformation, it is measured at fair value less costs to sell using unobservable inputs in the fair value assessment. These unobservable inputs include forecasted sales prices achieved once the crop is harvested and marketed for sale, if the forecast price was to increase so would the fair value of the crop.

Accounting policies

The Group's biological assets are the crops growing on bearer plants in the Group's leased and owned orchards. All crops have a maturity period of less than one year and will be harvested within 12 months from the Group's balance date.

Biological assets are measured at fair value less costs to sell provided this can be measured reliably, otherwise they are measured at cost.

When insufficient biological transformation has occurred fair value is not able to be measured reliably. Biological assets at cost are not depreciated as they are in the process of maturing.

Fair value is determined as the estimated net market return less selling costs and costs to market.

13. Right-of-use lease assets and lease liabilities

The Group reports all leases on the balance sheet where it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of the lease, with the exception of low value leases or leases less than 12 months.

The following table details leases where the Group is a lessee.

New Zealand dollars	2022 $000s	2021 $000s
Right-of-use lease assets		
Land and buildings	32,884	27,171
Orchard leases	17,310	18,250
Equipment	2,812	1,516
Motor vehicles	2,799	2,948
Total right-of-use lease assets	55,805	49,885
The movements for the year are as follows:		
Right-of-use lease asset movements		
Opening balance	49,885	50,831
Additions and renewals	16,269	7,412
Disposals, reclassifications and early terminations	(944)	(460)
Exchange rate differences	111	45
Depreciation	(9,516)	(7,943)
Closing balance	55,805	49,885
The classification for depreciation of right-of-use lease assets is as follows:		
Land and buildings	3,793	3,197
Orchard leases	1,386	1,368
Equipment	2,254	1,586
Motor vehicles	2,083	1,792
Total depreciation of right-of-use lease assets	9,516	7,943

New Zealand dollars	2022 $000s	2021 $000s
Lease liabilities		
Current	9,631	6,782
Non-current	60,434	56,585
Total lease liabilities	70,065	63,367
The liabilities are classified as follows:		
Lease liabilities		
Land and buildings	37,614	29,319
Orchard leases	26,148	26,718
Equipment	3,274	1,766
Motor vehicles	3,029	5,564
Total lease liabilities	70,065	63,367
The movements for the year are as follows:		
Lease liability movements		
Opening balance	63,367	64,382
Additions and renewals	16,796	7,412
Finance lease additions	-	80
Disposals, reclassifications and early terminations	(873)	(432)
Exchange rate differences	6	18
Principal lease payments	(9,231)	(8,093)
Closing balance	70,065	63,367

Additions

On 2 February 2022, the Group acquired NZ Fruits, which included $1.92m of right-of-use lease assets and lease liabilities, see note 19.

On 22 November 2021, the Group acquired Orangewood, which included $0.08m of lease liabilities, see note 19.

Accounting policies

Lease liabilities are measured as the present value of the remaining lease payments, including any renewal periods that are likely to be exercised, discounted using the Group's incremental borrowing rate which ranges between 5.37% and 12.36%. The discount rate is based on the Group's incremental borrowing rate, being the rate the Group would borrow the funds required to purchase the asset. When determining the discount rate, Seeka considers that the value of the right-of-use lease asset should not be greater than the fair value of the underlying asset being leased.

The Group's right-of-use lease asset is equal to the lease liability on the day of lease inception, with the exception of sale and leaseback transactions where the asset is measured as the proportion of the carrying value of the asset sold of which the benefit is retained by the Group. The right-of-use lease asset is depreciated on a straight line basis over the period of the lease. Costs incurred with a lease that are not part of the cost of the right-of-use lease asset are expensed.

All leases have been classified into one of the following asset classes:

- Land and building - leases for rental of all properties, including packhouses and coolstores
- Orchard - leases held for the development of productive orchards
- Equipment - leases for equipment, including plant equipment and forklifts
- Motor vehicles - three year leases for motor vehicles

The Group leases various properties for the packing and cooling of kiwifruit, leases orchards to grow kiwifruit and avocados, and leases equipment and vehicles. The terms of the leases vary, with land and building leases ranging from 10 - 15 years, with one 99 year lease. Orchard leases range from 3 - 25 years, and equipment and vehicle leases range from 1 - 3 years.

Contracts may contain both lease and non-lease components. In the case of orchard leases, only the fixed rental is recognised as a lease liability. Any variable consideration relating to profit share on the orchard leases is not accounted for as the profit share is only determined after a crop has been harvested and is not identifiable at the commencement of the lease. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Group is exposed to potential future increases in land and building lease payments based on contractual market rent reviews that are not included in the lease liability until the rent review takes place.

Lease payments are allocated between principal and lease interest. The lease interest is charged to the statement of profit or loss over the term of the lease.

Working capital

This section focuses on how the Group manages inventories, accounts receivable and accounts payable to ensure an appropriate level of working capital is available to operate the business, deliver benefits to stakeholders and generate revenues.

14. Trade and other receivables

New Zealand dollars	2022 $000s	2021 $000s
Current trade receivables (net of provision for doubtful debts)	20,109	17,148
Prepayments	3,203	2,188
Prepaid deposits	619	1,146
Accrued income and other sundry receivables	9,216	10,203
Current trade and other receivables	33,147	30,685
Non current trade receivables	5,099	814
Non current trade and other receivables	5,099	814
Total trade and other receivables	38,246	31,499

Within current trade receivables, $4.79m are past due (Dec 2021 - $2.49m), of which 4.02% are more than 90 days (Dec 2021 - 1.81%).

Prepaid deposits includes $0.62m for avocado trees and kiwifruit vines not yet received (Dec 2021 - $1.15m).

At December 2021, accrued income included $2.26m of funds received in FY22 in relation to the settlement of the Psa claim.

The balance in accrued income and other sundry receivables includes income to be received from orcharding operations over leased and owned orchards relating to 419 hectares (Dec 2021 - 399 hectares).

A $0.24m provision for doubtful debts is recognised in the accounts (Dec 2021 - $0.25m).

At December 2022, non-current trade receivables includes $2.20m losses carried forward on Hayward short term leased orchards to be recovered in a future period when the orchards return to a profit making position expected in the 2024 harvest. The remaining balance of non-current trade receivables relates to debtors secured against crop supply commitments with repayment terms of up to five years and is considered recoverable.

Non current receivables also include $3.06m (Dec 2021 - $0.84m) of long term receivable balances with agreed long-term payment terms.

Accounting policies

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis including debts past due, but not considered impaired. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established based on the expected default rates over the balance of trade receivables. See note 28 for calculation details.

15. Inventories

New Zealand dollars	2022 $000s	2021 $000s
Total packaging at cost	8,618	5,032
Other inventories at cost	3,282	1,936
Total inventories	11,900	6,968

In the current year, $37.52m (Dec 2021 - $30.25m) of inventory costs were expensed to cost of sales in the statement of profit or loss.

Accounting policies

Raw materials, work in progress, finished goods and produce are stated at the lower of cost or net realisable value. Cost comprises direct materials and direct labour, and are assigned to individual items of inventory on the basis of weighted average cost. Net realisable value is the estimated selling price less estimated costs of completion and sales costs.

16. Trade and other payables

New Zealand dollars	2022 $000s	2021 $000s
Trade payables	6,329	6,166
Accrued expenses	17,940	17,372
Employee expenses	6,619	8,300
GST payable	1,853	1,069
Other payables	37	127
Total trade and other payables	32,778	33,034

Trade payables include $0.18m for capital works in progress (Dec 2021 - $1.77m) and accrued expenses includes $2.00m for capital purchases (Dec 2021 - $0.08m).

Accrued expenses include costs to be incurred from orcharding operations on 419 hectares (Dec 2021 - 399 hectares) of leased and owned orchards. Accrued expenses also include costs relating to the retail service segment and the export and domestic sales of avocado.

Accounting policies

Trade payables are recognised initially at fair value (the invoiced amount). If the Group has been provided with extended terms of trade, they are then recognised at amortised cost using the effective interest method.

Funding

This section focuses on how the Group manages its capital structure to protect shareholder value while funding operations that deliver benefits to stakeholders and grow shareholder returns.

Disclosures are made on the Group's bank facilities, retained earnings, dividends paid to shareholders, and earnings per share. Details on the Company's share capital include shares issued during acquisition through amalgamation, and under the dividend reinvestment plan, grower incentive and employee share schemes.

17. Interest bearing liabilities

New Zealand dollars		2022 $000s	2021 $000s
Current secured			
Interest bearing liabilities		23,110	5,466
Capitalised loan fees to be amortised in the next 12 months		(240)	(220)
Total current interest bearing liabilities		22,870	5,246
Non current secured			
Interest bearing liabilities		128,151	108,045
Remaining capitalised loan fees to be amortised		(79)	(288)
Total non-current interest bearing liabilities		128,072	107,757
Total interest bearing liabilities		150,942	113,003
Analysis of movements in borrowings:			
At 1 January		113,003	83,019
Cash flow - additional borrowings		114,753	162,236
Cash flow - repayment of borrowings		(81,391)	(155,641)
Loans acquired via acquisition	19	4,175	24,013
Capitalised loan fees - amortised over the life of the loan		188	(508)
Exchange differences		214	(116)
At 31 December		150,942	113,003
Analysis of total facilities:			
Drawn		151,261	113,511
Available		59,296	76,903
Total facilities at 31 December		210,557	190,414

The Board has assessed the fair value of the term loans as the outstanding balance at balance date.

On 10 November 2021, Seeka's banking facilities were refinanced via a Syndicated Facilities Agreement (Bank Syndicate) with Westpac New Zealand Limited acting as the Agent and Security Trustee. Lenders to the Banking Syndicate include ASB Bank Limited, Bank of New Zealand, Rabobank New Zealand Limited (Rabobank), Westpac Banking Corporation of Australia, and Westpac New Zealand Limited. It is expected that all facilities will be refinanced when they become due for review as set out below.

The following table details the amounts of the term loans drawn down at balance date and their maturities.

	Balance due $000s	Interest rate	Maturity
Term loans as at 31 December 2022			
AUD $17m	18,151	5.04%	31 January 2024
NZD $40m	40,000	5.50%	31 January 2024
NZD $50m	50,000	5.70%	31 January 2025
NZD $20m	20,000	6.96%	31 January 2024
Term loans as at 31 December 2021			
AUD $17m	18,045	2.68%	31 January 2024
NZD $40m	40,000	3.40%	31 January 2024
NZD $50m	50,000	3.60%	28 January 2025

The Group's policy is to protect the term portion of the loans from exposure to changing interest rates via the use of derivatives, see note 30.

Assets pledged as security

Bank loans and overdrafts are secured by first mortgages over the freehold land and buildings, and a General Security Agreement over all the assets of the following trading entities within the Group, as either borrowers or guarantors. These entities make up the bank Charging Group.

The value of the Group's assets that are not part of the Charging Group is $12.75m, which is 2.33% of total assets.

The Charging Group comprises the following entities:

Borrowers and guarantors:

- Seeka Limited
- Seeka Australia (Pty) Limited

Guarantors:

- Aongatete Coolstores Limited
- Kiwi Coast Growers (Te Puke) Limited
- Northland Horticulture Limited
- OPAC Properties Limited
- Seeka East Limited
- Seeka OPAC Limited
- Seeka Te Puke Limited

Accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

When it is probable that part or the entire loan will be drawn down, any loan facility establishment fee paid is recognised as a loan transaction cost. When the loan will probably remain undrawn, any loan fee paid is capitalised as a pre-payment for liquidity services and amortised over the period of the facility.

Borrowings 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.

18. Share capital

Shares		2022	2021
Authorised and issued share capital			
Ordinary shares - fully paid and no par value:			
Opening balance		40,176,160	32,204,039
Shares issued under:			
Ōpōtiki Packing and Cool Storage Limited amalgamation	19	-	7,042,574
Orangewood Limited amalgamation	19	-	639,302
NZ Fruits Limited amalgamation	19	1,687,860	-
Dividend reinvestment programme		124,262	290,245
Total shares issued		41,988,282	40,176,160
Ordinary shares - classified as follows:			
Held by ordinary shareholders		41,567,947	39,437,524
Held by Seeka Share Trustee Limited		420,335	738,636
Total shares issued		41,988,282	40,176,160

New Zealand dollars	2022 $000s	2021 $000s
Movements in ordinary paid up share capital:		
Opening balance of ordinary shares	154,642	110,210
Transfer from grower share entitlement reserve	112	1,363
Transfer from employee share entitlement reserve	461	-
Issues of ordinary shares during the year	9,297	43,069
Closing balance of ordinary share capital	164,512	154,642
Movements in treasury share capital:		
Opening balance of ordinary shares	2,961	12,293
Employee share scheme receipts - 2016 issue	(7)	(54)
Grower loyalty share scheme receipts - 2019 issue	(401)	(8,782)
Employee share scheme receipts - 2019 issue	(787)	(496)
Closing balance of shares held as treasury capital	1,766	2,961
Net share capital	162,746	151,681

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of fully paid shares held.

Grower loyalty share scheme

On 15 March 2019, the Group invited eligible growers of kiwifruit, avocado and kiwiberry to participate in a three-year grower loyalty share scheme, whereby each participant would be allocated a parcel of shares based on their orchard's current or forecast production. This issue of up to 2.6m shares was approved by shareholders on 14 February 2019.

In April 2019, 2,061,803 shares were issued to the scheme's trustees on behalf of 405 participating growers. The issue price of $4.76 per share was funded by the Group making a $9.8m non-interest-bearing loan to the trustees. Upon meeting the terms of the scheme by supplying all product from the participating orchards for three consecutive seasons the shares vest and participating growers can elect to pay the outstanding balance of their loans, less any dividend payments made on the shares, and have the shares transferred to them.

In 2021, 1,917,165 shares issued to kiwifruit growers vested. In 2022, the remaining 144,638 shares issued to avocado growers vested, see note 21.

Employee share scheme

On 15 March 2019, the Group invited eligible employees to participate in a three-year employee share scheme, whereby each participant would be allocated a parcel of shares based on their role in the business. In April 2019, 568,000 shares were issued to the scheme's trustees on behalf of 319 participating employees. The issue price of $4.76 per share was funded by the Group making a $2.7m non-interest-bearing loan to the trustees. Upon meeting the terms of the scheme by continuing employment for three consecutive years, participating employees can elect to pay the outstanding balance of their loans, less any dividend payments made on the shares, and have the shares transferred to them. Shares issued under this scheme vested in 2022, see note 21.

Accounting policies

Ordinary shares are classified as equity.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

19. Business combination

Acquisition through amalgamation of New Zealand Fruits Limited (NZ Fruits)

In February 2022, the Group amalgamated NZ Fruits, a kiwifruit, citrus and persimmon post harvest business based in Gisborne, East Coast, New Zealand, into a newly-formed 100%-owned subsidiary of Seeka Limited, being Seeka East Limited. NZ Fruits shares were cancelled with each share being exchanged for 7.5016 shares in Seeka and $39.3495 cash. Seeka shares were issued based on a price of $5.2455 per Seeka share (equal to the VWAP of shares traded over 10 business days, finishing on 9 December 2021, with all fractions of Seeka shares rounded up to the next whole number).

The purchase was settled on 2 February 2022 for a consideration of $17.53m by the issue of 1,687,860 ordinary shares in Seeka at a market price of $5.14 on the settlement date of 2 February 2022, being the market price on the acquisition date as per NZ IFRS 3 (Business Combinations), and a cash consideration of $8.85m. The change in the share price on acquisition date had the impact of decreasing goodwill by $0.18m.

NZ Fruits has contributed $15.30m of revenue and $0.18m of net profit before tax to the Group for the period 2 February to 31 December 2022. If the acquisition had occurred on 1 January 2022, NZ Fruits would have contributed $15.60m of revenue and $0.32m of net loss before tax for the year ended 31 December 2022. These calculations are not significantly impacted by differences in accounting policies between the Group and the acquired subsidiary, and no significant additional depreciation would have been charged for fair value adjustments to property, plant and equipment had it applied from 1 January 2022, including consequential tax effects.

The following table details the fair values of assets and liabilities recognised at acquisition.

New Zealand dollars	2022 $000s
Cash consideration paid to shareholders	8,853
Shares issued in consideration	8,676
Total purchase consideration	**17,529**
Land and buildings	12,900
Property, plant and equipment	6,019
Inventories	441
Right-of-use lease asset	1,920
Cash and cash equivalents	33
Trade and other receivables	617
Trade and other payables	(963)
Current tax liability	(653)
Interest-bearing liabilities	(4,175)
Deferred tax liability	(226)
Lease liabilities	(1,920)
Fair value of new assets and liabilities	**13,993**
Goodwill	3,536
Total purchase consideration for shares	**17,529**

NZ Fruits fair value of assets and liabilities, goodwill and acquisition-related costs

The fair value of acquired trade receivables is $0.34m. There is no loss allowance recognised on acquisition. The goodwill of $3.54m is allocated to the renamed Post Harvest cash generating unit as the primary purpose of the amalgamation was to obtain the packhouse facility and increase the Group's presence in the East Coast, which is adjacent and complementary to the main Bay of Plenty operations. The goodwill is attributable to the operation's market position in the region and synergies expected to arise after adding the business into the corporate structure provided by the larger Seeka Group. The goodwill is not expected to be impaired in the foreseeable future and is not expected to be deductible for tax purposes.

Acquisition-related costs of $0.37m and integration-related costs of $0.09m are included in overhead expenses in 2022. Deferred tax of $0.23m has been provided in relation to differences between tax written down values and the fair value of certain assets.

Seeka has 12 months from the acquisition date to reassess the fair values of the assets and liabilities disclosed above if more information comes to light that suggests the values differ. In particular, any liabilities are expected to be crystallised and quantified within the 12 months from the acquisition date.

Acquisition through amalgamation of Orangewood Limited (Orangewood)

In November 2021, the Group amalgamated Orangewood, an integrated kiwifruit and avocado post harvest and orchard management business based in Kerikeri, Far North District, New Zealand, into a newly formed 100% owned subsidiary of Seeka Limited, being Northland Horticulture Limited. Orangewood shares were cancelled with each share being exchanged for 0.663 shares in Seeka and $1.35 cash. Seeka shares were issued based on a price of $5.33 per Seeka share (equal to the VWAP of shares traded over 10 business days, finishing on 13 September 2021, with all fractions of Seeka shares rounded up to the next whole number).

The purchase was settled on 22 November 2021 for a purchase consideration of $4.66m by the issue of 639,302 ordinary shares in Seeka Limited at a market price of $5.25 on the settlement date of 22 November 2021, being the market price on the acquisition date as per NZ IFRS 3, and a cash consideration of $1.30m. The change in the share price on acquisition date had the impact of decreasing goodwill by $0.05m

Acquisition-related costs of $0.02m were included in overhead expenses in the year ended 31 December 2022 (Dec 2021 - $0.37m).

Seeka had 12 months from the acquisition date to reassess the fair values of the assets and liabilities disclosed above if more information comes to light that suggests the values differ. In particular, any liabilities are expected to be crystallised and quantified within the 12 months from the acquisition date.

Seeka has identified and updated the fair values of assets and liabilities to ensure the accuracy and completeness of payroll-related accruals made in the initial fair values as disclosed in December 2021 and the tax implications arising as a result. The net impact is an increase in goodwill by $0.15m.

Critical accounting estimates and judgements

The fair values of assets are subject to estimates and judgement. Seeka engaged CBRE Limited t/a Telfer Young from CBRE to complete an independent valuation of the land and buildings at the acquisition dates. The remaining property, plant and equipment was assessed on a depreciated historical cost basis, as well as a physical stocktake and a comparison to similar Seeka-owned assets. The Group assessed that any intangible asset that exists for grower relationships and contracts would be immaterial for financial reporting using the multi-period excess earnings method of calculating intangible assets on contracts.

20. Earnings and net tangible assets per share

	2022	2021
Basic earnings per share		
Profit attributable to equity holders of the Company ($000s)	6,504	14,860
Weighted average number of ordinary shares in issue (thousands)	41,292	34,829
Basic earnings per share	$0.16	$0.43
Diluted earnings per share		
Profit attributable to equity holders of the Company ($000s)	6,504	14,860
Weighted average number of ordinary shares in issue plus dilutive employee share scheme (thousands)	41,301	35,199
Diluted earnings per share	$0.16	$0.42
Net tangible assets per share		
Net tangible assets ($000s)	250,762	229,310
Total ordinary shares issued at the end of the period (thousands)	41,988	40,176
Net tangible assets per share	$5.97	$5.71

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued and outstanding during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Net tangible asset per share

Net tangible asset per share is calculated by dividing the Group's net assets less goodwill by the total shares on issue at the end of the period.

21. Retained earnings and reserves

Retained earnings

The following table details movements in retained earnings.

New Zealand dollars	2022 $000s	2021 $000s
At 1 January	**51,564**	**45,938**
Net profit for the year	6,504	14,860
Dividends paid or declared	(5,308)	(9,234)
At 31 December	**52,760**	**51,564**

Reserves

The following table details the closing balances of reserve accounts.

New Zealand dollars	2022 $000s	2021 $000s
Reserves		
Cash flow hedge reserve	2,476	(388)
Water share revaluation reserve	2,756	2,594
Land and buildings revaluation reserve	50,368	40,632
Foreign currency translation reserve	(161)	(208)
Foreign currency revaluation reserve	(2)	90
Share entitlement reserve	-	526
Total reserves	**55,437**	**43,246**

The cash flow hedge reserve records increases and decreases on the revaluation of derivative financial instruments.

The water share revaluation reserve records increases and decreases on the revaluation of Seeka's owned permanent water shares in Victoria Australia.

The land and buildings revaluation reserve records increments and decrements on the revaluation of land and buildings.

The foreign currency translation reserve records foreign currency translation differences of Group entity results and financial position. The amounts are accumulated in other comprehensive income and recognised in profit or loss when the foreign operation is partially disposed of or sold.

The foreign currency revaluation reserve records unrealised gains and losses on Group assets and liabilities held in foreign currencies.

The share entitlement reserve records the value of option benefits recognised on the Group's grower loyalty and employee share schemes as detailed in this note.

The Group operated two equity-settled, share-based incentive plans:

- An equity-settled, share-based compensation plan for employees. Shares are periodically issued under this plan.
- An equity-settled, grower loyalty share scheme approved by shareholders on 14 February 2019.

The employee share scheme is managed by a trust deed established September 2014. The grower loyalty share scheme is managed by a trust deed established 15 March 2019. The trustee for both trusts is 'Seeka Share Trustee Limited', whose directors are also directors of Seeka.

Employee share scheme

Under the employee share scheme, shares are issued to an employee share trust in return for a debt back to the Company. Qualifying employees are eligible to subscribe to shares held by the trust under the terms of the scheme with the shares to vest at the end of three years. The option benefit is recognised as a share-based payment expense and recorded as an expense over the vesting period. At the end of the vesting period the employee has an option to settle any outstanding debt on their shares and have the shares transferred to them.

At the date the shares vest the employee can elect to extend the repayment period by two years with interest charged and the shares held by the trust as security and only transferred when the debt is fully repaid. Alternatively at the date the shares vest the employee can elect that the shares do not vest to them and any outstanding debt will be forgiven and the shares sold by the trustees. The proceeds from the sale of shares are used to repay the debt owed to the Company.

The following table details movement in the share entitlement reserve relating to the employee share scheme.

New Zealand dollars	2022 $000s	2021 $000s
At 1 January	**423**	**270**
Transfer to share capital	(461)	-
Movement in employee share entitlement reserve	38	153
At 31 December	**-**	**423**

At balance date the number of shares in respect of which options have been granted to employees and remain outstanding under the scheme was 369,998 (Dec 2021 - 593,998) representing 0.89% (Dec 2021 - 1.48%) of the shares of the Company on issue at that date.

Grower loyalty share scheme

Under the grower loyalty share schemes, shares were issued to a share trust in return for a debt owed back to the Company. Qualifying supplying growers were eligible to subscribe to shares held by the trust under the terms of the offer agreements dated 15 March 2019 and 22 March 2019. Shares vest after the grower supplies the Company their kiwifruit and avocado crops for the three harvest seasons, with the final harvest season being the avocado harvest season ending 31 March 2022. The option benefit is recognised as a discount against revenue over the vesting period.

At the end of the vesting period the grower had an option to either settle any outstanding debt on the shares and have the shares transferred to them, or to not have the shares transferred to them, whereby any outstanding debt was forgiven and the shares sold by the trustee. The proceeds from the shares that vest or from the sale of shares was used to repay the debt owed to the Company.

In September 2021, the three-season supply commitment period for kiwifruit and kiwiberry growers ended, and 1,917,165 shares vested.

In April 2022, the three-season supply commitment period for avocado growers ended, and 144,638 shares vested.

The following table details the movement in the grower loyalty share scheme.

New Zealand dollars	Shares	Loan balance $000s
At 1 January 2022	**144,638**	**609**
Vested April 2022 - Avocado		
Entitlement accepted by growers	144,638	609
Total vested April 2022	**144,638**	**609**
At 31 December 2022	-	-

From the September 2021 vesting, 333,897 shares that were either ineligible for entitlement, or not accepted by growers, were sold on market for a total net consideration of $1.41m.

The following table details movement in the share entitlement reserve relating to the grower loyalty share scheme.

New Zealand dollars	2022 $000s	2021 $000s
At 1 January	103	1,020
Transfer to share capital	(112)	(1,363)
Movement in grower share entitlement reserve	9	446
At 31 December	-	**103**

The scheme terminated April 2022 upon the end of the avocado grower commitment period, and at 31 December 2022, 50,337 options, 0.12% of Seeka shares on issue at that date, that were granted to growers remain outstanding (Dec 2021 - 144,638 shares, 0.36% of Seeka shares on issue at that date).

The following table details the closing value of the share entitlement reserve in the grower loyalty share scheme Black Scholes calculation.

New Zealand dollars	2022 $000s	2021 $000s
Balance related to employee share entitlement reserve	-	423
Balance related to grower share entitlement reserve	-	103
Balance 31 December	-	**526**

For both schemes the shares are issued fully paid in exchange for a loan to the share scheme trust on behalf of scheme members.

The shares held by the trustee on behalf of employees and growers carry the same voting rights as other issued ordinary shares with votes only able to be made via the trustees. The trustees are not able to vote, other than at the direction of the individual member employees and growers. While monies are owed on the shares they remain with the trustee.

The options element of the schemes are valued using the Black Scholes pricing model on the grant date, which is the date the shares are first issued to the trust. Volatility is forecasted into the model.

Accounting policies

The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the statement of profit or loss with a corresponding increase in the share entitlement reserve. For the Grower Loyalty Share Scheme (GLSS), the fair value of the grower loyalty received in exchange for the grant of the option is recognised as a discount against other income in the statement of profit or loss with a corresponding increase in share entitlement reserve. The fair value is determined by reference to the fair value of the options granted, calculated using the Black Scholes pricing model, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

When the shares vest, the amount of the reserve relating to those shares is transferred to retained earnings.

Employee share scheme shares may be issued at the Board's discretion at a price set by the Board based on the Volume Weighted Average Price (VWAP) calculation of the Company's shares during the period prior to issue. The Employee Share Scheme (ESS) cannot be issued with further shares if that issue would result in the ESS having an interest of more than 5% of the Company's issued capital.

Shares are issued fully paid in exchange for a loan to the share scheme trust. Dividends paid on the shares are applied towards repaying the debt between ESS and GLSS and the Group on behalf of the employee of the grower.

Proceeds received along with any employee contributions are credited to share capital when payment for the shares is received.

The ESS and GLSS have a non-beneficial interest in all the shares allocated to employees and growers. Annually the Group reviews the ESS scheme and decides upon the allocation of further shares and the price at which those shares will be issued to the ESS. Trustees of ESS and GLSS are appointed for an unspecified term and may be removed by the Company at any time.

22. Dividends

Dividends paid	Per share	$000s
2021		
March 2021	$0.12	3,944
October 2021	$0.13	5,209
Amendment to September 2020 and December 2020 dividends		81
Total dividend 2021	$0.25	9,234
2022		
February 2022	$0.13	5,308
Total dividend 2022	$0.13	5,308

Dividends are imputed to the fullest extent allowable in the tax year. The total dividend paid includes the non-cash amounts for the dividend reinvestment plan. Cash dividend payments during the year were $4.37m (Dec 2021 - $11.72m).

In 2021, the dividends paid were reviewed and amended for the NRWT on international shareholder dividends, resulting in an adjustment of $0.08m.

On 20 January 2022, the directors declared a fully-imputed dividend of $0.13 per share. The dividend was paid 23 February 2022 to those shareholders on the register at 5pm on 28 January 2022. The dividend reinvestment plan applied with no discount to the strike price.

Seeka dividend policy

Seeka's dividend policy is to declare and distribute dividends between 65% and 75% of Net Profit After Tax (NPAT) annually in conjunction with the release of the half year and full year results subject to due consideration of the Board and approval of the banking syndicate.

In addition to this, following agreement by Seeka's Banking Syndicate to amend certain covenants, it is a requirement that dividends will only be paid if the net leverage ratio banking covenant in the most recent Compliance Certificate does not exceed 4.00:1:00 during the period 1 July 2022 to 29 June 2023 and 3.75:1.00 during the period 30 June 2023 to 29 June 2024 and they shall be less than or equal to 75% of NPAT for the financial year.

The net leverage ratio is calculated as total net debt less the $46m working capital facility, to adjusted EBITDA.

Accounting policies

Provision is made for the amount of any dividend declared on or before the end off the period by not distributed as balance date.

Investments

This section focuses on how the Group invests in businesses to support Seeka's core kiwifruit operations, realise synergies along the produce supply chain and grow Seeka's product base and geographical reach. The Board manages business investments to strengthen the benefits delivered to stakeholders and grow shareholder returns.

Disclosures are made on the Group's holdings in associates and subsidiaries, along with details on the Group's holding of listed and unlisted shares.

23. Investment in financial assets

New Zealand dollars		2022 $000s	2021 $000s
At 1 January		2,054	577
Sale of investment		(253)	(17)
Transfer to intangible assets	11	(377)	-
Acquisition from business combination	19	-	494
Purchase of investment		-	1,000
At 31 December		1,424	2,054
Unlisted securities designated at fair value through profit or loss			
Blackburn General Partner Limited		91	91
Ravensdown Fertiliser Co-operative Limited		261	261
Ballance Agri Nutrients Limited		82	335
OTK Orchards Limited		326	326
Other share holdings		41	41
Other financial assets designated at fair value through profit or loss			
Ngati Pukenga		623	1,000
Total financial assets at fair value through profit or loss		1,424	2,054
Total investment in financial assets		1,424	2,054

All other financial assets measured at fair value are defined as level 3, see note 29.

Accounting policies

The fair values of the listed securities are based on the securities' closing share price at balance date. Where pricing information is available, unlisted securities are revalued at balance date. All other unlisted securities are currently held at cost less impairment as it reasonably represents current fair value. Other financial assets designated at fair value through profit or loss are currently held at their discounted present value of expected cash flows as it reasonably represents current fair value. The carrying amount of all financial assets have been reviewed at balance date and any impairment is recognised through the statement of comprehensive income to the extent of any related reserve available and then through the statement of profit or loss.

24. Investment in associates and joint arrangements

a. Investment in associates

Name of entity	Country of incorporation	Business activity	Equity holding 31 December 2022	Equity holding 31 December 2021
Kiwifruit Supply Research Limited	New Zealand	Not trading	20%	20%
TKL Logistics Limited	New Zealand	Port service	33%	20%
Wai O Kaha Gold Landowners Limited Partnership	New Zealand	Orcharding	11%	11%
Te Kaha Gold Investment Partnership	New Zealand	Orcharding	33%	33%
Fruitometry Limited	New Zealand	Agritech	26%	26%
Ngutupiri General Partner Limited	New Zealand	Orcharding	64%	-
TKG Orchard Services Limited	New Zealand	Orcharding	50%	-

The following table details purchase of investments in associates.

New Zealand dollars	2022 $000s	2021 $000s
At 1 January	3,958	1,000
Purchase of investment(s)	1,358	2,600
Acquisitions from business combination	-	883
Share of profit	654	236
Prior period adjustment	500	-
Capital distributions received	(518)	(761)
Balance at end of year	**5,952**	**3,958**
Investments are made in the following associates:		
Wai O Kaha Gold Landowners Limited Partnership	1,000	1,000
Fruitometry Limited	2,600	2,600
Te Kaha Gold Investment Partnership	144	358
TKL Logistics Limited	764	-
Ngutupiri General Partner Limited	938	-
TKG Orchard Services Limited	506	-
Total investment in associates	**5,952**	**3,958**

In December 2022, the Group invested $0.94m of a total committed investment of $1.4m towards 64% shareholding in Ngutupiri General Partner Limited, which is a management company for a kiwifruit orchard joint investment venture between the Group and several Māori investment trusts in Te Kaha, Ōpōtiki.

The Group owns a 33% share in TKL Logistics Limited, which is a logistics company that provides services for kiwifruit including transportation, vessel planning, and ECPI. Historically this company did not build any equity value. However in 2022 the Group has recognised the value of its investment equivalent to its share of the TKL Logistics Limited's profits.

The following table summarises the financial information of associates.

New Zealand dollars	TKL Logistics Limited $000s	Te Kaha Gold Investment Partnership $000s	Wai O Kaha Gold Landowners Limited Partnership $000s	Fruitometry Limited $000s	Ngutupiri General Partner Limited $000s	TKG Orchard Services Limited $000s	Total $000s
Summarised statement of financial position							
Current assets	3,776	214	-	1,492	-	429	5,911
Non current assets	174	684	7,422	215	2,147	734	11,376
Total assets	3,950	898	7,422	1,707	2,147	1,163	17,287
Current liabilities	1,634	166	-	72	-	70	1,942
Non current assets	-	-	-	386	-	61	447
Total liabilities	1,634	166	-	458	-	131	2,389
Net assets	2,316	732	7,422	1,249	2,147	1,032	14,898
Group share of ownership	33%	33%	11%	26%	64%	50%	
Summarised statement of profit or loss							
Revenue	28,513	1,746	-	306	-	843	31,408
Profit	809	912	-	(330)	-	172	1,563
Group share of profit or loss	267	301	-	(86)	-	86	568
Differences related to differences in accounting policy	-	-	-	86	-	-	86
Group reported share of profit or loss	267	301	-	-	-	86	654

Accounting policies

Associates are entities over which the Group has significant influence, but not control, typically by holding between 20% to 70% of the voting rights in the entity or exercising significant influence via directors on the Board.

Investments in associates are accounted for using the equity method after initially being recognised at cost.

The Group's share of associates profits or losses are recognised in the statement of profit or loss and the carrying amount of the investment in the statement of financial position.

Dividends or distributions received from associates are applied to reduce the carrying amount of the investment in the statement of financial position.

b. Investment in joint arrangements

Name of entity	Country of incorporation	Business activity	Equity holding 31 December 2022	Equity holding 31 December 2021
Apanui Road Orchards Joint Venture	New Zealand	Orcharding	42.9%	42.9%

The Apanui Road Joint Venture is considered a joint operation based on the following:

- There is equal voting rights and influence;
- There is no investment vehicle that separates the entities from the parties to the arrangement; and,
- The legal form and contractual arrangements through which the investee operates give the parties rights to the individual assets and liabilities of the investee (rather than the net assets as a whole).

The orchards of Apanui Road Orchards Joint Venture have a finite life, are carried at their fair value and are included in the consolidated financial statements.

Accounting policies

Investment in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the statement of financial position.

Other notes

This section contains all other note disclosures about the Group.

25. Contingencies

The Group, on behalf of growers, has lodged an insurance claim for the associated losses in kiwifruit orchard returns from fruit packed at the OPAC site. Acceptance of this claim by the underwriters is under review. The amount and timing of any potential settlement at this stage is unknown (Dec 2021 - Nil).

26. Commitments

Capital commitments

At the year end the Group was committed to incur capital expenditure of $8.00m (Dec 2021 - $12.73m). This included planned expenditure on the RSE accommodation at Sharp Road, $0.46m for an investment in an associate, and the final stages of the Seeka Gisborne packhouse automation project.

Operating lease commitments

The Group recognises right-of-use lease assets for all operating leases, except for short-term and low value leases, in accordance with NZ IFRS 16, see note 13.

27. Related party transactions

Investment in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name of entity	Country of incorporation	Class of shares	Equity holding 31 December 2022	Equity holding 31 December 2021
Trading subsidiaries				
Aongatete Coolstores Limited	New Zealand	Ordinary	100%	100%
AvoFresh Limited	New Zealand	Ordinary	100%	100%
Delicious Nutritious Food Company Limited	New Zealand	Ordinary	100%	100%
Integrated Fruit Supply & Logistics Limited	New Zealand	Ordinary	100%	100%
Kiwi Coast Growers (Te Puke) Limited	New Zealand	Ordinary	100%	100%
Little Haven Holdings Pty Limited	Australia	Ordinary	100%	100%
Northland Horticulture Limited	New Zealand	Ordinary	100%	100%
OPAC Properties Limited	New Zealand	Ordinary	100%	100%
OPAC Growers Supply Limited	New Zealand	Ordinary	100%	100%
Seeka Australia (Pty) Limited	Australia	Ordinary	100%	100%
Seeka OPAC Limited	New Zealand	Ordinary	100%	100%
Seeka Share Trustee Limited	New Zealand	Ordinary	100%	100%
Seeka Te Puke Limited	New Zealand	Ordinary	100%	100%
Seeka East Limited *(formally: Seeka Dairy Ventures Limited)* [1]	New Zealand	Ordinary	100%	100%
Not-trading subsidiaries				
CMS Logistics Limited	New Zealand	Ordinary	69%	100%
Eleos Limited	New Zealand	Ordinary	100%	100%
Enviro Gro Limited	New Zealand	Ordinary	100%	100%
Glassfields (NZ) Limited	New Zealand	Ordinary	100%	100%
Guaranteed Sweet New Zealand Limited	New Zealand	Ordinary	100%	100%
Kiwifruit Vine Protection Company Limited	New Zealand	Ordinary	100%	100%
Nutritious Delicious Food Company Limited	New Zealand	Ordinary	100%	100%
Seeka Fresh Limited	New Zealand	Ordinary	100%	100%
Seeka Kiwifruit Industries Limited	New Zealand	Ordinary	100%	100%
Seeka Pollen Australia (Pty) Limited	Australia	Ordinary	100%	100%
Verified Lab Services Limited	New Zealand	Ordinary	100%	100%

1. *Seeka East Limited began trading on 2 February 2022.*

Directors

Directors during the period were: F Hutchings, M Brick, J Burke (retired 22 April 2022), P R Cross, A Diaz (retired 22 April 2022), R Farron, S Moss (elected 22 April 2022), C Tarrant and A Waugh.

Key management and compensation

Key management personnel are all Company directors or executives with the greatest authority for the Group's strategic direction and management.

The following table details key management personnel compensation.

New Zealand dollars	2022 $000s	2021 $000s
Director fees	624	536
Executive salaries	2,906	3,014
Short term benefits	21	1,259
Total	3,551	4,809

During the year the Group provided compensation totalling $0.21m (Dec 2021 - $0.12m) to close family members of key management personnel. All transactions were related to employee remuneration and made on normal employment contract terms and conditions.

Transactions

The following table details the transactions entered with related parties for post harvest and orchard management services (excluding transactions outlined and disclosed above).

New Zealand dollars	2022 $000s	2021 $000s
Sales of services		
Directors, key management and other personnel	3,148	3,349
Purchase of services		
Directors, key management and other personnel	31	84

Outstanding balances

The following table details outstanding balances at balance date.

New Zealand dollars	2022 $000s	2021 $000s
Current receivables (operating)		
Directors, key management and other personnel	126	721

Seeka Growers Limited and OPAC Growers Limited

The Group undertakes transactions with Seeka Growers Limited (SGL), a related party which administers all kiwifruit revenues received for the New Zealand business on behalf of supplying growers.

In the current period the Group received $189.58m (Dec 2021 - $150.94m) for the provision of services to SGL.

As part of the acquisition of OPAC in May 2021, the Group also acquired the related entity of OPAC Growers Limited (OGL). The Group undertook transactions with OGL, a related party which administers all kiwifruit revenues received for the New Zealand business on behalf of supplying growers.

During the year, the Group received $0.88m (4 May 2021 to 31 December 2021 - $15.27m) for the provision of services to OGL relating to kiwifruit harvested in 2021.

Investments in associates

The Group undertakes transactions with its associates as described in note 24, in the regular course of business and with normal commercial terms and conditions. In the current period the Group received $6.76m (Dec 2021 - $0.65m) from these transactions with associates, for the sale of goods and services, with $0.68m (Dec 2021 - $0.18m) outstanding and owed to the Group at balance date.

In the current period the Group paid $0.10m (Dec 2021 - $0.10m) to associates for the purchase or provision of goods and services, with $0.03m (Dec 2021 - $0.01m) outstanding and due to them at balance date.

Entities controlled or jointly controlled by key management personnel

The Group undertakes transactions with entities where its key management personnel are deemed to either control or have joint control over their operations. In the current period the Group paid $1.78m (Dec 2021 - $1.81m) to these entities, for the purchase or provision of goods and services, with nil (Dec 2021 - $0.01m) outstanding and due to them at balance date.

Terms and conditions

All related party transactions were made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

28. Risk management

The Group's activities expose it to a variety of risks specific to producing and selling horticultural crops, along with corporate financial risks related to credit, liquidity and capital risk. The Group operates a comprehensive risk assessment and mitigation programme via its Audit and Risk Committee.

The Group's policy is to ensure that the Group creates value and maximises returns to its shareholders and benefits for other stakeholders, as well as ensuring that adequate financial resources are available for the development of the Group's business whilst managing its financial risks.

a. Risk management strategies related to orcharding, post harvest and retail operations

Horticultural operations expose the Group to risks to production and market returns. The main short-term production risks are weather events, diseases, and pests. These impact on volume and quality of produce from the Group's orchards, volumes to post harvest (both from Group orchard operations and independent growers) and volumes available to the retail business. The primary risk to the completion of the coming harvest is the limited availability of labour. The Group is also impacted by the long-term effects of climate change.

Market risks include price and exchange rate impact on orchard operations (the amount the Group is paid for crops grown by the Group) and impact on retail revenues where the Group imports and sells produce, mainly bananas. The exchange rate risk on imports is managed through the use of foreign exchange contracts to match known and planned purchases. Market risks do not directly impact on post harvest operations, as charges are normally set prior to harvest and deducted before sales revenues are paid to supplying growers.

The Group operates in five regions spread over two countries; New Zealand's Northland, Coromandel, Gisborne and the Bay of Plenty regions, and in Australia's Mundoona region of Victoria. Main produce lines are kiwifruit, nashi pears, European pears and avocados, with small production of other temperate-climate fruits. Group retail activities are in New Zealand (including imported tropical produce), Australia and Asia. The Group's geographical, product and market spread limits the impact on Group operations from an adverse event occurring in a specific region, produce or market. To further mitigate risks, the Board uses the following strategies.

Production risks - weather events, disease and pests

The Group follows industry best practice to mitigate production risks. This includes orchard management practices to optimise production from Group orchards, and extensive planning to ensure post harvest and retail services are suitably resourced to manage each season's crop volumes.

In New Zealand the major climatic risks are hail, frost, storm damage and drought.

- Hail events are typically highly localised, and for kiwifruit the Group has access to industry hail insurance for its orchard operations, plus top-up payments from a Seeka Growers Limited hail insurance programme.
- Frost events are typically regional, and the Group advocates best-practice crop protection, including active frost management on kiwifruit orchards operated by the Group and other growers supplying the Group's post harvest operations.
- Storm events are typically regional, and the Group advocates best-practice crop protection, including shelter belts on all orchards operated by the Group and other growers supplying the Group's post harvest operations.
- Drought events are typically regional, and the Group has invested in irrigation in many of its orchards. The Group is also investing in localised weather measurement on its orchards.

In Australia, the major climatic risks are drought, hail and fire. As the owner and operator of all orchards supplying its Australian operations, the Group actively manages climatic risks of its total production base. The orchards are located on three sites in the Mundoona region.

- Drought events are typically regional, and to secure adequate irrigation, the Group has purchased extensive, long-term water shares from a reliable irrigation programme.
- Hail events are typically localised, and the Group currently has hail cloth protecting one orchard.
- Fire risk is typically from serious grass wild-fire occurring during periods of extreme weather, with the Country Fire Authority responsible for risk assessment and management of fire events. The Group takes all practical steps to internally manage fire risk including removing excess vegetation from Group properties.

All horticultural undertakings are susceptible to disease and pest incursions. The kiwifruit vine disease Pseudomonas syringae pv. actinidiae (Psa) is widespread throughout New Zealand, and is being actively managed. In 2018 Psa was detected on the Group's kiwifruit orchards in Australia. Seeka has moved to contain the outbreak and works to proactively monitor the orchards. The Queensland fruit fly and brown marmorated stink bug are potential threats to the horticulture industry. To minimise the risk of crop loss the Group monitors its orchards and undertakes recognised spray programmes to protect crops to the fullest extent possible. Seeka also relies on the Ministry for Primary Industries to protect New Zealand's borders from introduced diseases.

Labour availability

Seeka relies on local people, the Recognised Seasonal Employer (RSE) scheme and backpackers for its seasonal workforce. Seeka has an extensive local recruitment process, including working with the Ministry for Social Development and iwi on methods of recruiting unemployed people into the Seeka workforce.

Since 2022, the New Zealand Government has opened access to seasonal workers from Tonga, Samoa and Vanuatu, from which Seeka has the ability to employ up to 1,200 seasonal employees.

Long-term climate change

As a horticultural based business, Seeka is exposed to the long-term impact of climate change through potential reduced production crop yields. In addition to responding to weather events, future regulatory change may impact Seeka through revised policies that limit the use of chemical inputs on orchards, require soil monitoring and reporting, introduce carbon taxes, and implement water restrictions.

To respond to this Seeka is;

- Working closely with regional councils and regulators to assist in regulation change;
- Actively engaged in developing orchard management practices to measure the environmental impact on orchards;
- Measuring the carbon footprint of Seeka's operations, with a number of carbon-reduction initiatives underway;
- Ensuring new developments undertaken by Seeka include water accessibility as part of the development design, whether via stream access, onsite storage, or developing wetlands; and
- Reporting orchards by altitude to assess the risk of rising sea levels.

Market returns

New Zealand kiwifruit

The Group has no direct market risk from the sale of kiwifruit harvested from lease operations, as all export marketing activities beyond Australia are undertaken by Zespri Group Limited (Zespri) under statutory regulations. The Group, however, is impacted by the level of Zespri's market returns which impact on the Group's orchard profitability. The Group monitors Zespri returns and uses modelling techniques to analyse current and projected orchard income. This information is used when setting Group budgets and orchard lease terms.

New Zealand avocado and kiwiberry

The Group has a direct market risk from the sale of avocado and kiwiberry, with half of kiwiberry sales and all avocado sales managed by the Group's retail operations. The Group forecasts seasonal supply, monitors market conditions, develops a sales programme around the needs of key retailers and controls product quality and supply to optimise market access and returns. This information is used when setting Group budgets and orchard lease terms.

The Group has no direct currency risk from export sales as it does not own the products but acts as the growers' agent.

Imported tropical produce

The Group has a direct market, price and currency risk from imported fruit produce (banana, pineapple and papaya) where the Group imports fruit produce for sale as the principal through its supply and sale contracts. The Group may hedge up to the total known and projected cash flows to manage exchange risk. The Group has no material direct price and currency risk from imported fruit produce where the supply agreement enables the Group to amend its purchase price according to trading conditions.

Australian produce

The Group has a direct market and price risk from the sale of all Australian product which is managed by the Group's Australian operations. As the largest single grower and supplier of Australian kiwifruit and nashi pears, the Group has developed strong relationships with key retailers. The Group forecasts seasonal supply, monitors market conditions, develops a sales programme around the needs of key retailers and controls product quality and supply to optimise market access and returns.

Seeka Australia is the Group's single major international operation, exposing the Group to the Australian dollar. Foreign exchange risk includes future commercial transactions, assets, liabilities and net investments. Currency exposure from net assets is managed through borrowings in Australian dollars, see note 17.

b. Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, derivative financial instruments and committed transactions.

The maximum credit risk is the financial loss to the Group if counterparties fail to discharge a contractual obligation. The Group's maximum exposure is the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

For banks and financial institutions, only registered banks or their subsidiaries are accepted. The Group does not generally require any collateral or security to support financial instruments due to the quality of the financial institutions.

For customers, including outstanding receivables, the Group deals predominantly with growers for which it receives payment for post harvest services directly from Seeka Growers Limited. Credit risk is therefore not considered significant.

Trade receivables

The Group applies the NZ IFRS 9 Financial Instruments (NZ IFRS 9) simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of sales over a 12 month period before 31 December 2022 and the corresponding historical credit losses during this period, adjusted for any significant known amounts that are not recoverable.

On that basis, the following table details the provision for doubtful debts.

	31 December 2022				31 December 2021			
	More than 30 days past due	More than 60 days past due	More than 120 days past due	2022 Total	More than 30 days past due	More than 60 days past due	More than 120 days past due	2021 Total
Expected loss rate	0.0%	0.1%	0.2%		0.1%	0.2%	2.4%	
Gross carrying amount - trade receivables ($000s)	1,600	557	1,765	3,922	735	462	1,522	2,719
Loss allowance ($000s)	1	-	3	4	-	1	36	37

New Zealand dollars	2022 $000s	2021 $000s
At 1 January	247	157
Movement in the current year	(4)	90
At 31 December	243	247
Calculation for loss allowance		
Loss allowance per NZ IFRS 9	4	37
Specific debtor provision(s)	239	210
At 31 December	243	247

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.

The Group's policy is to regularly monitor its expected cash flows, liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. Cash flow forecasting allows for the seasonal nature of Group operations.

When cash flow exceeds working capital management, funds are invested in interest bearing current accounts.

At balance date, the Group had $210.56m (Dec 2021 - $190.41m) of available credit of which $151.26m (Dec 2021 - $113.51m) was drawn. All credit lines are currently provided by a bank syndicate comprised of five lenders across New Zealand and Australia, where Westpac New Zealand Limited acts as the syndicate agent lender, security trustee and lead lender.

The following table details the remaining contractual maturities at balance date of the Group's financial liabilities.

New Zealand dollars	Less than 1 year $000s	Between 1 and 2 years $000s	Between 2 and 5 years $000s	Over 5 years $000s
At 31 December 2022				
Trade and other payables	32,778	-	-	-
Lease liabilities	9,631	8,361	17,400	34,673
Interest bearing liabilities	22,870	78,072	50,000	-
Total contractual maturities	65,279	86,433	67,400	34,673
At 31 December 2021				
Trade and other payables	33,034	-	-	-
Derivative liability	538	-	-	-
Lease liabilities	6,782	6,415	15,381	34,789
Interest bearing liabilities	5,246	39,780	67,977	-
Total contractual maturities	45,600	46,195	83,358	34,789

d. Capital risk

Capital risk management focuses on ensuring the Group continues to operate as a going concern and maintains an optimal capital structure to support its business, maximise shareholder value, and the benefits delivered to other stakeholders.

The Group may maintain or adjust its capital structure by adjusting dividends, returning capital to shareholders, issuing new shares or selling assets.

The Group monitors capital on the basis of shareholder equity ratio, as calculated by total shareholder funds divided by total assets.

The following table details the Group's shareholder equity ratio at balance date.

New Zealand dollars	2022 $000s	2021 $000s
Total shareholder funds	270,943	246,491
Total assets	547,869	482,269
Shareholder equity ratio	49.45%	51.11%

The Group is subject to, and monitors, financial covenants imposed by its lenders, including maintenance of equity ratios, net leverage ratios, and earnings times interest cover. At no stage during the year did the Group breach any of its lending covenants. The Group, however, obtained agreement from its banking syndicate in December 2022 to modify two of it covenants for the test periods 31 December 2022, 30 June 2023 and 31 December 2023.

e. Price risk - equity securities

The Group has minor exposure to equity securities price risk through incidental investments classified in the statement of financial position as investment in financial assets and water shares within intangible assets at fair value. The majority of these investments are in industry-related entities, only some of which are publicly traded.

A 10% increase or decrease in equity investments with all other variables held constant, has minimal impact on the Group's profit and equity reserves.

The Board periodically reviews the performance and strategic benefits of these investments. No other formal risk management procedures are deemed necessary.

The change in the fair value of an investment is recorded through comprehensive income or the statement of profit or loss whenever a previous revaluation reserve balance is available. When no such reserve exists, any related loss is processed directly in the statement of profit or loss, otherwise available reserves are utilised to offset the loss.

f. Cash flow interest rate risk

The Group's cash flow interest rate risk arises primarily from short and long-term variable rate borrowings from financial institutions. The Board continuously reviews term borrowings and uses interest rate swaps to hold a portion of borrowings at fixed rates; these are designated as effective hedging instruments and hedge accounting is applied.

The following table details interest rate and price sensitivity of the Group's financial assets and liabilities and their impact on the statement of profit or loss or equity. Cash and advance balances do not attract interest and are not subject to pricing risk, and are therefore excluded from this analysis.

New Zealand dollars	Carrying amount $000s	Interest rate risk -1 % Profit $000s	Interest rate risk -1 % Equity $000s	Interest rate risk + 2% Profit $000s	Interest rate risk + 2% Equity $000s	Price risk - 10% Profit $000s	Price risk - 10% Equity $000s	Price risk + 10% Profit $000s	Price risk + 10% Equity $000s
At 31 December 2022									
Financial assets									
Current and non current trade and other receivables	38,246	-	-	-	-	(3,825)	(3,825)	3,825	3,825
Investment in financial assets	1,424	-	-	-	-	(142)	(142)	142	142
Water shares	5,399	-	-	-	-	-	(540)	-	540
Derivative assets	3,438	-	(1,167)	-	2,300	-	-	-	-
Financial liabilities									
Trade and other payables	32,778	-	-	-	-	-	-	-	-
Term liabilities	128,072	1,281	1,281	(2,561)	(2,561)	-	-	-	-
Interest bearing liabilities	22,870	229	229	(457)	(457)	-	-	-	-
Total increase / (decrease)		1,510	343	(3,018)	(718)	(3,967)	(4,507)	3,967	4,507
At 31 December 2021									
Financial assets									
Current and non current trade and other receivables	31,499	-	-	-	-	(3,150)	(3,150)	3,150	3,150
Investment in shares	2,054	-	-	-	-	(205)	(205)	205	205
Water shares	8,421	-	-	-	-	-	(842)	-	842
Financial liabilities									
Derivative liabilities	538	-	(190)	-	379	-	-	-	-
Trade and other payables	33,034	-	-	-	-	-	-	-	-
Term liabilities	107,757	1,078	1,078	(2,155)	(2,155)	-	-	-	-
Interest bearing liabilities	5,246	52	52	(105)	(105)	-	-	-	-
Total increase / (decrease)		1,130	940	(2,260)	(1,881)	(3,355)	(4,197)	3,355	4,197

The following table outlines the expected undiscounted cash flows relating to the Group's outstanding term and current debt at balance date.

New Zealand dollars	Between 0 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2022						
Expected undiscounted cash flows based on current market interest rates ($000s)	2,183	2,183	4,367	3,350	250	-
Floating rate	5.96%					
Average term rate	5.74%					
At 31 December 2021						
Expected undiscounted cash flows based on current market interest rates ($000s)	943	943	1,886	3,772	2,595	-
Floating rate	2.44%					
Average term rate	3.37%					

29. Determination of fair values of financial and non-financial assets and liabilities

The following table analyses assets and liabilities carried at fair value.

The different levels are defined as:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Instruments in level 1 are comprised of water shares.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability that have to be developed to reflect the assumptions that a market participant would use when determining an appropriate price.

New Zealand dollars	Level 1 $000s	Level 2 $000s	Level 3 $000s	Total $000s
Biological assets - crop at fair value	-	-	63	**63**
Water shares	5,399	-	-	**5,399**
Irrigation water rights	127	-	-	**127**
Land	-	-	47,411	**47,411**
Buildings	-	-	203,527	**203,527**
Other financial assets	-	-	623	**623**
Derivatives used for hedging (asset)	-	3,438	-	**3,438**

The reconciliations for level 3 fair value requirements are shown.

- Land and buildings (note 10)
- Biological assets - crop (note 12)
- Other financial assets (note 23)

The following table shows the valuation techniques used in the determination of fair values within level 3 of the hierarchy, as well as the key unobservable inputs used in the valuation models.

Type	Fair value	Method	Key unobservable inputs	How unobservables impact estimated fair value
Biological assets - crop at fair value Includes New Zealand avocados and Australian plums and speciality pears.	$ 0.06 m	Estimated market value less selling costs and costs to market (have achieved sufficient biological transformation). See note 12.	Forecast yields. Market sales price. Costs to harvest.	Increases with yields. Increases with price. Decreases with higher costs.
Land and buildings	$ 250.94 m	An annual revaluation is used to estimate fair value, which is performed on approximately one third of land and buildings on a rolling 3-year cycle by an independent valuer using four different approaches; replacement cost approach, sales approach, capitalisation of rents approach and discounted cash flow approach. See accounting policies below and note 10 for further details.	Comparative market rents and applicable discount rate. Comparative market sales. Current level of building costs.	Increases with market rental, and lower discount rates. Increases with market sales. Increases with building costs.
Other financial assets	$ 0.62 m	Calculating the present value of expected cash flows using contractual interest rates, expected repayment dates and discount rate.	Repayment dates. Discount rates.	Increases with an earlier repayment date. Increases with a lower discount rate.

Accounting policies

Financial assets, liabilities and instruments

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair value measurements are categorised into a three-level hierarchy, based on the types of inputs to the valuation techniques used.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and investment in shares) is based on quoted market prices at balance date (level 1 inputs). The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques (level 2 inputs). The Group uses the appropriate method and makes assumptions that are based on market conditions at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

The fair value of interest rate swaps are calculated as the present value of the estimated future cash flows. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Trade receivable and payables

The carrying value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial assets and liabilities with unobservable (level 3 inputs), reflects the assumptions that market participants would use when determining an appropriate price; additional disclosure is provided for the inputs and assumptions used in such cases.

Land and buildings

Fair value is based on an annual revaluation, which is performed on land and buildings based on a rolling three-year cycle by an independent valuer, with approximately one third of land and buildings assets valued each year using four different approaches as described in note 10.

30. Derivative financial instruments

New Zealand dollars	2022 $000s	2021 $000s
Assets		
Interest rate swap contracts and forward exchange contracts - cash flow hedge	3,438	-
Liabilities		
Interest rate swap contracts and forward exchange contracts - cash flow hedge	-	538

Group bank loans currently bear an average variable interest rate of 5.8% (Dec 2021 – 3.0%), with the Group using interest rate swaps to protect the term portion of the loans.

Swaps cover 61% (Dec 2021 - 83%) of the term liabilities at balance date and are classified as held for trading or as cash flow hedges.

Cash flow hedges

The following table details the interest rate swaps.

Term loan	Amount $000s	Variable rate	Loan maturity	Hedge fixed rate excluding bank margin	Hedge effective date	Hedge expiry
NZD $28m	28,000	5.50%	31 January 2024	2.70%	10 May 2022	31 January 2024
NZD $50m	50,000	5.70%	31 January 2025	2.89%	10 May 2022	31 January 2025
Total (NZD)	78,000					

All interest rate swaps are on a hedge ratio of 1:1 basis with the associated term loan value.

The following table details the forward exchange contracts.

Term loan	Amount LCY $000s	Spot rate	Hedge fixed rate	Hedge expiry
2022				
NZD - AUD hedges	2,674	0.9366	0.9000	29 December 2023
USD - NZD hedges	116	0.6335	0.6456	13 January 2023
2021				
NZD - AUD hedges	583	0.9421	0.9599	28 February 2022
EUR - NZD hedges	157	0.6032	0.6164	4 February 2022

The fair values of the interest rate swaps and forward exchange contracts are determined by Westpac New Zealand Limited and reviewed by the Board.

The gains and losses recognised in comprehensive income appear in the statement of profit or loss.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through annual prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group enters into foreign exchange contracts where purchases or receipts are expected to be settled in that foreign currency. The Group does not hedge 100% of its loans or foreign exchange contracts.

Hedge ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan,
- differences in critical terms between the interest rate swaps and loans, or,
- trading ceases to exist in the foreign currency.

There was no material ineffectiveness during 2022 or 2021 in relation to the interest rate swaps or foreign exchange contracts.

Accounting policies

Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The resulting gain or loss is recognised as a financing cost in profit or loss immediately unless the derivative is designated and effective as a hedge instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are classified as current or non-current based on the effective date.

Hedge accounting

The Group designates certain derivatives as cash flow hedges. At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

Cash flow hedge

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. When a hedging instrument expires, is sold, or no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in other comprehensive income and is recognised when the forecast transaction is ultimately recognised in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in comprehensive income is immediately transferred to the statement of profit or loss within other gains / (losses).

Derivatives and financial instruments

The Board uses judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are based on quoted market rates and reliance placed on quotes provided by Westpac New Zealand Limited.

31. Financial instruments summary

The following table categorises the Group's financial assets.

New Zealand dollars	Financial assets at amortised cost $000s	Financial assets at fair value through profit or loss $000s	Total $000s
At 31 December 2022			
Cash and cash equivalents	3,554	-	3,554
Current trade and other receivables excluding prepayments	29,944	-	29,944
Non current trade and other receivables excluding prepayments	5,099	-	5,099
Derivative financial instruments	-	3,438	3,438
Investment in financial assets	-	1,424	1,424
Total financial assets at 31 December 2022	38,597	4,862	43,459
At 31 December 2021			
Cash and cash equivalents	12,361	-	12,361
Current trade and other receivables excluding prepayments	28,497	-	28,497
Non current trade and other receivables excluding prepayments	814	-	814
Investment in financial assets	-	2,054	2,054
Total financial assets at 31 December 2021	41,672	2,054	43,726

The following table categorises the Group's financial liabilities.

New Zealand dollars	Derivative financial instruments used for hedging $000s	Financial liabilities at amortised cost $000s	Total $000s
At 31 December 2022			
Trade and other payables	-	32,778	32,778
Current interest bearing liabilities	-	22,870	22,870
Non current interest bearing liabilities	-	128,072	128,072
Total financial liabilities at 31 December 2022	-	183,720	183,720
Financial liabilities as at 31 December 2021			
Trade and other payables	-	33,034	33,034
Current interest bearing liabilities	-	5,246	5,246
Derivative financial instruments	538	-	538
Non current interest bearing liabilities	-	107,757	107,757
Total financial liabilities at 31 December 2021	538	146,037	146,575

Accounting policies

The Group classifies its financial instruments in the following categories in accordance with NZ IFRS 9:

- amortised cost for financial assets and liabilities,
- assets at fair value through other comprehensive income (FVOCI),
- assets at fair value through profit or loss (FVTPL),
- liabilities at fair value through profit or loss, and
- other financial liabilities.

The classification of financial assets and liabilities under NZ IFRS 9 is generally based on the business model in which the financial instrument is managed and its contractual cash flows characteristics.

On initial recognition, a financial instrument is classified as measured at amortised cost, FVOCI and FVTPL.

Financial instruments are not reclassified subsequent to their initial recognition unless the Group changes its business model in which case all affected financial instruments are reclassified on the first day of the first reporting period following the change in the business model.

A financial instrument is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held with the objective to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The election is made on an investment by investment basis.

All financial instruments not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Independent auditor's report

To the shareholders of Seeka Limited

Our opinion

In our opinion, the accompanying financial statements of Seeka Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 December 2022, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Group's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of tax compliance, consulting and tax pooling and agreed upon procedures in respect to the half year financial statements and the debt covenant compliance certificate. The provision of these other services and relationships have not impaired our independence as auditor of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Description of the key audit matter	How our audit addressed the key audit matter
Forecast compliance with bank financial covenants As at 31 December 2022 the Group had banking facilities totalling $210.6 million of which $151.3 million was drawn. As noted in the *basis of preparation* section of the financial statements, following several adverse events affecting profitability, the Group obtained agreement from its banking syndicate in December 2022 to modify some of the financial covenants in the Syndicated Facilities Agreement for the test dates as at 31 December 2022, 30 June 2023 and 31 December 2023. The Group complied with all financial covenants throughout the year ended 31 December 2022. The Directors have considered the forecast cash flows and covenant compliance, including the expected impact from Cyclone Gabrielle on the 2023 harvest. The Directors have concluded that, based on the current information, there are no material uncertainties that the Group would not be able to comply with those covenants as at 30 June 2023 and 31 December 2023, which are those within the 12 months following the approval of the Group's financial statements. In order to assess the impact of Cyclone Gabrielle the Group has undertaken targeted inspections and discussions with affected growers to understand and determine expected kiwifruit crop reductions. Forecast compliance with bank financial covenants is considered a key audit matter due to the significant level of management judgement applied in estimating the future performance used in calculating covenant compliance.	Our procedures included: ● identifying and evaluating the design, and determining the implementation of controls related to forecasting financial covenant compliance; ● obtaining and reading the Syndicated Facilities Agreement and amendments to that agreement; ● obtaining the Group's financial covenants calculation for the year ended 31 December 2022 and testing the accuracy of the calculations; ● obtaining the Group's forecast financial covenants for the test dates as at 30 June 2023 and 31 December 2023, which cover those within the 12 months following the approval of the Group's financial statements and: ○ assessing the reasonableness of management's forecasts in light of historical performance and our analysis of the forecasts used in the goodwill impairment tests; ○ evaluating the reasonableness of the Group's sensitivities to the forecast by performing our own sensitivities and stress tests of significant assumptions to assess the level of forecasting risk at each test date; ○ evaluating the reasonableness of a number of factors that the Group identified that may improve earnings and / or reduce debt before the two financial covenant test dates; ○ evaluating management's assessment of the effect of Cyclone Gabrielle on the crop estimates for the 2023 harvest and, therefore, the forecast financial performance for the year ending 31 December 2023, including: ■ obtaining the Group's estimate, and supporting calculations and evidence of the impact of this event on the 2023 kiwifruit harvest; ■ discussing management's process for preparing this forecast impact; ■ for a sample of orchards, validating the estimated impact on the kiwifruit crop by discussing the impact with growers, including the Group's grower-Directors;

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Description of the key audit matter	How our audit addressed the key audit matter
	○ assessing the estimated impact and uncertainties in this estimate against the headroom in the forecast financial covenant calculations at the two financial covenant test dates; ○ obtaining appropriate representations from the Directors; and ● reviewing the adequacy of the disclosures in the financial statements.
Goodwill impairment tests As at 31 December 2022, the carrying amount of the Group's goodwill amounted to $20.2 million as disclosed in note 11 of the financial statements. Management has performed impairment testing for each cash generating unit (CGU) on a value-in-use basis, using a discounted cash flow model based on forecast future performance to determine the recoverable amount. As a result of the impairment tests at 30 November 2022 the goodwill balances associated with the SeekaFresh and Kiwi Crush CGUs were fully impaired. There was no impairment identified for the Post Harvest CGU. Goodwill recognised as at 31 December 2022 solely relates to this CGU. The impairment testing of goodwill is considered a key audit matter due to the significant level of management judgement applied in estimating the future performance and cash flows for the Group and material CGUs, along with the discount rate and terminal growth rate used in estimating the recoverable amounts.	Our audit focused on assessing and challenging the significant estimates and assumptions used by management in the impairment tests, along with evaluating the overall Group impairment test. Our procedures included: ● identifying and evaluating the design, and determining the implementation of controls related to the impairment tests ● evaluating the appropriateness of the CGUs, including the changes made to the definition of the Group's CGUs during the year; ● agreeing the cash flows included in management's impairment model for each CGU to the latest board approved five year plan and budget for the year ending 31 December 2023; ● assessing the Group's forecasting accuracy by comparing historical forecasts to actual results; ● evaluating the key cash flow assumptions by obtaining from management a detailed analysis of supporting information including, for the Post Harvest CGU, the forecast supply of trays to the packhouses, earnings per tray, and overheads. We compared this information to historical outcomes and external reports; ● engaging our in-house valuation expert to assist us with: ○ assessing whether the discount rates and long-term growth rates used by management for each CGU was reasonable in the context of the forecasts; and ○ considering management's paper comparing the net assets and the market capitalisation of the Company. This analysis was completed as part of our assessment of indicators of impairment.

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Description of the key audit matter	How our audit addressed the key audit matter
	• testing the accuracy of the calculations in management's impairment model for each CGU, and checking the carrying amount of the CGU's net assets was correct; • performing a sensitivity analysis across a range of reasonably possible changes in cash flow assumptions; • assessed whether there were any impairment indicators between 30 November 2022 and 31 December 2022; and • reviewing the adequacy of the disclosures in the financial statements.
Valuation of land and buildings As reflected in note 10 of the financial statements, the Group has a policy of revaluing its land and buildings on a three-year rolling cycle (excluding assets under construction). At each balance date approximately one-third of the Group's properties are revalued by an independent external valuer using a combination of four different approaches to arrive at a fair value. The Group then utilises its internal valuation expertise to evaluate whether, based on the results of the third party valuations and other recent market data, the remaining New Zealand and Australia asset values remain appropriate and materially reflect fair value. No material change was identified. The total value of the Group's land and buildings at year end is $250.9 million. We included the valuation of land and buildings as a key audit matter because of the level of judgement inherent in the valuations.	Our audit of the land and buildings of the Group focused on the judgements inherent in the valuation of those assets. Our procedures included: • identifying and evaluating the design, and determining the implementation of controls related to the valuations • assessing the independence, objectivity and competence of the third party valuers; • engaging our in-house valuation expert to challenge the work performed by the third party valuers and assess the reasonableness of the assumptions used, such as capitalisation and discount rates; • reviewing and challenging management's assessment of the carrying values of the Group's land and buildings not independently revalued during 2022 by comparing our own independent assessment of valuation ranges using our own valuation expert; and • reviewing the adequacy of the disclosures in the financial statements.

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Our audit approach

Overview

Overall Group materiality: $2,450,000, which represents approximately 0.70% of revenue.

We chose revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. The Group operates in a high-volume low margin industry where net profit is not representative of the scale of the Group.

In determining the materiality amount we ensured that it was less than the headroom in the Group's bank financial covenants calculation as at 31 December 2022.

Following our assessment of the risk of material misstatement, we:

- Selected two entities for full scope audits
- Performed specified audit procedures and analytical review procedures on the remaining entities

As reported above, we have three key audit matters, being:

- Forecast compliance with bank financial covenants
- Goodwill impairment tests
- Valuation of land and buildings

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The materiality levels applied in the full scope audits of the New Zealand and Australian businesses were calculated by reference to a portion of Group materiality appropriate to the relative scale of the business concerned (New Zealand), or based on materiality calculated for statutory reporting purposes where the statutory materiality was lower than that allocated in the Group calculation (Australia).

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are 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 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) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/
This description forms part of our auditor's report.

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Who we report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Troy Florence.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants

23 February 2023

Auckland

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Governance

Corporate governance statement

As at 31 December 2022

At Seeka we conduct our business safely and ethically within the legal and regulatory framework so we can deliver the best outcomes for our growers, clients, employees, shareholders, customers and the communities we operate in.

Seeka's Board and management are committed to best practice governance and Seeka has adopted the recommendations in the NZX Corporate Governance Code, 17 June 2022 (the Code). Our practices are set out in this corporate governance statement. The Board regularly reviews Seeka's corporate governance structures against the eight principle recommendations in the Code, and considers Seeka's practices and procedures substantially meet Code recommendations. Any exceptions are noted in this governance statement, and listed on page 91 of this annual report.

Seeka's governance policies are available on Seeka's website, see Seeka.co.nz/corporate-governance.

The Board approved this governance statement on 23 February 2023.

Principle 1. Code of ethical behaviour

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Seeka commits to high ethical standards in all dealings undertaken by the Group's directors, employees and suppliers. We are a produce business that connects growers with customers. Our business spans cultural, regulatory, and country boundaries, and our directors and management understand that high ethical standards deliver the best outcomes for our growers, clients, employees, shareholders, customers and communities.

Our commitment to ethical dealings is captured by Seeka's core brand attribute "founded on relationships."

Seeka's Code of Ethics is included in employee induction packs, is available on Seeka's intranet, and the code's principles and objectives are promoted to staff each year at staff meetings. The code outlines how directors and management are to consistently act with honesty and integrity, and model high ethical standards to all employees and stakeholders, adhering to the principle "we do what we say and are accountable for what we do."

The Code of Ethics provides clear guidance on:

- Conflicts of interest
- Proper use of Seeka information, assets and property
- Conduct, valuing individuals' differences and respecting all stakeholders
- Dealing with gifts or gratuities
- Whistle blowing for safe reporting of potential wrong doing
- Compliance with laws and Seeka policies
- Managing breaches of Seeka's Code of Ethics

Seeka also has a strict Insider Trading Policy that applies to the Seeka team of directors, officers, senior managers and all employees, that prohibits team members from direct or indirect dealing in Seeka financial products when holding inside information, plus a duty of confidentiality that protects the dissemination and use of confidential company information.

The Insider Trading Policy defines black-out periods during which restricted persons (defined below) are prohibited from trading in Seeka shares unless provided with a specific exemption by the Board. Each black-out period starts 30 days prior to, and finishes the first trading day after, key events; being the half-year and full-year balance dates, and the release to the NZX of any announcement relating to an offer in Seeka shares.

Restricted persons includes all directors, executive officers, members of the management executive team and their administrative staff, any trusts and companies controlled by such persons, and advisors. The policy also specifies that Seeka team members should not engage in short-term trading.

Prior to trading in Seeka shares, directors must notify the chair of the Board, and the chair must notify the chair of the audit and risk committee.

No breaches of the Code of Ethics or Insider Trading Policy were reported in the year.

Principle 2. Board composition and performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Seeka's Board commits to acting in the best interests of the company, to deliver benefits to stakeholders and grow shareholder returns.

Board charter and responsibilities

The Board Charter sets out the Board's structure, appointments, remuneration, committees and process for performance review, along with the duties and responsibilities of the Board and chief executive officer. Seeka's Board is primarily responsible for:

- Robust and effective health and safety systems and standards
- Compliance with the Financial Markets Authority (FMA) and NZX Listing Rules
- Establishing corporate objectives and strategies
- Meeting obligations under environmental, social and governance (ESG) principles
- Monitoring management's implementation of Seeka's strategies
- Overseeing high standards of ethical behaviour
- Approving budgets and monitoring financial performance
- Managing risk to Seeka's business
- Ensuring timely and transparent stakeholder and market communication

The Board delegates the chief executive officer to lead and manage Seeka's operations, including being the company's principal representative. The chief executive officer is not a Board member.

Board composition

Seeka's Company Constitution specifies that the Board has a minimum of three and a maximum of seven directors, with provision for an eighth to be appointed between annual shareholder meetings for Board succession planning. This occurred on 1 September 2021, when Robert Farron was appointed to the Board.

At the annual shareholders meeting held 22 April 2022, Robert Farron and Stewart Moss were elected by shareholders, and John Burke and Amiel Diaz retired, at which point the Board reverted to seven directors.

Directors are to contribute a mix of complementary skills that support Seeka's objectives and strategies, with at least two being independent, and at least two ordinarily residing in New Zealand. To maintain proper separation between governance and management, all directors are non-executive and the constitution has no provision for a managing director.

Seeka's Board is led by the independent chair Fred Hutchings. Non-independent director Amiel Diaz (retired 22 April 2022) was the only director residing overseas. Since 22 April 2022, the Board has a majority of independent directors.

The following table summarises current director qualifications, independence, skills and experience.

	Qualification	Independent	Executive leadership	Financial	Legal	Sustainability	Kiwifruit industry	Governance	Cultural	International markets	Brand management	Technology	Property valuation
Fred Hutchings	BBS, FCA	●	●	●				●				●	●
Martyn Brick	BAgCom		●	●			●	●		●			●
Ratahi Cross			●			●	●	●	●				
Robert Farron	BBS, CA	●	●	●				●		●			●
Stewart Moss			●				●	●					
Cecilia Tarrant	BA/LLB Hons, LLM	●	●	●	●	●		●					
Ashley Waugh	BBS	●	●	●				●		●	●	●	

Director independence

The Board's Charter follows NZX Listing Rules to determine the independence of a director. Directors must inform the Board of all relevant information and the Board confirms director independence at least annually.

Two directors that served on the Board in 2022 were appointees of large shareholders and deemed non independent;

- Ratahi Cross is a representative of Seeka shareholder Te Awanui Huka Pak Limited and is the chair of the Ngai Tukairangi Trust, a large kiwifruit grower supplying Seeka, and
- Amiel Diaz (retired 22 April 2022), was a representative of Seeka's shareholder Sumifru Singapore Pte Limited.

As Seeka's foundation business is kiwifruit, the Board considers experience in the kiwifruit industry a core competency. Four directors that served on the Board in 2022 have extensive experience in kiwifruit production and handling, and through their extensive interests in kiwifruit orchards that supply Seeka were considered non-independent directors;

- Martyn Brick
- Ratahi Cross
- John Burke (retired 22 April 2022), and
- Stewart Moss (elected 22 April 2022)

The Board has four independent directors;

- Fred Hutchings, Board chair and Remuneration Committee chair
- Robert Farron, Audit and Risk Committee chair (since 21 March 2022)
- Cecilia Tarrant, Sustainability Committee chair, and
- Ashley Waugh (Audit and Risk Committee chair, up to 21 March 2022)

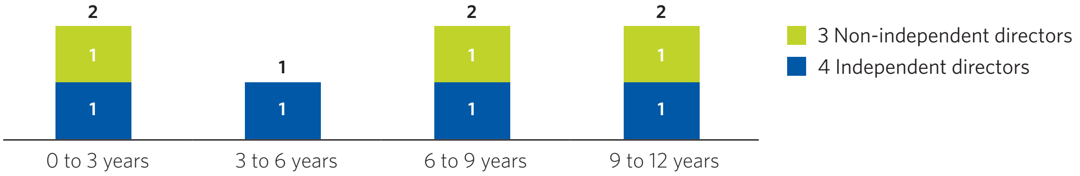
Director appointments and induction

As required, the chair establishes a Nominations Committee to review the Board's composition and performance, and recommend people with complementary skills to join the Board. Nominees can be appointed by the Board, with the appointment to be approved by shareholders at the next annual shareholder meeting, or nominated and elected to the Board by shareholders at the annual shareholder meeting. The Board provides guidance to shareholders on a candidate's suitability for appointment or reappointment.

Directors enter a written agreement covering the term of their appointment and are provided with detailed information about Seeka, the Group's strategies, policies and procedures, and any other training or other support that will help the director become a fully-functioning member of the Board.

The chair undertakes an annual assessment of Board, director and committee performance, seeking assistance, as required, from the Nominations Committee and external advisors.

Director tenure at 31 December 2022



While there is no maximum term, the Board annually reviews director length of service and any potential impact on director independence. When the Board recommends the re-election of a director whom has served longer than 12 years, it will explain to shareholders its rationale for supporting re-election.

At the April 2022 annual shareholders meeting, two directors retired; Amiel Diaz, having served 12 years, and John Burke, having served ten years.

Director profiles

Director profiles are listed on Seeka's website (see Seeka.co.nz/investors), and are included on page 92 of this annual report. Full disclosure of director interests according to section 140 (2) of the Companies Act 1993 are listed on page 94 of this annual report.

Diversity

Diversity is the range of attributes held by members of a group. Seeka's Board believes diversity within the Board and the company provides a deeper understanding of stakeholders, broadens the range of skills available to Seeka, and will lead to improved business performance.

The Board works to optimise diversity across directors, while managing an efficient governance process. The Board's focus is on diversity in culture and ethnicity, business skills and innovative thinking as these attributes are key to understanding the operating environment of our key clients, creating unique solutions, and improving stakeholder outcomes and shareholder returns. Notably Ratahi Cross of Ngai Tukairangi is a lecturer in Māori history, and Martyn Brick, Stewart Moss, Cecilia Tarrant and Ashley Waugh have rural backgrounds.

The following table reports self-identified gender composition of the Board and senior management team as at 31 December 2022.

	FY22			FY21		
	Female	Male	Gender diverse	Female	Male	Gender diverse
Directors	1	6	0	1	7	0
Senior managers	2	6	0	2	7	0
Total	3	12	0	3	14	0

Diversity policy

Seeka is committed to providing an inclusive environment that supports a diversity of thinking and skills. Aspects of diversity include gender, ethnic background, religion, marital status, culture, disability, economic background, education, language, physical appearance and sexual orientation.

During the year ended 31 December 2022, Seeka performed in adherence to the principles of our Diversity Policy.

Professional development

Directors are supported to undertake professional development through individual training and by attending relevant courses.

Evaluation of board, committee and director performance

The Board Charter specifies that the chair undertakes an annual review of Board, committee and director performance. The chair's 2022 review found that the Board, committees and directors have fulfilled all their duties and responsibilities for sound corporate governance as specified by the Board Charter.

Principle 3. Board committees

"The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

The Board has three permanent committees and will form ad-hoc committees to efficiently and effectively carry out key governance functions, while retaining ultimate responsibility for all decisions and actions.

All committees operate under written charters which define the role, authority and operations of the committee. All Seeka directors and committee members are non-executive, and Seeka management and other employees may only attend committee meetings when invited by the committee. The Board reviews the Audit and Risk, Sustainability, Remuneration, and Nominations Committee Charters biennially.

Committee membership and workload management

Seeka is governed by a seven-member non-executive Board, except during succession planning when an eighth director may be appointed until the next annual shareholders meeting, at which point the Board reverts to seven directors. To provide effective and transparent committee governance, while managing workload across Board members, Seeka's committee charters ensure each committee is chaired by an independent director, with committee members drawn from both independent and non-independent directors that furnish the best skill set. The Audit and Risk Committee Charter specifies a majority of independent directors.

The current standing committees and their members are:

Audit and risk

Composition	Role	Members	Charter
Independent chair with a minimum of two other directors. The committee must have a majority of independent directors, with at least one having an accounting or financial background. The chair may not be the Board chair.	Examines financial reporting, compliance, external and internal auditing, risk management and risk insurance. As required, the committee also undertakes the duties of a Due Diligence Committee.	Robert Farron, chair Martyn Brick Ashley Waugh	Audit and Risk Committee Charter

Sustainability

Composition	Role	Members	Charter
A minimum of two directors appointed by the Board. No management members, but the chief executive or delegate to be invited to meetings.	Ensures Seeka uses an appropriate reporting framework, provide strategic guidance on targets, measures and performance, and examines the strategic implications of climate change.	Cecilia Tarrant, chair Fred Hutchings Ratahi Cross	Sustainability Committee Charter

Remuneration

Composition	Role	Members	Charter
Independent chair with a minimum of two other directors. When not an appointed member, the Board chair will be an ex-officio member.	Examines the performance, remuneration and succession planning of the chief executive officer, the remuneration of senior managers, company-wide employee remuneration policy and human resource plans and policies.	Fred Hutchings, chair Cecilia Tarrant Stewart Moss	Remuneration Committee Charter

In addition, the chair periodically establishes an ad-hoc nominations committee.

Nominations

Composition	Role	Members	Charter
Independent chair with a minimum of two other directors.	Examines the directors' terms of engagement, Board succession planning, seeks and evaluates nominees, and advises the Board on director appointments.	Established as required	Nominations Committee Charter

In the event of a takeover offer, the Board Charter provides for the formation of an ad-hoc Initial Response Committee and an Independent Takeover Response Committee to enact the procedures and protocols of the Board's Takeover Response Manual.

Initial Response Committee

Composition	Role	Members
Independent directors.	Manage the initial response to an unexpected takeover notice.	Fred Hutchings Robert Farron Cecilia Tarrant Ashley Waugh

Independent Takeover Response Committee

Composition	Role	Members
Directors that are independent of the bidder and of the bid.	Manage the takeover response and act in the interests of all shareholders.	Appointed by the Board

To date there has been no need to convene an Initial Response Committee meeting or form an Independent Takeover Response Committee.

While the Board considers the current range of committees comprehensively manages the governance of Seeka's business, and provides the best outcomes for shareholders and other stakeholders, the Board Charter allows ad-hoc committees to be formed as required to aid Board decision making.

The following table reports Board and committee meeting attendance in 2022, see page 93 for changes to Board and committee membership during the year.

	Independent	Board		Audit and Risk		Sustainability		Remuneration		Nominations	
	director	Meetings	Attended	Meetings	Attended	Meetings	Attended	Meetings	Attended	Meetings	Attended
Fred Hutchings	Yes	11	11	-	-	5	5	3	3	-	-
Martyn Brick	No	11	10	4	4	-	-	-	-	-	-
John Burke	No	3	3	5	3	1	1	-	-	-	-
Ratahi Cross	No	11	11	-	-	4	3	2	2	-	-
Amiel Diaz	No	3	3	-	-	-	-	-	-	-	-
Robert Farron	Yes	11	11	9	9	-	-	-	-	-	-
Stewart Moss	No	8	8	-	-	-	-	1	1	-	-
Cecilia Tarrant	Yes	11	11	-	-	5	5	3	3	-	-
Ashley Waugh	Yes	11	11	9	9	-	-	-	-	-	-

Principle 4. Reporting and disclosure

"The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

Seeka's Board is committed to keeping investors and the wider market fully informed of all material information concerning the company's operating environment and business performance. In addition to all information required by law and NZX Listing Rules, Seeka provides stakeholders with a mid-year performance update, along with regular operational updates to growers.

Seeka's Continuous Disclosure Policy covers the classification, timing and release of material information to investors and other stakeholders. The chair of the Board, chair of the audit and risk committee, chief executive and chief financial officer (the disclosure committee) are responsible for identifying material information between Board meetings. At every Board meeting the Board considers whether its deliberations and decisions trigger a need for a disclosure to the NZX.

As stewards of more than 3,900 hectares of orchards in New Zealand and Australia, Seeka is committed to applying industry best practices and international guidelines for all asset management, backed up by rigorous auditing. This includes certification to the international GLOBALG.A.P standard for good agricultural practice that focuses production and supply management on the consumer's demand for safe food. See www.globalgap.org.

Seeka as an employer is focused on sustainable land management that supports long-term employment and wealth creation in our rural communities, and has formally implemented the GLOBALG.A.P GRASP module with its extended social standards for worker health, safety and welfare. See www.globalgap.org/uk_en/for-producers/globalg.a.p.-add-on/grasp/.

In New Zealand, Seeka has partnered with all supplying growers to form independent, grower-controlled entities that manage grower fruit returns; kiwifruit growers appoint Seeka Growers Limited as their agent for the supply of kiwifruit to Seeka, with avocado growers appointing AvoFresh Limited. See www.seeka.co.nz/seeka-grower-council and www.seeka.co.nz/avofresh.

Seeka Growers Limited and AvoFresh Limited manage market returns in independent bank accounts, approve all service distributions and grower payments, and publish independently-audited annual financial statements. Seeka is represented on the entities' controlling councils, provides management support, and ensures grower representatives are kept informed on market conditions, industry issues and Seeka's operational performance for their fruit.

Seeka complies with the financial reporting requirements prescribed by the Companies Act 1993, Financial Markets Conduct Act 2013 and the NZX Listing Rules. Seeka also considers environmental, social and governance concerns, and discloses to the market any environmental factors that may materially affect operations.

Seeka's Sustainability Committee provides strategic guidance on its environmental, social and governance (ESG) framework, targets, measures and performance. Since 2020, Seeka has been reporting its ESG initiatives in the annual and interim reports, and in June 2022 Seeka published its first stand-alone sustainability report.

Seeka's 2022 Sustainability Report details Seeka's journey to be a sustainable business and Seeka's aim to be net zero carbon by 2050, and an employer of choice that provides excellent service to Seeka customers while supporting the wellbeing of our communities.

Seeka began measuring emissions in 2019 using the Ministry for the Environment's carbon footprint workbook, before calculating its 2020 and 2021 footprint using the internationally recognised standard *ISO 14064-1: 2018 - Greenhouse gases,* with the results verified by Toitū. Using this data, Seeka has a platform to understand its impact on the environment, identify key areas of emissions, and define three intensity-based performance indicators; tonnes CO2e per $1 million of revenue, per 100,000 class 1 trays packed, and per permanent employee.

The report publishes Seeka's total and intensity-based CO2e emissions since 2019, and the progress of multiple carbon-reduction initiatives. Along with environmental sustainability, the report also updates stakeholders on Seeka's social sustainability programmes and ESG governance processes, including climate change risk and opportunity analysis.

Starting from 2022, yearly sustainability reports are scheduled to be published each June.

Principle 5. Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Director remuneration

In accordance with the Board Charter, the chair uses independent professional advice and market information to review director remuneration within a two year period, with shareholders approving any increase to the pool available to pay directors' fees. Approval was last sought in April 2022, when the pool limit was set at $610,000 per annum. As part of Board succession planning, the Board had eight directors up until the 22 April 2022 annual shareholders meeting, after which the Board reverted to seven directors. Due to this temporary increase in the number of directors the total fees paid exceeded the pool limit by $14,434, as permitted under NZX Rule 2.11.

As determined by the Board, the directors are remunerated by a base director fee, a Board chair fee, and chair or membership fees for three Board committees as per the following schedule that was presented to shareholders in April 2022. The total Board chair fee will not exceed $140,000, irrespective of whether the chair would otherwise be eligible for committee fees.

	Number	Director fee	Chair fee	Pool
Board	7	$ 70,000	$ 140,000	$ 560,000
Audit and Risk, and Due Diligence Committee	3	$ 7,500	$ 15,000	$ 30,000
Sustainability Committee	3	$ 2,500	$ 5,000	$ 10,000
Remuneration Committee	3	$ 2,500	$ 5,000	$ 10,000
Total director pool				$ 610,000

Directors receive no equity-based remuneration, and receive no performance or retirement benefits. Directors are encouraged but not required to own Seeka shares. Director shareholdings are disclosed on page 95.

The following table reports the annual allocation of the pool in 2022, and directors' fees paid during the financial year. Non-italics are committee members at year end, italics are part-year membership in 2022, see page 93 for details. No other benefits were provided to directors.

	Board	Audit and Risk Committee	Sustainability Committee	Remuneration Committee	Annual base director fee	Chair fees	Committee fees	Director fees paid during the year
Fred Hutchings	Chair		Member	Chair	$ 70,000	$ 70,000		$140,000
Martyn Brick	Director	Member			$ 70,000		$ 4,664	$ 74,664
John Burke	Director	*Member*	*Member*		$ 21,583		$ 3,083	$ 24,666
Ratahi Cross	Director		Member	*Member*	$ 70,000		$ 2,500	$ 72,500
Amiel Diaz	Director				$ 21,583			$ 21,583
Robert Farron	Director	Chair / *Member*			$ 70,000	$ 11,708	$ 1,646	$ 83,354
Stewart Moss	Director			Member	$ 48,521		$ 2,500	$ 51,021
Cecilia Tarrant	Director		Chair	Member	$ 70,000	$ 5,000	$ 2,500	$ 77,500
Ashley Waugh	Director	Member / *Chair*			$ 70,000	$ 3,292	$ 5,854	$ 79,146
Total					$511,687	$ 90,000	$ 22,747	$624,434

Chief executive officer remuneration

The review of the chief executive officer's remuneration is undertaken by the remuneration committee with the remuneration package the responsibility of the Board. Michael Franks was appointed chief executive officer in 2006. His remuneration package comprises a fixed annual remuneration that covers base salary, vehicle, Kiwisaver contributions, medical and life insurance, and an at-risk annual performance incentive.

The following table reports chief executive officer remuneration for 2022.

	Base salary	Benefits[1]	FY22 annual performance incentive	Total remuneration
Michael Franks	$ 763,806	$ 51,983	-	$ 815,789

1. Benefits are delivered through vehicle, Kiwisaver contributions, medical and life insurance.

Performance incentive

The chief executive officer's performance incentive has a maximum value of 73% of fixed remuneration for achieving annual targets set by the Board, including financial performance, strategic goals, health and safety, and risk management. For FY22, the chief executive officer earned no performance incentive (FY21 - $470,063, paid December 2021).

Employee share scheme

In April 2022, the chief executive officer paid $4.09 per share ($32,720 total payment) for 8,000 shares that vested from the 2019 employee share scheme (April 2019 issue price $4.76 per share). The chief executive has no further interest in any employee share scheme, and there is no current scheme.

Principle 6. Risk management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

The Board considers risk management an important governance function to protect stakeholders, build long-term wealth in our communities and optimise shareholder value. The Board retains ultimate responsibility for risk management, with the audit and risk committee providing a specific focus on material risks as defined in the Audit and Risk Committee Charter.

While no risk management system can completely remove business and financial risks, our goal is to ensure material risks are appropriately identified and managed within acceptable levels. We accomplish this through a strategic focus, active management, contingency planning and a sensible balance between costs and anticipated benefits. Wherever appropriate, the processes are consistent with AS/NZS 31000:2009 Risk Management Principles and Guidelines.

Financial statements and key operational measures are prepared monthly and reviewed by the Board throughout the year to assess business performance against budget and forecasts.

Seeka has appropriate insurance cover, as available, for property damage to its offices, post harvest processing and fruit handling facilities.

The Board composition includes directors with long-term experience in New Zealand's kiwifruit industry, and Australian produce handling and marketing. Board meetings include periodic site visits in New Zealand and Australia (when practicable with regard to Covid-19 travel restrictions) to ensure all directors understand the Group's operating environments when assessing material risk.

The Board's complementary skill set and understanding of the core business have allowed it to implement strategies to mitigate risk associated with being a New Zealand kiwifruit handler by diversifying operations across multiple products, expanding into the Australian market and sourcing revenue from more points along the value chain.

The following summarises the key material risks which the Board have identified and the associated mitigation strategies.

Key risks	Potential impacts	Mitigation strategies
Human diseases including pandemics	The Group's capacity to deliver time-sensitive services to stakeholders. Market access and consumer demand for Group-handled produce.	Infectious disease manual and access to protective equipment. Registered access to Seeka sites and automatic temperature logging at post harvest facilities. Geographic separation of orchards and post harvest facilities.
Health and safety	Stakeholder wellbeing and the ability to attract and retain personnel. Degrade the Seeka brand and stakeholder demand for Group services.	Integrated health and safety in all aspects of the business. Site safety audits and guarding of moving machinery. Regular reporting on health and safety performance.
Site security	Health and safety of Group stakeholders. Physical damage of Group assets and the ability to deliver time-sensitive services. Produce contamination.	Security fencing, alarm systems and third-party monitoring of Seeka facilities. Registered access to Seeka sites.
Produce contamination	Market access and consumer demand for Group-handled produce.	Documented and accredited quality management system. Recognised suppliers and securely store produce. Compliance with industry spray programmes and pre-harvest residue testing.
Plant diseases and pests	The volume and quality of fruit grown, handled and sold by the Group.	Best-practice orchard management and geographic separation of orchards. Comprehensive orchard monitoring and compliance with industry spray programmes.
Biosecurity breaches in New Zealand and Australia by novel plant diseases and pests	The volume and quality of fruit grown, handled and sold by the Group. Market access for Group-handled produce.	Biosecurity border control by government authorities. Awareness and monitoring of key threats in New Zealand and Australia.
Regulatory security	Supply chain efficiency and costs. Market access and market returns for Group-handled produce.	Active participation in industry associations. Monitor potential threats and opportunities.
Climate change	The volume and quality of fruit grown, handled and sold by the Group. Degrade the Seeka brand and stakeholder demand for Group services.	Board Sustainability Committee governance and decarbonisation targets. Research and development team investigating alternative orchard practices. Geographical spread of operations and development of land management plans.
Cyber attack	The Group's capacity to deliver time-sensitive services to stakeholders. Unauthorised access and distribution of sensitive Group and stakeholder data. Degrade the Seeka brand and stakeholder demand for Group services.	Documented and enforced security policy for information systems. Professional information technology security systems.

Health and safety

The Board is responsible for health and safety across Group operations, with the chief executive appointing a health and safety manager to ensure Seeka complies with legislation and operates industry best practice across the Group, while also supporting the management of health and safety risks by clients and suppliers. The Board reviews performance against set targets at each meeting.

Under Board direction, Seeka has a Covid-19 response committee to protect our people and prepare our business. Seeka worked with health professionals, secured personal protective equipment, and used social distancing protocols to mitigate risk and keep our people safe as we deliver an essential service. This includes onsite personnel temperature logging, touchless signing in, the provision of personal protective equipment, two-metre screening, enlarged break areas, 24-hour cleaning and remote management. Seeka continued operations during the 2022 Omicron outbreak.

Our people work in multiple, complex environments, and we focus on building safety into everything we do. This included instilling Seeka's safety culture as we amalgamated OPAC and Orangewood in FY21, and NZ Fruits in FY22. Over the full year, the Group employed more than 6,500 people, with Group salary and wages equating to 2,396 full time equivalents.

The following table reports Seeka's health and safety lead and lag measures for FY22.

	Indicator	FY22 annual target	FY22 actuals
Inspirational people; monthly H&S meetings held	Lead	90%	93%
Total recordable injury frequency rate [1]	Lag	Less than 4.5	2.75
Serious injuries [2]	Lag	Zero	1

1. Total recordable injury frequency rate (TRIFR) is a key measure that compares total lost time injuries and medical treatments against the total number of hours worked. TRIFR = (number of recordable lost time and medical treatment injuries) x 200,000 / (number of employee hours worked).

2. Permanently disabled or requiring immediate in-patient hospitalisation.

Principle 7. Auditors

"The board should ensure the quality and independence of the external audit process."

Seeka's Audit and Risk Committee Charter outlines Seeka's commitment to an independent audit process that provides shareholders and the market with objective, robust, clear and timely financial reporting.

The audit and risk committee in consultation with management and the external auditor reviews the efficiency and effectiveness of the external audit process, and provides a formal channel of communication between the Board, senior management and the external auditor. The audit and risk committee:

- Oversees the independence of the auditor and ensures they conduct their operations free from any actual or perceived impairments, and
- Monitors the provision of any services beyond the auditor's statutory audit services.

For FY22, Troy Florence of PricewaterhouseCoopers (PwC) completed his second year as external auditor for the Group.

PwC has confirmed its independence to the audit and risk committee, and that its independence was not compromised during the reporting period. PwC auditors attend the annual shareholder meeting to answer any shareholder questions about the audit.

In FY22, PwC was paid $529,000 for audit fees and expenses, $12,000 for tax compliance and consulting, $12,000 for tax pooling services and $7,000 for debt covenant compliance certificate agreed upon procedures.

Internal audit

Seeka has a number of internal controls overseen by the audit and risk committee to ensure the integrity of key financial and operational data. This includes data access, internal financial controls, adequate resourcing, targeted internal audit programmes and monitoring management's response to external audit findings.

Due to the size of Group operations, rather than operating a dedicated financial audit function, Seeka uses its compliance team to conduct internal audit processes and monitor operational compliance, along with independent providers to regularly test the integrity of the Group's financial systems. Directors also consider matters raised by PwC, the external auditor.

Principle 8. Shareholder rights and relations

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Seeka's shareholders include a significant number of grower clients, employees, suppliers and people living in our rural communities. Seeka maintains open channels of communication with a diverse range of groups to uphold our key brand attribute of delivering excellence to all stakeholders.

The Board is motivated and committed to transparent and regular reporting and engagement with shareholders including:

- Annual and interim reports
- Annual sustainability report
- Market announcements
- Annual shareholder meeting
- Mid-year stakeholder meeting
- Ad-hoc investor presentations
- Attendance of directors at seasonal grower roadshows held throughout the catchment for each produce type
- Clear access to investor information on the company's website, see Seeka.co.nz/investors
- Open access to senior managers via phone and email, see Seeka.co.nz/senior-management-team

Shareholders are actively encouraged to attend the annual shareholder meeting and mid-year stakeholder update either in person or online, where they can raise matters for discussion by directors and senior management. Shareholders vote on major decisions which affect Seeka at the annual shareholder meeting. Voting is by poll, conducted by the Company's registrar Link Market Services and overseen by the company's auditor PwC, on a one share, one vote principle.

Shareholders are provided with copies of the annual report, and are encouraged to receive electronic communication by contacting our registrar Link Market Services, see Linkmarketservices.co.nz. Notices of shareholder meetings are posted on the NZX website and Seeka's website. Where circumstances allow, Seeka sends notices of shareholder meetings at least 20 working days prior to the meeting. A link to Seeka's announcements can be directly accessed from Seeka's website, see Seeka.co.nz/nzx-announcements.

When raising new capital, where practical, the Board will offer a scheme that allows existing shareholders to further invest in the Company on a pro rata basis so they can maintain their relative proportion of Seeka's issued shares.

Seeka's current and historical share price is located on the NZX website, see nzx.com/instruments/SEK.

Corporate calendar

In the normal course of business, the Board reports to the following schedule.

End of year market announcement	Late February
Dividend payment - full year	April [1]
Annual shareholder meeting	April
Dividend payment - half year	October [2]
Stakeholder update	October

1. In 2022, payment of the full year dividend was moved to 23 February due to the issue of new shares ex-dividend as part of the acquisition of NZ Fruits in February 2022.
2. The half year dividend payment was suspended in 2022.

Differences in practice to NZX Code

The following table summarises the material differences between Seeka's corporate governance and the Code during the year. Where there are differences, these have been approved by the Board.

Principle		Concerning	Key difference	Period of non compliance
2. Board Composition and Performance	2.8	A majority of the board should be independent directors.	The Constitution and Board Charter specify a minimum of two independent directors. As Seeka's foundation business is kiwifruit, the Board considers it appropriate to have a mix of directors with extensive experience in kiwifruit production and handling, who in the normal course of business would supply Seeka with produce from their ongoing orcharding interests. The Board must also appropriately represent large shareholders. The specified minimum of two independent directors provides the flexibility to meet these two criteria, while also ensuring Board decisions reflect the best interests of Seeka and its security holders. From 1 January to 22 April 2022, only four out of eight directors (even split) were deemed independent, with four non-independent; two for their extensive interests in orchards that supply Seeka (industry expertise), one an appointee of a large shareholder (market expertise), and one that has extensive interests in orchards that supply Seeka as well as being an appointee of a large shareholder (industry expertise). Since 22 April 2022, Seeka complies with the Code with four out of seven directors deemed independent (a majority).	From 1 January to 22 April 2022
3. Board Committees	3.4	Standing nominations committee with a majority of independent directors.	The Nominations Committee Charter allows for the formation of an ad-hoc committee as required. To manage workload across the Board, the Nominations Committee Charter requires an independent chair.	At all relevant times
8. Shareholder Rights and Relations	8.4	If seeking additional equity capital, issuers should offer further equity securities to existing equity security holders on a pro rata basis.	On 2 February 2022, Seeka issued 1,687,860 new ordinary shares as partial consideration for the acquisition of the shares in New Zealand Fruits Limited by amalgamation. The Board considered this issue of Seeka shares was an effective method to secure the acquisition by amalgamation, which would benefit Seeka, including by further strengthening Seeka's alignment with growers.	2 February 2022

Board of directors

The following directors held office and committee membership on 31 December 2022.

Fred Hutchings **BBS, FCA**

Independent, non-executive Chair

Member Sustainability Committee, Chair Remuneration Committee

Chartered Member of the Institute of Directors NZ

Appointed 10 September 2012

Fred has commercial and business experience having been a partner at PricewaterhouseCoopers for 27 years where he specialised in assurance and advisory services, particularly for agribusiness. He also held leadership roles in the partnership including Wellington and South Island managing partner and for three years was a member of the firm's executive board.

Fred is a director of Speirs Group Limited and Speirs Food Limited, and retired as chairman of Tui Products Limited in 2018 when the business was sold. He is a past president of Chartered Accountants Australia and New Zealand.

Fred holds an interest in a kiwifruit orchard supplying Seeka.

Martyn (Marty) Brick **BAgCom**

Non-executive Director

Member Audit and Risk Committee

Appointed 23 April 2013 (retiring at the 2023 annual shareholders meeting)

Marty has experience in agribusiness having worked in rural banking, finance, and horticulture. He established kiwifruit orchards in the Bay of Plenty, and a post harvest operation which was later sold to Huka Pak. Marty became a director of Te Awanui Huka Pak and chairman of Te Awanui Grower Council up until Huka Pak's merger with Seeka in 2009.

Marty holds interests in kiwifruit and avocado orchards supplying Seeka, and is a trustee of Seeka Growers Limited.

Peter Ratahi Cross

Non-executive Director

Member Sustainability Committee

Chartered Member of the Institute of Directors NZ

Appointed 1 March 2016

Ratahi is the chairman of several trust boards throughout the eastern areas of the North Island. He chairs Te Awanui Huka Pak Limited and Ngai Tukairangi Trust, the largest Māori kiwifruit grower in New Zealand. The trust operates orchards on the Matapihi Peninsula at Mount Maunganui, and in the Hawke's Bay, which supply Seeka.

Ratahi has a background in natural science specialising in native flora and fauna. He also lectures in Māori history for several tribes he belongs to.

Robert Farron **BBS, CA**

Independent, non-executive Director

Chair Audit and Risk Committee

Chartered Member of the Institute of Directors NZ

Appointed 1 September 2021

Robert is a Chartered Accountant (CAANZ) and has had a 30-year executive career in professional services, corporate and institutional banking, renewable energy development and electricity generation and retailing. Robert has held senior leadership roles in listed companies including chief financial officer and company secretary of Bay-of-Plenty-based Trustpower and chief executive of Australian-based Tilt Renewables. He has also held governance and advisory roles for private companies. Robert is based in the Bay of Plenty.

Stewart Moss

Non-executive Director

Member Remuneration Committee

Elected 22 April 2022

Stewart has extensive commercial experience in horticulture and agriculture. He is a kiwifruit grower and member trustee of the Seeka Growers Council. From his experiences working on a grading machine at Seeka KKP to developing a large-scale kiwifruit orchard, Stewart understands the many facets of the industry and its supply chain.

Stewart is a large shareholder in one of New Zealand's largest kiwifruit orchards. He brings commercial insights into kiwifruit production and the key relationships between grower, post harvest operator and the marketer Zespri.

Cecilia Tarrant **BA/LLB Hons, LLM**

Independent, non-executive Director

Chair Sustainability Committee and Member Remuneration Committee

Chartered Member of the Institute of Directors NZ

Appointed 27 April 2017

Cecilia has more than 25-years experience in law and finance, having worked as a lawyer in Auckland and San Francisco before becoming an investment banker in New York and London. She is now a professional director. Cecilia is the chair of New Zealand Green Investment Finance Limited, a director of Payments NZ, and Chancellor of Waipapa Taumata Rau - The University of Auckland. She is also involved in start-up investing and is a director of the ArcAngels network.

Cecilia is involved in both the beef and dairy industries through her family's ownership of a dry stock farm in the Waitomo area and partnership in a dairy farm in the Otorohanga district. Her family have lived in the Waitomo area for more than 100 years.

Ashley Waugh **BBS**

Independent, non-executive Director

Member Audit and Risk Committee

Appointed 21 May 2014

Ashley has experience in the fresh food industry having worked within the Australasian Fast Moving Consumer Goods (FMCG) markets for more than 30 years. He also has global experience in the FMCG, foodservice and ingredients markets.

Ashley was the chief executive officer of Australian dairy foods and juice giant National Foods until its merger with Lion Nathan in 2009. His prior business experience was with the New Zealand Dairy Board and Ford Motor Company.

He currently chairs the board of Colonial Motor Company and chaired Moa, New Zealand's largest craft brewer, until retiring in 2017, and was a director of Fonterra Co-operative Group Limited until retiring in November 2018.

Changes in Board and committee membership

21 March 2022 - chair of the Audit and Risk Committee changed

- Robert Farron replaced Ashley Waugh as chair, Ashley Waugh remained a committee member

22 April 2022, Annual Shareholders Meeting - one new director elected, two directors retire

- Stewart Moss elected
- John Burke retired (member Audit and Risk Committee and Sustainability Committee)
- Amiel Diaz retired
- Board has a majority of independent directors (four independent, three non-independent)

18 May 2022 - new appointments to Audit and Risk, Sustainability and Remuneration Committees

- Martyn Brick appointed to Audit and Risk Committee (vacant position from John Burke's retirement)
- Ratahi Cross appointed to Sustainability Committee (vacant position from John Burke's retirement)
- Stewart Moss appointed to Remuneration Committee, replaced Ratahi Cross

1 February 2023

- Hayden Cartwright appointed director of Seeka. Hayden Cartwright will stand for election at the 2023 Annual Shareholders Meeting

Interests register

During the year the Group undertook related party transactions with directors in the ordinary course of the Company's business and on usual terms and conditions.

Directors have made general disclosures of interests in accordance with s140 (2) of the Companies Act 1993. New disclosures advised since 31 December 2021 are italicised.

Fred Hutchings	Amwell Holdings Limited	Director / Shareholder
	Walker Nominees Limited	Director
	Speirs Group Limited and subsidiaries	Director
	AvoFresh Limited	Director
	Seeka Share Trustee Limited	Director
Martyn Brick	Strathboss Kiwifruit Limited	Director / Shareholder
	Strathboss Avocados Limited	*Director*
	Seeka Growers Limited	Director / Trustee
	Omega Kiwifruit Limited	Director / Shareholder
	Katoa Partnership	Partner
	Zespri International Limited	Shareholder
	Rokeby Trust	Beneficiary
	Rokeby Holdings Limited	*Director / Shareholder*
	Rising Sun Orchards Limited	Shareholder
Peter Ratahi Cross	Ngai Tukairangi No2 Trust	Trustee / Chair
	Te Awanui Huka Pak Limited	Director
	Seeka Share Trustee Limited	Director
	Wai O Kaha Gold Landowners General Partner Limited	Chair
	Wai O Kaha Gold JV General Partner Limited	Chair
Robert Farron		
Stewart Moss	*Strathboss Kiwifruit Limited*	*Director / Shareholder*
	Seeka Growers Limited	*Director*
	Seeka Growers Trust	*Trustee*
	SJ & GW Moss Partnership	*Partner*
	Strathboss Avocados Limited	*Director*
	Pepper Street Trust	*Trustee / Beneficiary*
	Bateson Trailers Limited	*Director / Shareholder*
	Rising Sun Orchards Limited	*Shareholder*
Cecilia Tarrant	Payments NZ Limited	Director
	ArcAngels Angel Investment Network	*Director*
	The University of Auckland	Chancellor
	New Zealand Green Investment Finance Limited	Chair
	Seeka Share Trustee Limited	Director
Ashley Waugh	Primrose Hill Farm (Puke-Roha Limited) - Te Awamutu	Director / Shareholder
	The Colonial Motor Group Limited	Chair / Shareholder

Directors' interests in Seeka Limited securities

The following table details director interests in Seeka shares at 31 December 2022.

	Interest	Shares
Martyn Brick	Beneficial [1]	1,423,361
Peter Ratahi Cross	Beneficial [2]	2,300,040
Robert Farron	Beneficial [3]	5,000
Fred Hutchings	Beneficial [4]	63,196
Stewart Moss	Beneficial [5]	373,644
Cecilia Tarrant	Beneficial	7,143
Ashley Waugh	Beneficial	13,166

1. Held by Omega Kiwifruit Limited (1,145,895), Strathboss Kiwifruit Limited (185,807), Martyn Brick, Christopher Mcfadden and John Burke as trustees of the Rokeby Trust (83,000) and Martyn Brick (8,659).
2. Held by the trustees of the Ngai Tukairangi No. 2 Trust (585,630) and Te Awanui Huka Pak Limited (1,714,410). P R Cross is a trustee of the Ngai Tukairangi No. 2 Trust and a beneficiary, and interests associated with P R Cross are beneficiaries, of the Ngai Tukairangi No. 2 Trust. Te Awanui Huka Pak Limited holds Ordinary Shares in Seeka Limited. P R Cross is a director of Te Awanui Huka Pak Limited. The trustees of the Ngai Tukairangi No. 2 Trust are shareholders in Te Awanui Huka Pak Limited.
3. Held by DJ Craig and RWH Farron as trustees of the RWH Farron Family Trust (5,000).
4. Held by Walker Nominees Limited (47,716), Amwell Holdings Limited (2,523), Sharesies Nominee Limited on behalf of F A Hutchings (2,970), and Sharesies Nominee Limited on behalf of Amwell Holdings Limited (9,987).
5. Held by Stewart Moss (178,251), jointly held by S J Moss and G W Moss (9,586), and Strathboss Kiwifruit Limited (185,807) of which Stewart Moss holds 0.1% of the shares and jointly holds a further 19.9%.

The following table details director dealings in Seeka shares during the year.

	Transaction	Date	Number	Total consideration
Robert Farron	Purchase	22 February 2022	5,000	$25,763
Fred Hutchings	Purchase [1]	23 February 2022	1,188 [2]	$5,937
	Purchase	22 August 2022	10,177 [3]	$40,708
Cecilia Tarrant	Purchase [1]	23 February 2022	169	$845

1. Acquired under the Seeka dividend reinvestment plan.
2. 1,128 shares by Amwell Holdings Limited, and 60 shares by Sharesies Nominee Limited on behalf of F A Hutchings.
3. 190 shares by Sharesies Nominee Limited on behalf of F A Hutchings, and 9,987 to Sharesies Nominee Limited on behalf of Amwell Holdings Limited.

Subsidiary companies

The following table details directors of Seeka Limited subsidiary companies as at 31 December 2022.
Subsidiaries added and director changes since 31 December 2021 are italicised.

Michael Franks and Nicola Neilson are officers of Seeka Limited. Nicola Neilson replaced Stuart McKinstry as a director of Seeka subsidiary companies during the year. Anthony Motion resigned as an independent director for the Group's Australian subsidiaries on 28 November 2022.

New Zealand incorporated companies

Trading subsidiaries	
Aongatete Coolstores Limited	Michael Franks, *Nicola Neilson*
AvoFresh Limited	Michael Franks, Fred Hutchings
Delicious Nutritious Food Company Limited	Michael Franks, *Nicola Neilson*
Integrated Fruit Supply & Logistics Limited	Michael Franks, *Nicola Neilson*
Kiwi Coast Growers (Te Puke) Limited	Michael Franks, *Nicola Neilson*
OPAC Properties Limited	Michael Franks, *Nicola Neilson*
OPAC Growers Supply Limited	Michael Franks, *Nicola Neilson*
Northland Horticulture Limited	Michael Franks, *Nicola Neilson*
Ngutupiri General Partner Limited[1]	*Kylie Burt, Norman Carter, Te Aroha Mani, Rongo Puha*
Seeka East Limited	Michael Franks, *Nicola Neilson*
Seeka OPAC Limited	Michael Franks, *Nicola Neilson*
Seeka Share Trustee Limited	Fred Hutchings, Cecilia Tarrant, Peter Ratahi Cross
Seeka Te Puke Limited	Michael Franks, *Nicola Neilson*

Not-trading subsidiaries	
CMS Logistics Limited	John Spratt, Robert Towgood
Eleos Limited	Michael Franks, *Nicola Neilson*
Enviro Gro Limited	Michael Franks, *Nicola Neilson*
Glassfields (NZ) Limited	Michael Franks, *Nicola Neilson*
Guaranteed Sweet New Zealand Limited	Michael Franks, *Nicola Neilson*
Kiwifruit Vine Protection Company Limited	Michael Franks, *Nicola Neilson*
Nutritious Delicious Food Company Limited	Michael Franks, *Nicola Neilson*
Seeka Fresh Limited	Michael Franks, *Nicola Neilson*
Seeka Kiwifruit Industries Limited	Michael Franks, *Nicola Neilson*
Thornton Orchard Limited	*Donald Murray, Sandra Murrell, Luke Stewart, Joseph Williams*
Verified Lab Services Limited	Michael Franks, *Nicola Neilson*

Australian incorporated companies

Little Haven Holdings Pty Limited	Michael Franks, *Nicola Neilson*
Seeka Australia Pty Limited	Michael Franks, *Nicola Neilson*
Seeka Pollen Australia Pty Limited (not trading)	Michael Franks, *Nicola Neilson*

Directors of Group subsidiary companies did not undertake any share dealings in those companies.

On 8 February 2023, Jonathan Van Popering (GM Seeka Australia) was appointed as a director of the Group's three Australian incorporated companies.

1. Ngutupiri General Partner Limited is a subsidiary of Seeka for the purposes of the Companies Act 1993 and therefore certain disclosures regarding Ngutupiri General Partner Limited are required to be included in this annual report. However, for the purposes of NZ IFRS, Ngutupiri General Partner Limited is considered an associate of Seeka and not a subsidiary of Seeka and is therefore included in Seeka's financial statements as an associate.

Subsidiary directors' interests register

Directors of Seeka subsidiaries have made general disclosures of interests in accordance with s140 (2) of the Companies Act 1993. The following new disclosures have been advised for the year ended 31 December 2022.

Nicola Neilson has no disclosable interest and as such has not made any general interest disclosures.

Kylie Burt, Norman Carter, Te Aroha Mani and Rongo Puha, as directors of Ngutupiri General Partner Limited, have made the following general disclosures.

Kylie Burt

Blackburn Orchard	Director
Apanui Orchards Joint Venture	Director

Norman Carter

CIP Tech Limited	Director/shareholder
Tuara Investments Limited	Director/shareholder
TKG Nursery Limited	Director
Kaiaio Irrigation Limited	Director
TKG Landowners GP Limited	Director/shareholder
TKG2 GP Limited	Director/shareholder
Whenua Fruits Limited	Shareholder
TKG Orchard Services Limited	Director/shareholder
Te Kaha 15B Ahuwhenua Trust	Chairman
Te Kaha Group LLP	Director
Karirangi Holiday Park - Whanarua Bay	Director
Te Whanau a Apanui Fruitgrowers Inc	Executive Member

Te Aroha Mani

Touch Media Limited	Director/shareholder
TKG Nursery Limited	Director
TKG Landowners General Partner Limited	Director/shareholder
Te Kaha 67 Limited	Director/shareholder
TKG2 GP Limited	Director/shareholder
TKG Orchard Services Limited	Shareholder

Rongo Puha

OTK Orchards Limited	Director/shareholder
Kaiaio Irrigation Limited	Director
TK2B2 and M1 Sec 27 Limited	Director/shareholder
TKG Nursery Limited	Director
Hinetangi Limited	Director/shareholder
TKG Landowners GP Limited	Director/shareholder
TKG2 GP Limited	Director/shareholder
Essential Connections Limited	Director/shareholder
Akuhata Orchard Limited	Director/shareholder
Essential Hire Limited	Director/shareholder
TKG Orchard Services Limited	Director/shareholder

Subsidiary company director remuneration

Seeka Limited officers Michael Franks, Nicola Neilson and Stuart McKinstry (until 29 April 2022) received no beneficial director's fees or other benefits except as employees.

The following table details the remuneration of Anthony Motion, who was an independent director for the Group's Australian subsidiary companies.

Director fees	AUD	NZD @ $1.09
Anthony Motion	$ 18,333	$ 20,046

Employee remuneration

In FY22, the Group employed 804 permanent and more than 5,700 seasonal employees.

The Group had 183 employees (December 2021 - 177), including 10 employees (December 2021 – 3) employed by subsidiaries, that are not directors whose annual cash remuneration and benefits (including motor vehicles and termination costs) exceed $100,000 in the financial year.

Remuneration	FY22	FY21
$100,000 - $109,999	36	47
$110,000 - $119,999	43	37
$120,000 - $129,999	28	27
$130,000 - $139,999	19	16
$140,000 - $149,999	10	6
$150,000 - $159,999	8	5
$160,000 - $169,999	5	5
$170,000 - $179,999	9	8
$180,000 - $189,999	6	5
$190,000 - $199,999	4	1
$200,000 - $209,999	3	5
$210,000 - $219,999	-	1
$220,000 - $229,999	3	2
$230,000 - $239,999	1	1
$240,000 - $249,999	1	2
$250,000 - $259,999	-	-
$260,000 - $269,000	1	-
$270,000 - $279,000	1	1
$280,000 - $289,000	-	1
$290,000 - $299,999	-	-
$300,000 - $309,999	1	1
$310,000 - $319,999	1	-
$320,000 - $329,999	1	-
$340,000 - $349,999	1	-
$350,000 - $359,999	-	1
$400,000 - $409,999	-	1
$450,000 - $459,999	-	1
$460,000 - $469,999	-	1
$480,000 - $489,999	-	1
$810,000 - $819,999	1	-
$1,190,000 - $1,199,999	-	1
Total	183	177

Remuneration includes key performance indicator payments. Remuneration by the Group's Australian subsidiary Seeka Australia in Australian dollars was converted to New Zealand dollars using the average exchange rate for the year. The impact of movements in exchange rates from FY21 to FY22 was reviewed and would not have significantly changed the employee remuneration disclosure.

Employee share scheme

As part of their employment benefits, eligible permanent employees are invited to participate in Seeka's employee share ownership scheme. The 2019 employee share ownership scheme had 568,000 shares allocated to permanent employees at $4.76 per share. These shares vested in April 2022.

Other disclosures

Indemnities and insurance

Clause 9.7 of the Constitution allows the Company to indemnify and insure directors to the extent permitted by the Companies Act 1993. The Company has provided insurance for all directors and officers, including directors of subsidiaries.

Summary of waivers granted by NZX

No waivers were granted, published or relied on by Seeka in the year ended 31 December 2022.

Donations

In the year ended 31 December 2022, the Group donated $320,834 to support New Zealand youth development, community, cultural and sports groups, and Pacific health initiatives.

Divided reinvestment plan

Under the company's dividend reinvestment plan, holders of ordinary shares may elect to reinvest the net proceeds of cash dividends payable or credited to acquire fully paid ordinary shares in the company.

Substantial product holders

As at 31 December 2022, the persons listed in the table below had disclosed a substantial product holding of Seeka shares.

	Date of Notice	Shares disclosed
Tomlinson Group Investments Limited	21 December 2020	2,899,930 [1]
Masfen Securities Limited	20 December 2022	2,138,100
Sumifru Singapore Pte Limited	15 September 2015	2,093,558
Seeka Limited ordinary listed shares at 31 December 2022		41,988,282

1. As at 31 December 2022, Seeka's share register records Tomlinson Group Investments Limited as the holder of 3,233,827 Seeka shares.

Securities statistics

As at 31 December 2022

Top 50 shareholders	Number of ordinary shares	Percent
Tomlinson Group Investments Limited	3,233,827	7.70
Masfen Securities Limited	2,138,100	5.09
Sumifru Singapore Pte Limited	2,093,558	4.99
Te Awanui Huka Pak Limited	1,714,410	4.08
Omega Kiwifruit Limited	1,145,895	2.73
Eastern Bay Orchards Limited	881,128	2.10
Sharesies Limited [1]	778,506	1.85
The Maori Trustee	711,299	1.69
David John Emslie & Deborah Jocelyn Emslie & Sharp & Cookson Trustee Limited	659,018	1.57
Peter Ratahi Cross & Helen Te Kani & Joshua Gear & Helen Ellis & James Lambert	585,630	1.39
Cole Family Trust Limited	555,160	1.32
Craigs Investment Partners [2]	541,208	1.29
Christopher William Flood & Mark Schlagel	477,130	1.14
Jarden Limited [3]	425,863	1.01
Seeka Share Trustee Limited [4]	420,335	1.00
Sheryl D Tebbutt [2]	385,658	0.92
Mizuho Trust- & Banking Co. Limited [5]	378,000	0.90
Patricia Colleen Law	310,240	0.74
Anne Louise Bayliss & Christopher James Mcfadden	293,280	0.70
Burts Orchards (1997) Limited	272,606	0.65
Craig Thompson	272,272	0.65
Lloyd James Christie	250,000	0.60
Grant Keith Oakley & Deborah Jane Oakley & BRG Trustees 2013 Limited	235,286	0.56
Development Enterprises Limited	218,771	0.52
Sally Gibbons Spencer	203,441	0.48
Jared Agri Limited	200,000	0.48
Michael Gilbert Franks	191,654	0.46
Strathboss Kiwifruit Limited	185,807	0.44
Judith Ann Fisher	183,059	0.44
Stewart Moss	178,251	0.42
Roger Daryl Clark & Colleen Beth Clark	160,473	0.38
Iconic Investments Limited	150,000	0.36
Matthew Ian Tremain	149,207	0.36
Mary Anne Barton	145,732	0.35
Malcolm John Cartwright & Helen Catherine Cartwright & Graeme Ingham Trustee Co Limited	144,683	0.34
Brian John Cotton Stapleton & Lois Eileen Cotton Stapleton	128,951	0.31
Jean Paul Henri Mathias Thull & Lyon Trustees 2014 Limited	124,741	0.30
William Douglas Thorpe	123,930	0.30
Robin Moss	117,847	0.28
Christopher Robert Malcolm & Helen Ann Malcolm	117,674	0.28
Bowyer Orchards Limited	116,906	0.28
P&M Anstis Trustee Limited	116,736	0.28
Bryan Francis Grafas	109,780	0.26
Delwyn Bell	108,783	0.26
I Hort Limited	108,222	0.26
David Raymond Ballard	107,835	0.26
John Connor	106,205	0.25
Murray Charles Salt & Heather Florrence Salt	103,770	0.25
Evan James Cavanagh	101,202	0.24
Robyn Adair Slater	100,589	0.24
Total	**22,562,658**	**53.75**

1. Shares held in the name of NZ Depository Nominee Limited.
2. Shares held in the name of Custodial Services Limited.
3. Shares held in the name of FNZ Custodians Limited.
4. Shares held as a bare trustee in multiple parcels for members of the grower loyalty share scheme (50,337) and employee share ownership scheme (369,998).
5. Shares held in the name of Citibank Nominees NZ Limited.

Shareholder analysis

	Investors	Percent of investors	Shares	Percent of shares
By shareholding size				
Up to 1,000 shares	686	23.57	351,136	0.84
1,001 to 5,000 shares	1,312	45.07	3,523,352	8.39
5,001 to 10,000 shares	439	15.08	3,245,753	7.73
10,001 to 50,000 shares	382	13.12	7,652,319	18.22
50,001 to 100,000	42	1.44	2,943,451	7.01
100,001 to 500,000	36	1.24	6,510,491	15.51
More than 500,000	14	0.48	17,761,780	42.30
Total	2,911	100.00	41,988,282	100.00
By residency				
New Zealand shareholders	2,852	97.97	39,506,359	94.09
Overseas shareholders	59	2.03	2,481,923	5.91
Total	2,911	100.00	41,988,282	100.00

Directory

Board of directors

Fred Hutchings - Chair

Martyn Brick (retiring at 2023 Annual Shareholder Meeting)

Hayden Cartwright (appointed 1 February 2023)

Peter Ratahi Cross

Robert Farron

Stewart Moss

Cecilia Tarrant

Ashley Waugh

Audit and risk committee

Robert Farron – Chair

Martyn Brick

Ashley Waugh

Sustainability committee

Cecilia Tarrant – Chair

Peter Ratahi Cross

Fred Hutchings

Remuneration committee

Fred Hutchings – Chair

Stewart Moss

Cecilia Tarrant

Company officers

Michael Franks
Chief Executive Officer

Nicola Neilson
Chief Financial Officer and Company Secretary

Senior management team

Michael Franks
Chief Executive

Nicola Neilson
Chief Financial Officer

Kate Bryant
GM Supply and SeekaFresh

Paul Crone
GM Post Harvest

Kevin Halliday
Chief Operating Officer

Barry Penellum
GM Orchards

Jonathan van Popering
GM Australian Operations

Jim Smith
GM Grower Services and Marketing

Registered office

Seeka Limited

34 Young Road, RD9, Paengaroa 3189

PO Box 47, Te Puke 3153

Seeka.co.nz

Auditor

PricewaterhouseCoopers

Auckland

www.pwc.co.nz

Bankers[1]

Westpac New Zealand Limited

Auckland

www.westpac.co.nz

Westpac Banking Corporation

Melbourne

www.westpac.com.au

ASB Bank Limited

Auckland

www.asb.co.nz

Bank of New Zealand

Auckland

www.bnz.co.nz

Coöperatieve Rabobank U.A. (Rabobank)

Wellington

www.rabobank.co.nz

1. All banks are lenders under a syndicated facilities agreement with Westpac New Zealand as the agent.

Share register

Link Market Services Limited

Auckland

www.linkmarketservices.co.nz

NZX

www.nzx.com

Legal advisors

Harmos Horton Lusk Limited

Auckland

www.hhl.co.nz

MacKenzie Elvin

Tauranga

mackenzie-elvin.com

Seeka

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