

INTERIM REPORT 2021



T&G
A BayWa
Company





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CHAIRMAN AND CEO REVIEW

In the first half of 2021, we have seen a continuation of the industry-wide challenges we saw last year, and this has had an impact on our financial results for the six months to 30 June 2021.

Like many companies around the world, we continue to find ourselves in a period of uncertainty and volatility, and COVID-19 continues to impact our business. In responding to this, we've stayed absolutely focused on what we can control and our long-term strategic growth plans, and we'd like to thank our people and our growers for everything they've done.

We are incredibly proud of our T&G whānau. While it's been a difficult start to the year, they've supported each other, brought our purpose to life, delivered on our strategy, solved challenges as they've come up, and kept fruit and vegetables flowing to our consumers and customers in more than 60 countries.

Globally, there's unabated demand for high-quality fresh produce and we're seeing very strong growth potential for our premium brands. Accordingly, while we continue to operate in a challenging COVID-19 environment, we are very optimistic about the future and our ability to harness the opportunities ahead.

PERFORMANCE

For the first six months of 2021, total revenue for the Group decreased by 2.9% (\$19.3 million) to \$652.1 million, compared to the same period last year, and operating profit decreased to \$10.9 million from \$19.5 million. Profit before income tax decreased 63% to \$5.1 million, down from \$13.7 million.

Industry-wide challenges across several parts of our business - particularly in our Apples business, contributed to the lower first-half result. The Apples business reported decreased revenue for the period of \$425.0 million, down \$15.5 million from the corresponding 2020 period.

International supply chain challenges, including disrupted shipping schedules and a shortage of containers, had more of an impact in the first half of 2021 than we experienced proportionately last year. This affected our ability to get fresh produce to market on-time. Our team worked hard to address this, sourcing several charter ships and partnering with other businesses and industries to help meet global customer demand for our produce. While this enabled us to smooth the transition from northern hemisphere to southern hemisphere supply, these supply chain issues contributed to our financial performance.

Adverse weather conditions at the start of the season in Nelson impacted a significant portion of our apples, and that of our growers. In addition, the apples ripened early, creating a race to get the fruit off trees with a shortage of skilled workers ready to work in the regions.

To overcome the shortage, our team worked hard to hire more than 950 New Zealanders throughout the season to work alongside a reduced number of Recognised Seasonal Employer (RSE) team members. We also invested heavily in automation, welcoming eight new state-of-the-art automated picking platforms to increase productivity on our Hawke's Bay orchards, while also assisting in reducing injuries. Despite these efforts, at the peak of the season we were still short around 300 people per day, which meant we had to leave some apples unpicked, including some destined for export.

Just over a year has passed since the creation of our New Zealand domestic business, T&G Fresh, following our acquisition of Freshmax New Zealand Limited. The business has also experienced challenges in the first six months of the year, with tough trading conditions across the entire primary industry sector further exacerbated by labour constraints. COVID-related issues and weather also played its part, with early stone fruit adversely affected by hail and complexities with the importing of bananas. Our own-grown tomatoes were also impacted, resulting in significant price decreases due to an oversupply in the market.



T&G Global Chairman Benedikt Mangold (left) and Chief Executive Officer Gareth Edgecombe (right)

We continue to look at ways to improve operating efficiencies and business performance by embedding best practice systems across T&G. Furthermore, we continue to divest non-essential assets, with the recent sale of our 490 Nayland Road property in Nelson, which will settle in November (following last year's sale-and-leaseback of 484 Nayland Road). By freeing up cashflow it allows us to reinvest in new growth activities, including exploring new genetics opportunities globally, investing in our Apples business and continuing to invest in higher-returning physical assets and technology.

LOOKING AHEAD

We're well progressed on our pathway to transition to a high-tech, automated growing and post-harvest model, as well as building capabilities amongst our local workforce, however this is a process which will take years to transition to.

In the six months ahead, we'll further progress our ambitious growth strategy by harnessing the best genetics, building premium brands and in-market capabilities, and delivering strong sales momentum. To do this, we'll continue to optimise our supply chain.

The long-term growth of our premium Apples category, including our Envy™ brand, is a critical priority. To support Envy's™ ability to meet future worldwide demand, the Board recently approved significant capital investment which will be used to further redevelop orchards, invest in new on-orchard technology, as well as in new state-of-the-art post-harvest systems.

Our underlying financial strength and our team's resilience, expertise and ability to rapidly adapt to the changing operating environment, means we're well positioned to not only meet the current challenges head-on but maximise our future global growth.

BENEDIKT MANGOLD
CHAIRMAN

GARETH EDGECOMBE
CHIEF EXECUTIVE OFFICER



INCOME STATEMENT

For the six months ended 30 June 2021

	NOTES	Unaudited 6 months to 30 Jun 2021 \$'000	Unaudited 6 months to 30 Jun 2020 \$'000	Audited 12 months to 31 Dec 2020 \$'000
Revenue	3	652,063	671,313	1,412,590
Other operating income		3,963	6,077	10,019
Purchases, raw materials and consumables used		(479,069)	(505,372)	(1,086,876)
Employee benefits expenses		(93,400)	(88,789)	(177,458)
Depreciation and amortisation expenses		(25,655)	(21,279)	(45,879)
Other operating expenses		(46,998)	(42,446)	(80,020)
Operating profit		10,904	19,504	32,376
Financing income		699	741	1,334
Financing expenses		(7,491)	(7,503)	(14,108)
Share of profit from joint ventures and associates	7	962	1,002	2,422
Profit before income tax		5,074	13,744	22,024
Income tax expense	4	(1,658)	(4,243)	(5,434)
Profit after income tax		3,416	9,501	16,590
Attributable to:				
Equity holders of the Parent		716	6,613	11,056
Non-controlling interests		2,700	2,888	5,534
Profit for the period		3,416	9,501	16,590
Earnings per share (in cents)				
Basic and diluted earnings		0.6	5.4	9.0

The accompanying notes form an integral part of these interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Unaudited 6 months to 30 Jun 2021 \$'000	Unaudited 6 months to 30 Jun 2020 \$'000	Audited 12 months to 31 Dec 2020 \$'000
Profit for the period	3,416	9,501	16,590
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment:			
Held by subsidiaries of the Group	-	-	38,582
Deferred tax effect on revaluation of property, plant and equipment	-	-	(2,976)
Deferred tax effect on sale of property, plant and equipment	-	-	(61)
	-	-	35,545
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	1,708	1,877	(3,861)
Cash flow hedges:			
Fair value (loss) / gain, net of tax	(7,350)	(4,420)	14,420
Reclassification of net change in fair value to profit or loss	876	(102)	(4,178)
	(4,766)	(2,645)	6,381
Other comprehensive (loss) / income for the period	(4,766)	(2,645)	41,926
Total comprehensive (loss) / income for the period	(1,350)	6,856	58,516
Total comprehensive (loss) / income for the period is attributable to:			
Equity holders of the Parent	(4,497)	4,014	53,563
Non-controlling interests	3,147	2,842	4,953
	(1,350)	6,856	58,516

The accompanying notes form an integral part of these interim financial statements.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021


		Unaudited					
	NOTES	Share capital \$'000	Revaluation and other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
2021							
Balance at 1 January 2021		176,357	113,289	216,961	506,607	13,147	519,754
Profit for the period		-	-	716	716	2,700	3,416
Other comprehensive income / (loss)							
Exchange differences on translation of foreign operations		-	1,257	-	1,257	451	1,708
Movement in cash flow hedge reserve		-	(6,470)	-	(6,470)	(4)	(6,474)
Total other comprehensive loss		-	(5,213)	-	(5,213)	447	(4,766)
Transactions with owners							
Dividends	6	-	-	-	-	(3,483)	(3,483)
Total transactions with owners		-	-	-	-	(3,483)	(3,483)
Balance at 30 June 2021		176,357	108,076	217,677	502,110	12,811	514,921
2020							
Balance at 1 January 2020		176,357	111,623	172,726	460,706	13,697	474,403
Profit for the period		-	-	6,613	6,613	2,888	9,501
Other comprehensive income / (loss)							
Exchange differences on translation of foreign operations		-	1,911	-	1,911	(34)	1,877
Movement in cash flow hedge reserve		-	(4,510)	-	(4,510)	(12)	(4,522)
Total other comprehensive income / (loss)		-	(2,599)	-	(2,599)	(46)	(2,645)
Transactions with owners							
Dividends	6	-	-	-	-	(1,059)	(1,059)
Acquisition of non-controlling interest in subsidiary		-	-	(309)	(309)	(62)	(371)
Total transactions with owners		-	-	(309)	(309)	(1,121)	(1,430)
Balance at 30 June 2020		176,357	109,024	179,030	464,411	15,418	479,829

The accompanying notes form an integral part of these interim financial statements.

BALANCE SHEET

As at 30 June 2021

	NOTES	Unaudited 30 Jun 2021 \$'000	Unaudited 30 Jun 2020 \$'000	Audited 31 Dec 2020 \$'000
Current assets				
Cash and cash equivalents		84,983	66,386	44,664
Trade and other receivables		194,654	224,862	184,948
Inventories		190,802	175,102	39,666
Taxation receivable		15,511	11,653	9,942
Derivative financial instruments		12,255	2,444	14,832
Biological assets		6,272	10,717	23,449
Non-current assets classified as held for sale		15,500	-	-
Total current assets		519,977	491,164	317,500
Non-current assets				
Trade and other receivables		21,481	21,364	17,087
Derivative financial instruments		2,334	3,484	6,561
Deferred tax assets		1,327	2,800	1,166
Investments in unlisted entities		87	93	87
Property, plant and equipment	5	392,661	396,227	392,700
Right-of-use assets		116,989	94,313	119,198
Investment property		-	15,000	13,500
Intangible assets		77,546	74,780	77,842
Investments in joint ventures and associates	7	36,093	36,496	35,100
Total non-current assets		648,518	644,557	663,242
Total assets		1,168,495	1,135,721	980,742
Current liabilities				
Trade and other payables		276,511	275,997	179,098
Borrowings		92,700	106,240	24,729
Lease liabilities		21,665	19,652	21,282
Taxation payable		3,725	2,153	1,861
Derivative financial instruments		2,016	4,049	1,547
Total current liabilities		396,617	408,091	228,517
Non-current liabilities				
Trade and other payables		179	179	1,320
Borrowings		104,584	120,529	76,400
Lease liabilities		100,501	77,340	102,457
Derivative financial instruments		5,677	7,686	5,623
Deferred tax liabilities	4	46,016	42,067	46,671
Total non-current liabilities		256,957	247,801	232,471
Total liabilities		653,574	655,892	460,988
Equity				
Share capital		176,357	176,357	176,357
Revaluation and other reserves		108,076	109,024	113,289
Retained earnings		217,677	179,030	216,961
Total equity attributable to equity holders of the Parent		502,110	464,411	506,607
Non-controlling interests		12,811	15,418	13,147
Total equity		514,921	479,829	519,754
Total liabilities and equity		1,168,495	1,135,721	980,742



B.J. Mangold
Director (Chairman)
5 August 2021



C.A. Campbell
Director (Chair of Finance, Risk and Investment Committee)
5 August 2021

The accompanying notes form an integral part of these interim financial statements.

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	NOTES	Unaudited 6 months to 30 Jun 2021 \$'000	Unaudited 6 months to 30 Jun 2020 \$'000	Audited 12 months to 31 Dec 2020 \$'000
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		648,361	644,582	1,442,418
Other		367	173	71
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(607,823)	(632,631)	(1,374,939)
Interest paid		(2,387)	(4,778)	(10,997)
Income taxes paid		(1,792)	(62)	(272)
Net cash inflow from operating activities		36,726	7,284	56,281
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Loan repayments from suppliers, customers, associates and joint ventures		247	2,339	2,808
Sale of other property, plant and equipment		2,674	213	605
Dividends received from joint ventures and associates		-	-	2,430
Cash acquired with business		-	-	605
Sale of 484 Nayland Road site		-	-	50,514
<i>Cash was disbursed to:</i>				
Purchase of property, plant and equipment	5	(15,793)	(13,675)	(41,193)
Purchase of intangible assets		(1,067)	(2,105)	(5,584)
Loans to suppliers, customers, associates and joint ventures		(1,985)	-	(449)
Purchase of Freshmax NZ Limited		-	(27,904)	(27,904)
Purchase of non-controlling interest's share in subsidiary		-	(371)	(371)
Net cash outflow from investing activities		(15,924)	(41,503)	(18,539)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Net proceeds from short-term borrowings		-	25,800	22,600
Proceeds from long-term borrowings		39,352	47,654	48,953
Proceeds from seasonal funding		73,000	75,000	-
<i>Cash was disbursed to:</i>				
Dividends paid to non-controlling interests	6	(3,483)	(1,059)	(5,441)
Dividends paid to Parent's shareholders		-	-	(7,353)
Net repayment of short-term borrowings		(3,000)	-	-
Repayment of long-term borrowings		(13,398)	(13,311)	(56,512)
Repayment of lease liabilities		(15,213)	(10,974)	(21,658)
Repayment of related party loan		-	-	(5,270)
Seasonal advances to growers		(52,874)	(58,350)	-
Bank facility fees and transaction fees		(1,321)	(1,776)	(3,311)
Net cash inflow / (outflow) from financing activities		23,063	62,984	(27,992)
Net increase in cash and cash equivalents		43,865	28,765	9,750
Foreign currency translation adjustment		(3,546)	1,413	(1,294)
Cash and cash equivalents at the beginning of the year		44,664	36,208	36,208
Cash and cash equivalents at the end of the period		84,983	66,386	44,664

The accompanying notes form an integral part of these interim financial statements.

STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2021

RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Unaudited 6 months to 30 Jun 2021 \$'000	Unaudited 6 months to 30 Jun 2020 \$'000	Audited 12 months to 31 Dec 2020 \$'000
Profit for the period	3,416	9,501	16,590
Adjusted for non-cash items:			
Amortisation expense	1,663	834	2,672
Depreciation expense	23,992	20,445	43,207
Movement in deferred tax	(2,147)	(1,411)	882
Movement in provision for receivables impairment	(79)	15	1,837
Share of profit of joint ventures and associates	(962)	(1,002)	(2,422)
Other movements	1,101	461	(1,422)
	23,568	19,342	44,754
Adjusted for investing and financing activities:			
Bank facility and line fees	1,321	1,776	3,311
Loss on sale of other property, plant and equipment	4,860	488	2,838
Net gain from reversal of previous property, plant and equipment revaluation changes through profit and loss	-	-	(13)
Fair value adjustment of investment property	(2,000)	-	1,500
Impairment of loans to associates	-	-	921
	4,181	2,264	8,557
Impact of changes in working capital items net of effects of non-cash items, and investing and financing activities:			
(Increase) / decrease in debtors and prepayments	(16,499)	(36,091)	6,278
Decrease / (increase) in biological assets	13,981	11,916	(816)
Increase / (decrease) in creditors and provisions	159,724	147,455	(9,468)
Increase in inventories	(147,940)	(146,786)	(11,350)
(Increase) / decrease in net taxation receivable	(3,705)	(317)	1,736
	5,561	(23,823)	(13,620)
Net cash inflow from operating activities	36,726	7,284	56,281

The accompanying notes form an integral part of these interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Reporting entity and statutory base

T&G Global Limited (the Parent) and its subsidiary companies (the Group), are recognised as one of New Zealand's leading growers, distributors, marketers and exporters of premium fresh produce in over 60 countries around the world. Key categories for the Group include apples, grapes, berries, citrus (lemons, mandarins and navel oranges) and tomatoes.

These unaudited condensed interim financial statements are for the Group which comprises the Parent and its subsidiaries, joint ventures and associates, as at 30 June 2021.

The Parent is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Market Conducts Act 2013, and the Financial Reporting Act 2013.

The Parent is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange. The address of its registered office is 1 Clemow Drive, Mount Wellington, Auckland.

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. The unaudited condensed interim financial statements should be read in conjunction with the annual report for the year ended 31 December 2020 (2020 Annual Report), which has been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other applicable New Zealand Financial Reporting Standards as appropriate for profit-oriented entities, and International Financial Reporting Standards (IFRS). The accounting policies used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the 2020 Annual Report.

These unaudited condensed interim financial statements are expressed in New Zealand dollars which is the Group's presentation currency. All financial information has been rounded to the nearest thousand (\$'000) unless otherwise stated.

Critical accounting estimates and judgments

The Group makes estimates and judgments concerning the future. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and judgments used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the 2020 Annual Report.

Combined information

In the current period, the share of profits from equity accounted investments (joint ventures and associates) have been combined and presented as a single line item in the Income Statement. The prior period numbers have also been combined. Previously, the share of profits from joint ventures and associates were presented as separate line items.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Chief Executive Officer, the Chief Financial Officer and the Business Leads of the Group.

The chief operating decision-makers assess the performance of the operating segments based on operating profit, which reflects earnings before financing income and expenses, share of profit from joint ventures and associates, other income, other expenses and income tax expense. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

No single external customer's revenue accounts for 10% or more of the Group's revenue.

Operating segments

The Group comprises the following main operating segments:

OPERATING SEGMENT	SIGNIFICANT OPERATIONS
Apples	Growing, packing, cool storing, sales and marketing of apples worldwide.
International Trading	International trading activities other than apples. Major markets are Asia, Australia and the Pacific. Product is sourced from New Zealand, Australia, North America, South America and Europe.
T&G Fresh	Growing, trading and transport activities within New Zealand. This incorporates the New Zealand wholesale markets, and the tomato and citrus growing operations.
Other	Includes property and corporate costs.

Segment information provided to the chief operating decision-makers for the reportable segments is shown in the following tables.

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2021					
Total segment revenue	424,951	76,336	168,686	112	670,085
Inter-segment revenue	-	(12,252)	(5,770)	-	(18,022)
Revenue from external customers	424,951	64,084	162,916	112	652,063
Purchases, raw materials and consumables used	(323,460)	(58,671)	(96,934)	(4)	(479,069)
Depreciation and amortisation expenses	(11,887)	(331)	(12,184)	(1,253)	(25,655)
Net other operating (expenses) / income	(65,130)	(10,799)	(50,042)	(10,464)	(136,435)
Segment operating profit / (loss)	24,474	(5,717)	3,756	(11,609)	10,904
Financing income					699
Financing expenses					(7,491)
Share of profit from joint ventures and associates					962
Profit before income tax					5,074

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SEGMENT INFORMATION (CONTINUED)

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2020					
Total segment revenue	440,500	85,747	160,109	122	686,478
Inter-segment revenue	-	(8,826)	(6,339)	-	(15,165)
Revenue from external customers	440,500	76,921	153,770	122	671,313
Purchases, raw materials and consumables used	(343,601)	(68,916)	(93,852)	997	(505,372)
Depreciation and amortisation expenses	(9,833)	(393)	(9,849)	(1,204)	(21,279)
Net other operating expenses	(56,246)	(5,688)	(42,606)	(20,618)	(125,158)
Segment operating profit / (loss)	30,820	1,924	7,463	(20,703)	19,504
Financing income					741
Financing expenses					(7,503)
Share of profit from joint ventures and associates					1,002
Profit before income tax					13,744
Audited year ended 31 December 2020					
Total segment revenue	947,338	199,392	370,546	930	1,518,206
Inter-segment revenue	(72,111)	(20,676)	(12,829)	-	(105,616)
Revenue from external customers	875,227	178,716	357,717	930	1,412,590
Purchases, raw materials and consumables used	(695,568)	(168,679)	(222,564)	(65)	(1,086,876)
Depreciation and amortisation expenses	(20,170)	(776)	(22,433)	(2,500)	(45,879)
Net other operating expenses	(107,382)	(6,935)	(94,316)	(38,826)	(247,459)
Segment operating profit / (loss)	52,107	2,326	18,404	(40,461)	32,376
Financing income					1,334
Financing expenses					(14,108)
Share of profit from joint ventures and associates					2,422
Profit before income tax					22,024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	Other \$'000	Total \$'000
Unaudited six months ended 30 June 2021					
Nature of revenue					
Sale of produce	389,051	59,128	123,192	-	571,371
Sale of licences	2,741	-	-	-	2,741
Commissions	12,689	4,956	12,024	-	29,669
Services	15,711	-	27,700	112	43,523
Royalties	4,759	-	-	-	4,759
Revenue from external customers	424,951	64,084	162,916	112	652,063
Timing of revenue recognition					
<i>At a point in time</i>					
Sale of produce	389,051	59,128	123,192	-	571,371
Sale of licences	2,741	-	-	-	2,741
Commissions	12,689	4,956	12,024	-	29,669
Services	11,770	-	27,690	112	39,572
Royalties	4,759	-	-	-	4,759
	421,010	64,084	162,906	112	648,112
<i>Over time</i>					
Services	3,941	-	10	-	3,951
	3,941	-	10	-	3,951
Revenue from external customers	424,951	64,084	162,916	112	652,063
Unaudited six months ended 30 June 2020					
Nature of revenue					
Sale of produce	404,250	75,419	121,746	-	601,415
Commissions	11,908	838	10,480	-	23,226
Services	19,932	664	21,544	122	42,262
Royalties	4,410	-	-	-	4,410
Revenue from external customers	440,500	76,921	153,770	122	671,313
Timing of revenue recognition					
<i>At a point in time</i>					
Sale of produce	404,250	75,419	121,746	-	601,415
Commissions	11,908	838	10,480	-	23,226
Services	13,870	664	21,531	122	36,187
Royalties	4,410	-	-	-	4,410
	434,438	76,921	153,757	122	665,238
<i>Over time</i>					
Services	6,062	-	13	-	6,075
	6,062	-	13	-	6,075
Revenue from external customers	440,500	76,921	153,770	122	671,313

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE (CONTINUED)

	Apples \$'000	International Trading \$'000	T&G Fresh \$'000	Other \$'000	Total \$'000
Audited year ended 31 December 2020					
Nature of revenue					
Sale of produce	813,072	173,136	287,198	-	1,273,406
Commissions	20,915	2,465	21,294	-	44,674
Services	32,840	3,115	49,225	930	86,110
Royalties	8,400	-	-	-	8,400
Revenue from external customers	875,227	178,716	357,717	930	1,412,590
Timing of revenue recognition					
<i>At a point in time</i>					
Sale of produce	813,072	173,136	287,198	-	1,273,406
Commissions	20,915	2,465	21,294	-	44,674
Services	23,335	3,115	49,210	930	76,590
Royalties	8,400	-	-	-	8,400
	865,722	178,716	357,702	930	1,403,070
<i>Over time</i>					
Services	9,505	-	15	-	9,520
	9,505	-	15	-	9,520
Revenue from external customers	875,227	178,716	357,717	930	1,412,590

4. TAXATION

Current tax

Current tax expense for the interim periods presented is the expected tax payable on the taxable income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income of the interim period and adjusted for any permanent and timing differences.

Deferred tax

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of the assets and liabilities, using the estimated average annual effective income tax rate for the interim periods presented.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 6 months to 30 Jun 2021 \$'000	Unaudited 6 months to 30 Jun 2020 \$'000	Audited 12 months to 31 Dec 2020 \$'000
Asset acquisitions and disposals			
Cost of assets acquired	15,793	13,675	41,193
Net book value of assets disposed	5,159	701	54,622
Net loss on assets disposed	(4,860)	(488)	(2,838)

6. DIVIDENDS

	Unaudited 6 months to 30 Jun 2021 \$'000	Unaudited 6 months to 30 Jun 2020 \$'000	Audited 12 months to 31 Dec 2020 \$'000	Unaudited 6 months to 30 Jun 2021 Cents per share	Unaudited 6 months to 30 Jun 2020 Cents per share	Audited 12 months to 31 Dec 2020 Cents per share
Interim dividend	-	-	7,353	-	-	6
Dividends to non-controlling interests in Group subsidiaries	3,483	1,059	5,441	-	-	-
Total	3,483	1,059	12,794			

7. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Set out in the table below are the joint ventures and associates of the Group as at 30 June 2021. The joint ventures and associates have share capital consisting solely of ordinary shares which are held directly by the Group.

The Group's investments in joint ventures and associates in 2021 and 2020 are:

NAME OF ENTITY	PLACE OF BUSINESS AND COUNTRY OF INCORPORATION	OWNERSHIP INTEREST (%)		
		30 Jun 2021	30 Jun 2020	31 Dec 2020
Joint ventures				
Growers Direct Limited	United Kingdom	50	50	50
Wawata General Partner Limited	New Zealand	50	50	50
Associates				
Allen Blair Properties Limited	New Zealand	33	33	33
Grandview Brokerage LLC	United States of America	39	39	39
Intelligent Fruit Vision Limited	United Kingdom	24	24	24
Mystery Creek Asparagus Limited ⁽¹⁾	New Zealand	-	15	-
The Fruit Firm Limited	United Kingdom	20	20	20

⁽¹⁾ Mystery Creek Asparagus Limited was wound down in November 2020.

Contributions from joint ventures and associates

During the period ended 30 June 2021, contributions from joint ventures and associates include \$1.0 million from Grandview Brokerage LLC (30 June 2020: \$0.7 million; 31 December 2020: \$2.7 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS

Financial instruments by category

Financial assets

	Measured at amortised cost \$'000	Fair value through profit or loss (mandatory) \$'000	Derivatives for hedging through OCI \$'000	Equity instruments designated at fair value through OCI \$'000	Total \$'000
As at 30 June 2021 (unaudited)					
Cash and cash equivalents	84,983	-	-	-	84,983
Trade and other receivables (excluding prepayments and taxes)	196,525	-	-	-	196,525
Investment in unlisted entities	-	-	-	87	87
Derivative financial instruments	-	513	14,076	-	14,589
Total	281,508	513	14,076	87	296,184
As at 30 June 2020 (unaudited)					
Cash and cash equivalents	66,386	-	-	-	66,386
Trade and other receivables (excluding prepayments and taxes)	227,340	-	-	-	227,340
Investment in unlisted entities	-	-	-	93	93
Derivative financial instruments	-	719	5,209	-	5,928
Total	293,726	719	5,209	93	299,747
As at 31 December 2020 (audited)					
Cash and cash equivalents	44,664	-	-	-	44,664
Trade and other receivables (excluding prepayments and taxes)	175,195	-	-	-	175,195
Investment in unlisted entities	-	-	-	87	87
Derivative financial instruments	-	1,388	20,005	-	21,393
Total	219,859	1,388	20,005	87	241,339

Financial liabilities

	Measured at amortised cost \$'000	Fair value through profit or loss (held for trading) \$'000	Derivatives for hedging through OCI \$'000	Total \$'000
As at 30 June 2021 (unaudited)				
Borrowings	197,284	-	-	197,284
Trade and other payables (excluding employee entitlements and taxes)	263,960	-	-	263,960
Lease liabilities	145,470	-	-	145,470
Derivative financial instruments	-	143	7,550	7,693
Total	606,714	143	7,550	614,407
As at 30 June 2020 (unaudited)				
Borrowings	226,769	-	-	226,769
Trade and other payables (excluding employee entitlements and taxes)	261,384	-	-	261,384
Lease liabilities	96,992	-	-	96,992
Derivative financial instruments	-	52	11,683	11,735
Total	585,145	52	11,683	596,880
As at 31 December 2020 (audited)				
Borrowings	101,129	-	-	101,129
Trade and other payables (excluding employee entitlements and taxes)	165,467	-	-	165,467
Lease liabilities	123,739	-	-	123,739
Derivative financial instruments	-	130	7,040	7,170
Total	390,335	130	7,040	397,505

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

All financial assets and liabilities that use methods and assumptions to estimate fair value at 30 June 2021 are considered to be level 2 in the fair value hierarchy (30 June 2020: level 2; 31 December 2020: level 2).

Valuation techniques used to value financial instruments are consistent with those used in the 2020 Annual Report.

For the six months ended 30 June 2021 and for the financial year ended 31 December 2020, the estimated fair values of all of the Group's other financial assets and liabilities approximate their carrying values.

9. CONTINGENCIES

There has been no material change in contingent liabilities during the period.

10. CAPITAL COMMITMENTS

As at 30 June 2021, the Group is committed to the following capital expenditure:

	Unaudited 30 Jun 2021 \$'000	Unaudited 30 Jun 2020 \$'000	Audited 31 Dec 2020 \$'000
Property, plant and equipment	4,552	3,287	12,085
Intangible assets	171	80	445
Total	4,723	3,367	12,530

11. SEASONALITY OF BUSINESS

The Group's operating segments are subject to seasonal fluctuations. The Apples operating segment generates most of its revenue during the middle of the year and completes its seasonal programmes before the final quarter of the year. The Group's other operating segments are also impacted by the availability of fresh produce which varies during the year.

12. EVENTS AFTER THE REPORTING PERIOD

During the six months ended 30 June 2021, the Board resolved to pay a fully imputed final dividend to the shareholders of 6.0 cents per share in respect of the 2020 financial year. The dividend was fully paid on 8 July 2021.

There are no other material events that occurred after the reporting date that would require adjustment or disclosure in these unaudited condensed interim financial statements.



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