



New Zealand dollars in thousands	2010	2009
Normalised EBITDA	\$3,630	\$4,158
Depreciation and amortisation	\$1,116	\$1,121
Normalised EBIT	\$2,514	\$3,037
Biological assets movements and revaluations		
Onshore associate orchards	-	(\$244)
Onshore joint ventures	\$621	(\$11)
New Gold biological asset movement	-	(\$1,005)
New Gold write down	-	(\$5,277)
Foreign exchange gain or loss	\$17	(\$924)
EBIT	\$3,152	(\$4,424)
Interest	\$385	\$550
Tax	\$749	\$325
Impact of change in depreciation rules to buildings	\$491	-
Net profit	\$1,527	(\$5,299)
Financial ratios		
Total assets (in thousands)	\$20,595	\$19,231
Total shareholder funds (in thousands)	\$12,738	\$11,483
Normalised ratios		
Shareholder equity ratio	62%	60%
Dividend paid (in thousands)	\$447	\$894
Dividend per share	\$0.10	\$0.20
Normalised EBIT per share	\$0.56	\$0.68
Normalised EBITDA per share	\$0.81	\$0.93

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Chairman's Report

On behalf of the board, I am pleased to present the annual report for the year ended 31 December 2010. The company has delivered a strong operational performance for the year under the capable leadership of Craig Thompson and the OPAC team. Gross operating profit of \$3.825m was only marginally down on the prior year's \$4.042m despite a significant fall in post harvest volumes due to reduced yields in the region and the cessation of the Riverlock arrangement.

Initiatives to simplify and streamline business systems have seen a significant reduction in general and administrative costs and contributed to a profit before tax of \$2.767m. This compares to a pre-tax loss of \$4.974m for the previous year, which when adjusted for abnormal items related to write down of the New Gold investment (impairment and FX), delivered a comparable result of \$1.227m.

Strong company earnings contributed to a significant increase in cash flows from operating activities of \$3.088m compared to \$2.024m in the prior year. This is indeed a solid performance and places the group in an extremely strong position to consider both distributions to shareholders as well as reinvestment in growth opportunities for the business.

The directors are required on an annual basis to review the valuation of biological assets related to our orchard investments through our associates. Strong returns for the Gold variety over a sustainable period, particularly related to our Te Kaha investment TKG required that directors revalue these assets using discounted cashflow methodology consistent with prior periods. In doing so, the directors considered the implication of the current Psa outbreak affecting the industry and the increased uncertainty this creates around underlying orchard values. A discount rate was therefore applied at a higher rate than historical practice.

The 2010 result therefore includes \$0.621m arising from an increase in the biological asset value of our orchard associates, and the underlying improvement in operational performance of the orchards is also significant.

Whilst at the time of this report, there are no reported instances of Psa in the Opotiki or Te Kaha growing areas, the level of concern and uncertainty in the industry remains high and will cause the directors and management to remain both vigilant and cautious with respect to capital adequacy and investment.

Changes to tax regulations affecting the deductibility of depreciation on buildings have required the company to make a one-off adjustment in the current year. This is not a cash item and shareholders should refer to the statement of comprehensive income for the impact on profit.

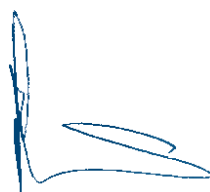
During the year, management have worked extremely hard to deliver an exceptional inventory management performance on behalf of supplying growers, resulting in orchard gate returns, substantially higher than industry average. This is a critical aspect for customer loyalty and support and serves to strengthen the company for future planning. While aspects of this performance adversely impacted OPAC's financial performance, this has been a valuable learning curve for our business processes and systems and gives us confidence that our performance can be lifted further in future years.

Last year the decision was taken to cancel the final 2009 dividend due to significant uncertainty about our investment in Italy. Subsequently we have exited Italy without further cost and therefore the directors have approved the reinstatement of last year's final dividend of \$0.10 per share, in addition to a final dividend for the 2010 year of \$0.10 per share. Both dividends will have a record date of 15 April 2011 and be paid on 21 April 2011. This is additional to the \$0.10 per share paid in December 2010.

The company remains in a sound financial position with strong growth in retained earnings from current financial performance. Current volumes and plant condition do not require substantial capital expenditure for the 2011 harvest, although there will be some new investment required to install equipment that sanitises bins and prevents cross infection of Psa.

This has been a challenging year for management with restructuring and final exit from New Gold on satisfactory terms. Whilst this exit ended a long and enjoyable business partnership with the Salvi family, the relationship and linkages remain. I am pleased to record that Craig and the team have stepped up to these challenges with determination and strength of character. The team at OPAC is in good heart and we thank them for their ongoing commitment.

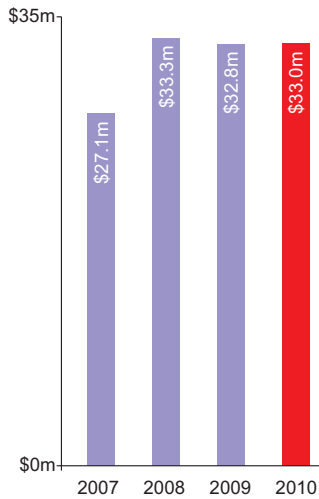
Finally, thanks to our shareholders and suppliers for your continued support.



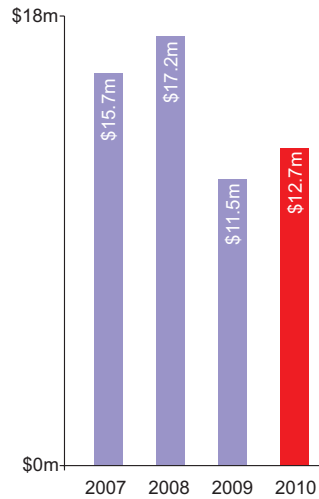
AE (Tony) de Farias
Chairman

Financial Indicators

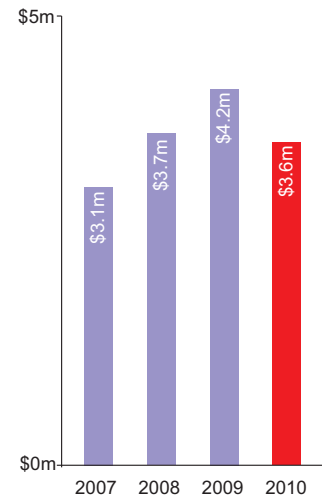
Revenue



Net Assets

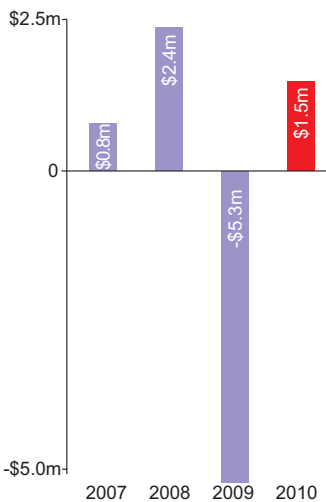


Normalised EBITDA

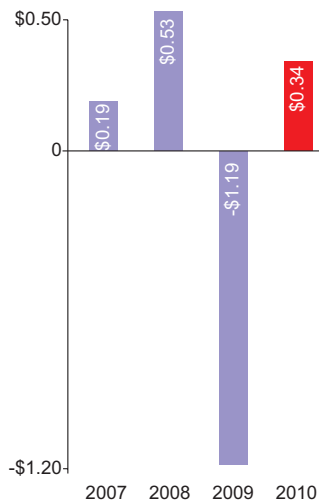


Returns

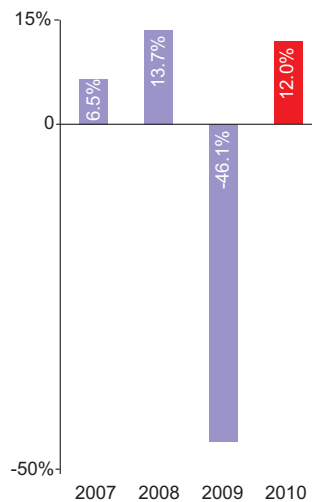
NPAT



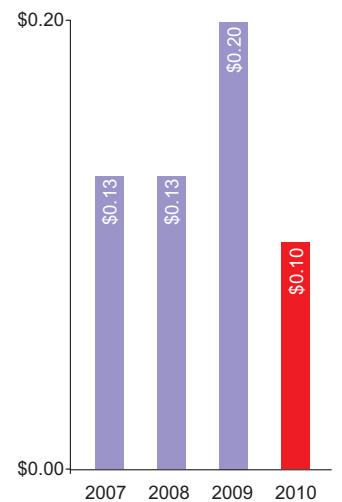
Earnings per Share NPAT



Return on Net Assets



Dividends Paid in the Year



Managing Director's Report

INTRODUCTION

Management are pleased to be able to summarise an excellent operational performance for the company. This underpinned an improved financial result which benefited from a more conservative approach to capital expenditure and a much improved cashflow.

A reduction in variable labour costs combined with higher productivity along all points of the orchard to ship-side value chain, plus a successful – but difficult – restructure of the OPAC team, delivered sound improvements that can be built on.

Total operating revenue of \$33.014m was 0.8% higher than 2009's \$32.760m. This result was achieved on a 10.1% drop on post harvest volumes, signalling an improved post harvest financial performance that came from a strong operating performance for supplying orchardists.

Normalised EBITDA (earnings before interest, tax, depreciation, amortisation and movements in biological assets) was \$3.630m (2009: \$4.158m).

OPERATIONAL UPDATE

Post harvest operations

Revenue from post harvest services was \$20.030m, up \$1.538m on 2009. This lift was delivered through a much-improved inventory performance, with coolstore revenue generated on trays loaded out, with higher rates achieved from a later loadout programme. The increase in revenues was generated from lower volumes with OPAC's two facilities having packed 1.349m trays of Gold kiwifruit and 3.248m trays of Green in 2010. The total volume of 4.597m trays, 0.690m trays less than 2009, reflects the end of the three-year Riverlock packhouse lease contract and supply from Riverlock-associated orchards.

Our strategic alliance with progressive growers and focus on early-maturing regions saw OPAC achieve two firsts in 2010 - the first pack run, undertaken 5 March on Zespri's new early-maturing Gold variety, followed by the first facility to commercially open when OPAC Gisborne packed Gold on 15 March, the fruit being flown out the following day for a Japanese pre-season promotion.

While most of the Gisborne Gold crop was harvested as Kiwistart, the local Green crop did not win its usual Kiwistart

share with fruit maturing earlier in other regions with drier summer conditions.

Utilisation of our Gisborne site benefited from a full shipping programme from the Port of Gisborne, with the first shipments of early-maturing Gold made in week 14. As vessels loaded from Gisborne throughout the full season, the company was able to hold long-storing product at our Gisborne coolstores for the benefit of orchardists through higher time-related earnings, and the company through incremental coolstore revenue.

Factory Road, which opened a day later than Gisborne on 16 March, packed record volumes of Gold in the first two weeks of Kiwistart, with a large proportion coming from our joint venture Te Kaha orchards.

Do it once, do it right

A focus on "do it once, do it right" delivered Gold supplying orchardists an average 0.10% fruit loss on submit, compared to an industry average 2.32%, and Green supplying orchardists 1.03% fruit loss, compared to the industry's 4.32%. High loadout rates and minimal reworking costs significantly benefited orchardists with OPAC averaging an orchard gate return of \$9.48 per tray Gold (industry: \$8.72) and \$4.34 per tray Green (industry: \$4.09). A significant contribution to grower returns was generated by coolstore performance, with OPAC averaging net time-related returns of \$0.61 per tray Gold (industry: \$0.17) and \$0.65 per tray Green (industry: \$0.35).

Excellent post harvest performance delivers a competitive advantage to the company in our ability to attract and retain grower clients. It does, however, rely on selecting and retaining key personnel, and maintaining optimum staffing levels throughout the full packing and loadout season. It also reduces company revenue from reworking prior to loadout, with OPAC only reworking 1.7% of the Gold inventory compared to an industry average 23.5%, and 9.9% of Green compared to the industry's 25.3%.

The challenge for the company is to set a mechanism that equitably shares the costs and rewards of post harvest performance between supplying orchardists and OPAC.

Orchard operations

Revenue from orcharding services was \$12.359m, 11% lower than 2009 as the orchard division exited non-performing leased and managed orchards. Less work was also required on the Te Kaha developments, which are now in pre-production.

The orchard division performed an excellent service to orchard owners and post harvest, producing 1,317k trays of Green and 746k trays of Gold kiwifruit from managed, joint venture and managed associate orchards. This represents 41% of our total Green supply, and 55% of Gold. The professionalism of our orchard managers, assistant managers and supervisors, and their ability to produce high-yielding, quality crops, deliver a strategic advantage to our operations, and significantly benefits post harvest performance.

Orchard operations have been strengthened by the shift to using direct OPAC casual employees rather than relying on independent contractors. By increasing company control over orcharding services, OPAC is able to better manage actual costs to budget, while improving orchard management and the resulting crop supplied to post harvest.

In total, the orchard division managed 218 hectares of producing orchards with a further 59 hectares under development. The division has been active in cutting over 40 hectares to new varieties with strong uptake in the Gisborne region. Our full involvement starting from the trial stage in all three of the new varieties, association with progressive growers and investors, and expertise we continue to develop in new variety orcharding

and post harvest processing, places OPAC in an excellent position to fully participate in this key growth sector.

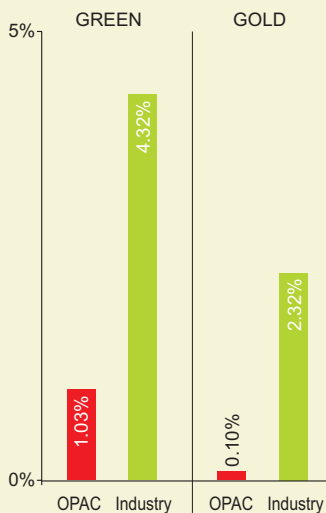
New Zealand associates

OPAC's share of profit from New Zealand associates achieved a record \$911k, a significant lift on 2009's \$149k. On the back of strengthening Green returns and good yields, the Green associate orchards collectively delivered a profit to OPAC of \$128k (2009: a loss of \$168k). The standout performer continues to be the Te Kaha Gold Investments which delivered a profit to OPAC of \$783k including \$629k of revaluation of biological assets (2009: \$317), with the Te Kaha region delivering exceptional orchard returns including significant Kiwistart premiums in 2010.

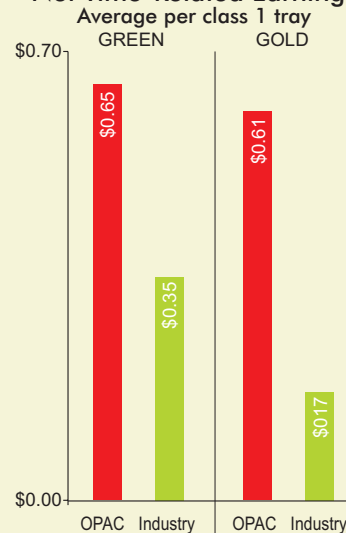
Largely due to irrigation problems during the establishment phase, the OTK Gold developments in Te Kaha and Otaio are a year behind schedule, with only small volumes forecast in 2011. This delay in cashflow saw OPAC supporting ongoing orchard work while the joint venture raised working capital from shareholders.

During the year OPAC and our Te Kaha associate orchards featured on Country Calendar. The programme highlighted the economic stimulus provided to the East Coast region by our innovative investment strategies and close association with Maori land owners. It stimulated interest in future developments with a strong focus on new varieties.

Onshore Fruit Loss



Net Time-Related Earnings



The directors and management have reviewed the investments in our Green associates. The orchards continue to achieve excellent yields with satisfying returns that exceed the \$4 threshold. The Green associates are strategically sound investments and the company remains focused on optimising shareholder value from these orchards.

Exit from Italian New Gold

In 2010 OPAC successfully exited from the New Gold Italian orchard joint venture. After fully impairing New Gold in 2009, the company incurred no further costs to exit the venture.

With excellent yields and crop profile in the seasons leading up to the total outbreak of *Pseudomonas syringae* pv. *Actinidiae* (Psa), the New Gold investment had fully repaid bank borrowing and was forecast to make a significant contribution to company revenue before this remarkable destruction of orchard value.

The orchard has been converted to Hayward kiwifruit.

OPAC Growers Supply Limited – Integrated service from orchard to wharf

From harvest 2010, OPAC in consultation with supplying orchardists elected to operate a stand-alone supply service to Zespri. The formation of OPAC Growers Supply Limited (OGSL) enabled OPAC to fully manage inventory order and supply from orchard to loadout, with OGSL achieving an excellent DIFOTIS performance and intercheck result. It is clear that the risk and rewards offered by the current intercheck regime fall short of the actual costs of poor performance, and OPAC advocates a stronger system that better sheets home responsibilities to individual suppliers.

Psa – a threat to the New Zealand industry

Having witnessed the impact of Psa V - widely known as the Italian strain - on our New Gold orchard in Italy, your directors and management are taking its detection in Te Puke very seriously.

OPAC will not be processing product from the Te Puke region in 2011. Although our Opotiki, Gisborne and Te Kaha supply base appear free of the disease, we have initiated strict hygiene protocols both on the orchard and in the packhouse to minimise risk associated with the transfer of organic material between orchards. We continue to monitor our supplying orchards and advocate a clean-up spray programme to minimise bacterial infections.

Our people

Operational support was reorganised during the period in review to create a single team to best support our whole business. The outcome was a strong team culture that delivered significantly better support services to orcharding and post harvest operations.

Our grower database continues to be developed, and online reporting of packhouse, coolstore and financial performance is being widely accessed by growers.

Within post harvest a team approach and team accountability system was initiated with staff better informed on key performance indicators and how they contribute to operational efficiency. This included the score boarding of key team measurables. Our team accountability system will be further enhanced in 2011.

We have a skilled and reliable post harvest team using our local people with support from our 130-strong RSE work force, particularly to staff night shifts. RSE productivity is bolstered by high return rates with up to 70% of our Malaysian, Samoan and Tongan workers returning for a second year.

Outlook

The strong uptake of new varieties by our grower base, and upcoming production from our OTK associate, will deliver strong growth in supply over the coming seasons. Handling this growth will require further capital investment. Your directors are examining the funding options.

We have a strong balance sheet, dedicated personnel, and a highly-skilled and progressive grower base. We are well positioned to fully participate in the roll out of new varieties, and forecast significant organic growth in our orcharding and post harvest services over the coming season.

Craig Thompson
Managing Director

Statement of Comprehensive Income

for the year ended 31 December 2010

(New Zealand dollars in thousands)	Notes	Group		Company	
		2010	2009	2010	2009
Revenue	3	33,014	32,760	29,092	32,760
Direct operating costs	4	29,189	28,718	25,270	28,718
Gross operating profit		3,825	4,042	3,822	4,042
Other income	3	227	119	226	119
Foreign currency gain	3	17	-	17	-
Share of profits of associates	3	911	-	-	-
Total other income		1,155	119	243	119
General and administrative costs	4	703	1,036	703	1,036
Foreign currency loss	4	-	924	-	924
Losses associated with property, plant and equipment	4	9	16	9	16
Depreciation expense	4	1,059	1,038	1,059	1,038
Amortisation expense	4	57	83	57	83
Share of loss of associates	4	-	211	-	-
Impairment of associate - New Gold SRL	28	-	5,277	-	4,375
Total other expenses		1,828	8,585	1,828	7,472
Profit/(loss) before finance costs		3,152	(4,424)	2,237	(3,311)
Finance costs		385	550	385	545
Profit/(loss) before income tax		2,767	(4,974)	1,852	(3,856)
Income tax expense	5	761	325	625	290
Reduction in tax rate	5	(12)	-	(12)	-
Impact of building depreciation rate change	5	491	-	491	-
Total income tax expense		1,240	325	1,104	290
Net profit/(loss) attributable to shareholders		1,527	(5,299)	748	(4,146)
Revaluation of property, plant and equipment		101	568	101	568
Foreign currency translation losses		-	(304)	-	-
Revaluation of available for sale financial assets		(7)	202	(7)	202
Revaluation of investments in associate reserves		(23)	(3)	-	-
Shares based payments reserve		25	27	25	27
Other comprehensive income net of tax		96	490	119	797
Total comprehensive income for the year attributable to shareholders		1,623	(4,809)	867	(3,349)

Statement of Changes in Equity

for the year ended 31 December 2010

	Share capital	Capital reserve	Associates revaluation reserve	Available for sale assets revaluation reserve	Asset revaluation reserve	Share based payments reserve	Retained earnings	Total
Group								
Equity at 1 January 2009	7,912	697	1,128	106	1,384	27	5,896	17,150
Total comprehensive income	-	-	(3)	202	568	27	(5,603)	(4,809)
<i>Transactions with owners</i>								
Partly paid shares issued	36	-	-	-	-	-	-	36
Dividends paid	-	-	-	-	-	-	(894)	(894)
Transactions with owners	36	-	-	-	-	-	(894)	(858)
Equity at 31 December 2009	7,948	697	1,125	308	1,952	54	(601)	11,483
Total comprehensive income	-	-	(23)	(7)	101	25	1,527	1,623
<i>Transactions with owners</i>								
Partly paid shares issued	9	-	-	-	-	-	-	9
Fully paid shares issued	70	-	-	-	-	-	-	70
Dividends paid	-	-	-	-	-	-	(447)	(447)
Transactions with owners	79	-	-	-	-	-	(447)	(368)
Equity at 31 December 2010	8,027	697	1,102	301	2,053	79	479	12,738
Company								
Equity at 1 January 2009	7,912	670	-	106	1,384	27	1,938	12,037
Total comprehensive income	-	-	-	202	568	27	(4,146)	(3,349)
<i>Transactions with owners</i>								
Partly paid shares issued	36	-	-	-	-	-	-	36
Dividends paid	-	-	-	-	-	-	(894)	(894)
Transactions with owners	36	-	-	-	-	-	(894)	(858)
Equity at 31 December 2009	7,948	670	-	308	1,952	54	(3,102)	7,830
Total comprehensive income	-	-	-	(7)	101	25	748	867
<i>Transactions with owners</i>								
Partly paid shares issued	9	-	-	-	-	-	-	9
Fully paid shares issued	70	-	-	-	-	-	-	70
Dividends paid	-	-	-	-	-	-	(447)	(447)
Transactions with owners	79	-	-	-	-	-	(447)	(368)
Equity at 31 December 2010	8,027	670	-	301	2,053	79	(2,801)	8,329

Statement of Financial Position

as at 31 December 2010

(New Zealand dollars in thousands)	Notes	Group		Company	
		2010	2009	2010	2009
EQUITY					
Share capital	17	8,027	7,948	8,027	7,948
Reserves	18	4,232	4,136	3,103	2,984
Retained earnings	19	479	(601)	(2,801)	(3,102)
Total equity		12,738	11,483	8,329	7,830
ASSETS					
Non-current assets					
Property, plant and equipment	6	9,645	9,859	9,645	9,859
Intangible assets	7	50	80	50	80
Investments in associates	9	4,373	3,696	-	-
Available for sale financial assets	10	1,038	895	470	469
Loans and cash advances	11	252	563	-	200
Total non-current assets		15,358	15,093	10,165	10,608
Current assets					
Cash and cash equivalents	13	2,183	96	2,107	96
Trade and other receivables	14	2,068	2,660	2,797	3,545
Inventories	15	360	784	360	784
Biological assets - Kiwifruit crop on vine	16	626	598	626	598
Total current assets		5,237	4,138	5,890	5,023
Total assets		20,595	19,231	16,055	15,631
LIABILITIES					
Non-current liabilities					
Interest bearing loans and borrowings	20	4,860	5,100	4,860	5,100
Deferred tax liabilities	12	1,072	626	1,072	626
Total non-current liabilities		5,932	5,726	5,932	5,726
Current liabilities					
Bank overdraft	13	-	229	-	229
Interest bearing loans and borrowings	20	240	240	240	240
Trade and other payables	21	1,507	1,406	1,431	1,406
Income tax liabilities		178	147	123	200
Total current liabilities		1,925	2,022	1,794	2,075
Total liabilities		7,857	7,748	7,726	7,801
Net assets		12,738	11,483	8,329	7,830

On behalf of the Board



A de Farias
Chairman

Dated: 4 April 2011



D J Emslie
Director

Statement of Cash Flows

for the year ended 31 December 2010

(New Zealand dollars in thousands)	Notes	Group		Company	
		2010	2009	2010	2009
Cash flows from operating activities:					
Cash receipts from customers		31,995	30,801	27,977	30,801
Cash payments to suppliers and employees		(27,762)	(27,545)	(23,820)	(27,545)
Interest expense		(385)	(550)	(385)	(546)
Taxation expense		(760)	(682)	(734)	(602)
Net cash from operating activities		3,088	2,024	3,038	2,108
Cash flows from investing activities:					
Proceeds from sale of property, plant and equipment		41	(13)	41	(13)
Dividend income / capital distributions received		70	462	70	401
Interest income received		107	20	106	20
Acquisition of investments		12	(109)	(4)	(309)
Loan repayments		200	218	200	218
Loans to associates & subsidiaries		165	62	156	239
Acquisition of property, plant and equipment		(773)	(929)	(773)	(929)
Net cash used in investing activities		(178)	(289)	(204)	(373)
Cash flows from financing activities:					
Issues of shares		79	36	79	36
Dividends paid		(447)	(894)	(447)	(894)
Foreign currency translation gains		14	79	14	79
Repayment of term loans		(240)	(160)	(240)	(160)
Net cash used in financing activities		(594)	(939)	(594)	(939)
Net increase in cash and cash equivalents		2,316	796	2,240	796
Cash and cash equivalents at beginning of year		(133)	(929)	(133)	(929)
Cash and cash equivalents at end of year		2,183	(133)	2,107	(133)

Notes to the Financial Statements

for the year ended 31 December 2010

Note 1. Statement of accounting policies

Reporting entity

Opotiki Packing and Coolstorage Limited and its subsidiaries (together the "group") provides and manages service activities to the horticultural industry. The company is incorporated and domiciled in New Zealand and is registered under the Companies Act 1993. The consolidated financial statements of the company for the year ended 31 December 2010 comprise the company and its subsidiaries and interests in associates and joint ventures. The address of its registered office is Opotiki Packing and Coolstorage Limited, 93 Waioeka Road, Opotiki.

Summary of significant accounting policies

These audited financial statements for the year ended 31 December 2010 have been presented in accordance with Accounting Standard NZ IAS 1 Presentation of Financial Statements.

(A) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and therefore also comply with International Financial Reporting Standards. For this purpose the company has designated itself as profit oriented. The financial statements have also been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

(B) Historical cost convention

The group financial statements have been prepared under the historical cost convention as modified by the following:

- o Financial instruments through profit or loss are measured at fair value.
- o Available for sale financial instruments are measured at fair value for increases in value. Decreases in value are through equity to the extent of previous increases available, otherwise through profit or loss.

- o Biological assets in associates are measured at fair value less point of sale costs.
- o Land, buildings and coolstore plant & equipment are measured using the revaluation model.

(C) Accounting estimates and judgments

The preparation of the financial statements in conformity with NZ IFRS requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(D) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries, joint ventures and associates of Opotiki Packing and Coolstorage Limited as at 31 December 2010 and their results for the year then ended. Opotiki Packing and Coolstorage Limited and its subsidiaries, joint ventures and associates together are referred to in these financial statements as the group or the consolidated entity.

Accounting policies of subsidiaries, associates and jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the company.

i. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are no longer consolidated from the date that control ceases.

The purchase 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 given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination

are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-entity transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred.

ii. Associates

Associates are entities over which the company has significant influence but not control, generally evidenced by a holding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates in the consolidated financial statements reduce the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the company and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

iii. Jointly controlled entities

The group's interest in a jointly controlled entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the jointly controlled entity is recognised in the statement of

comprehensive income, and the share of movements in reserves is recognised in reserves in the statement of financial position. Profits or losses on transactions establishing the jointly controlled entity and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the jointly controlled entity on consumption or sale, unless they relate to an unrealised loss that provides evidence of the impairment of an asset transferred.

(E) Foreign currency translation

i. Functional and presentation currency items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The group financial statements are presented in New Zealand dollars, which is the group's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

iii. Group companies

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

1. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
2. income and expenses for each 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 dates of the transactions); and

3. all resulting exchange differences are recognised through the statement of comprehensive income as either realised or unrealised gains or losses.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to profit. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

(F) Property, plant and equipment

Land, buildings and cool store plant and equipment are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. 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. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount 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 comprehensive income during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land, buildings and cool store plant and equipment are credited to reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the statement of comprehensive income, the increase is first recognised in the statement of comprehensive income. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged

to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight line (SL) or diminishing value (DV) method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 10 - 40 years (SL) or 4% - 26.4% DV

Machinery 40 years (SL) or 7.5% - 63.5% DV

Vehicles 4 - 7 years (SL) or 18% to 60% DV

Furniture, fittings and equipment 3-10 years (SL) or 11.4% - 60% DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(G) Intangible assets

Computer software

Acquired computer software licenses, which have a finite life, are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the diminishing value method at 48%.

(H) Impairment of non financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Notes to the Financial Statements

for the year ended 31 December 2010

(I) Investments and other financial assets

The group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i. Financial assets at fair value through profit or loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading.

ii. Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of selling the receivable. Loans and receivables are included in receivables in the statement of financial position.

iii. Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

iv. Available for sale financial assets

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of balance date.

Purchases and sales of investments are recognised on the trade date or the date on which the group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Available for sale financial assets and financial assets at fair value through profit and loss are carried at fair value. Loans and receivables and held to maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available for sale are recognised in equity in the available for sale investments revaluation reserve. When securities classified as available for sale are sold, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

(J) Trade receivables

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 debts is established when there is objective evidence, such as default or bankruptcy that indicate that the group will not be able to collect all amounts due according to the original terms of trade. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

(K) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the leases' inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease, except for short term orchard leases where lease costs are recognised at the same time as other crop related income and expenses.

Where a lease is onerous, the cost of the onerous portion is recognised immediately.

(L) Biological assets

i) Biological assets - Kiwifruit vines

All kiwifruit orchards are held in associates and jointly controlled entities. The kiwifruit orchards are measured at their fair value less estimated point of sale costs. Where the associate or jointly controlled entity owns the land, the fair value is determined by an independent valuer. Otherwise the fair value is determined on the basis of a discounted cash flow

model. The gain or loss in the fair value of the kiwifruit vines is recorded in the statement of comprehensive income.

ii) Biological assets - Kiwifruit crop on vine

At annual balance date kiwifruit grown under long term leases is measured at its fair value less estimated point of sale costs. The gain or loss in the fair value of the kiwifruit is recorded in the statement of comprehensive income.

(M) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(N) Cash and cash equivalents

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

(O) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the statement of financial position date. 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 carrying value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

(P) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs

directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

(Q) Employee benefits

i. Wages and salaries, annual leave and sick leave

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

ii. Employee share scheme (ESS)

The company operates an equity settled, share based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non market vesting conditions (for example, profitability and sales growth targets). Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and the related amount in the share option reserve is transferred to share capital.

The scheme is managed by a trust established in 2007 and the trustees also hold office as directors of Opotiki Packing and Coolstorage Limited.

Dividends paid on the shares are used to repay the debt between the ESS and the company.

Further shares may be issued at the directors discretion at a price set by the directors, except that the ESS cannot be issued with further shares if that issue of shares would result in the ESS having an interest of more than 5% of the issued capital of the company.

The ESS has a non-beneficial interest in all the shares allocated to employees. Annually the company will review the scheme and decide upon the allocation of further shares and the price at which those shares will be issued to the ESS. All shares allocated are fully paid up.

The trustees of the ESS are not appointed for any term and may be removed by the company at any time.

The shares held by the ESS carry the same voting rights as other issued ordinary shares; however the trust deed prohibits the trustees from exercising any votes on the shares. Also employees participating in the ESS are unable to exercise voting rights while monies are owed on the shares.

(R) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(S) Borrowings

Borrowings are recognised initially at fair value, net of costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

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. Borrowing costs are expensed when incurred.

(T) Income tax

The income tax expense comprises both current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Notes to the Financial Statements

for the year ended 31 December 2010

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 statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

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

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 by the reporting 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.

(U) Goods and Services Tax (GST)

The statement of comprehensive income has 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.

(V) Revenue recognition

Revenue comprises the fair value received for the sale of goods and services, net of Goods and Services Tax, rebates and discounts and after eliminating sales within the group. Revenue is recognised as follows:

i. Sales of services

The group provides services to the post harvest sector that include fruit packing, cool-storage and associated activities. Sales of these services are recognised in the accounting period in which the services are rendered.

ii. Interest income

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

impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

iii. Dividend income

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

(W) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(X) Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(Y) Comparative balances.

The presentation of certain comparative balances has been amended to ensure consistency with the current year disclosures.

(Z) Application of new and revised New Zealand International Financial Reporting Standards

Standards, amendments and interpretations to existing standards that are now in effect

The following new standards, amendments to standards or interpretations are mandatory for the first time in the current period and adopted by the group:

(i) NZ IFRIC 17 'Distribution of non-cash assets to owners' (effective for annual periods beginning on or after 1 July 2009). The pronouncement reviews when dividends should be recognised and how they should be measured.

(ii) NZ IFRS 3 (Amendment and Revision) 'Business combinations' and consequential amendments to NZ IAS 27, 'Consolidated and separate financial statements' (effective for annual periods beginning on or after 1 July 2009). The amendment includes a number of updates which will impact recognised goodwill as well as reported results in the period of acquisition. Further, the amendment requires that a change in the ownership interest of a subsidiary be accounted for as an equity transaction as well as changing how subsidiary losses are accounted for.

(iii) IAS 27 (Revised) 'Consolidated and separate financial statements' (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting for when control is lost. Any remaining interest in the entity is remeasured to fair value and a gain or loss is recognised in profit or loss.

(iv) IAS 38 (Amendment) 'Intangible Assets' (published April 2009). The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

(v) IFRS 5 (Amendment) 'Measurement of non-current assets' (published April 2009). The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

(vi) IAS 1 (Amendment) 'Presentation of financial statements' (published April 2009). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

The standard has also been revised to clarify that an entity may present an analysis of other comprehensive income for each component of equity either in the statement of changes in equity or in the notes to the financial statements. The group has early adopted the revision.

(vii) IFRS 2 (Amendment) - "Group cash-settled and share based payment transactions". In addition to incorporating IFRIC 8, 'Scope of IFRS 2' and IFRIC 11, 'IFRS 2 - Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

The following new standards, amendments to standards or interpretations are mandatory for the first time in the current period, but are not currently relevant for the group:

Standards, amendments and interpretations to existing standards that are not yet effective

The group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

(viii) IAS 12 - "Deferred tax: Recovery of underlying assets" (Amendment, effective for annual periods beginning on or after 1 January 2012). IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally, be through sale. This will have no direct application for the group, as the amendment will only be applicable for investment assets.

(ix) NZ IFRIC 19 'Extinguishing financial liabilities with equity instruments' (effective for annual periods beginning on or after 1 July 2010). The standard clarifies requirements when an entity renegotiates the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the liability in full or partially.

(x) IAS 24 'Related party disclosures' (Revision, effective for annual periods beginning on or after 1 January 2011). The revision amends the definition of a related party and modifies certain disclosure requirements for government-related entities.

(xi) NZ IFRIC 13 & IAS 19 'Defined benefit assets' (Amendment, effective for annual periods beginning on or after 1 January 2011). The amendment removes consequences arising from the treatment of prepayments where there is a minimum funding requirement resulting in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense.

(xii) NZ IFRS 9 - "Financial instruments" (effective for annual periods beginning on or after 1 January 2013). NZ IFRS 9 is to replace IAS 39 and will simplify the mixed measurement model as well as establish two primary measurement categories for financial assets: amortised cost and fair value. Basis

of classification depends on the entity's business model and contractual cash flow characteristics of the asset. IAS 39 guidance on impairment and hedge accounting will continue to apply. No retroactive restatement required if adopted prior to 1 January 2012.

(xiii) NZ IFRS 3 'Business combinations' (Revision, effective for annual periods beginning on or after 1 July 2010). The revision clarifies amendments to IFRS 7, IAS 32 and IAS 39 that eliminate the exemption for contingent consideration so they do not apply to consideration arising from business combinations whose acquisition dates precede the application of NZ IFRS 3. As well, the choice for measuring non-controlling interest at fair value or proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle holders to a proportionate share of the net assets in the event of liquidation. Otherwise fair value must be used. Finally, guidance is provided for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment rewards.

(xiv) NZ IFRS 7 'Financial instruments' (Revision, effective for annual periods beginning on or after 1 January 2011). The revision emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

(xv) IAS 34 - "Interim financial reporting" - (Revision, effective for annual periods beginning on or after 1 January 2011). The revision provides guidance to illustrate how to apply disclosure principles and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification.

Note 2 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities and profit within the next financial year are discussed below:

(i) Valuation of long term leased orchards

Long term leased orchards are valued either on the basis of a discounted cash flow model or by an independent valuer. These valuation techniques are inherently subjective and involve estimation.

(ii) Valuation of kiwifruit - Crop on vine

Kiwifruit from long term leased orchards are measured at fair value less point of sale costs as determined by the group forecast. These forecasts include assumptions in relation to in-market prices, foreign exchange rates, and forecast trays expected to be harvested. Refer note 16.

(iii) Land and buildings

Land and buildings are measured at fair value as determined by an independent valuer. The independent valuer uses valuation techniques which are inherently subjective and involve estimation. Refer note 6.

Changes to the above valuation assumptions would have a significant impact on the statement of comprehensive income and equity portion of the company and group.

Notes to the Financial Statements

for the year ended 31 December 2010

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
Note 3. Revenue and other income				
Revenue				
Orchard services and sales	12,359	13,680	12,359	13,680
Post harvest sales	20,030	18,492	16,108	18,492
Other sales	625	588	625	588
Total revenue	33,014	32,760	29,092	32,760
Other income				
Interest income	107	20	106	20
Dividend income	70	96	70	96
Gain on sale of property, plant and equipment	50	3	50	3
Total other income	227	119	226	119
Foreign currency gains				
Unrealised foreign currency	3	-	3	-
Realised foreign currency	14	-	14	-
Total foreign currency gains	17	-	17	-
Share of profit of associates				
Share of profit of associates	911	-	-	-
Total share of profit of associates	911	-	-	-
Note 4. Expenses				
Direct operating costs				
Operating materials and services	17,524	18,464	13,605	18,464
Employee benefits expense	10,703	8,935	10,703	8,935
Rent and lease expenses	962	1,319	962	1,319
Total direct operating costs	29,189	28,718	25,270	28,718
Other expenses				
General and administrative costs				
General administrative expenses	503	841	503	841
Audit fees	29	38	29	38
Bad and doubtful debts expense	26	12	26	12
Directors fees	145	145	145	145
Total general and administrative costs	703	1,036	703	1,036
Foreign currency losses				
Unrealised foreign currency	-	923	-	923
Realised foreign currency	-	1	-	1
Total foreign currency losses	-	924	-	924
Losses associated with property, plant and equipment				
Loss on disposal of property, plant and equipment	9	16	9	16
Total losses associated with property, plant and equipment	9	16	9	16
Depreciation expense				
Land and buildings	230	211	230	211
Plant and machinery	594	601	594	601
Coolstore plant and equipment	176	191	176	191
Motor vehicles	52	26	52	26
Office furniture, fixtures and fittings	7	9	7	9
Total depreciation expense	1,059	1,038	1,059	1,038
Amortisation expense				
Software amortisation	57	83	57	83
Total amortisation expense	57	83	57	83
Share of loss/impairment of associates				
Share of loss of associates	-	211	-	-
Impairment of associate	-	5,277	-	4,375
Total share of loss/impairment of associates	-	5,488	-	4,375
Total other expenses	1,828	8,585	1,828	7,472

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009

Note 5. Income tax expense

Recognised in the statement of comprehensive income

Current tax expense

Current year	623	606	557	589
Tax credit on foreign tax paid	-	(88)	-	(88)
Adjustments prior year	70	18	-	-
Total current tax expense	693	536	557	501

Deferred tax expense

Origin and reversal of temporary differences	(4)	(202)	(4)	(202)
Adjustments prior year	72	(9)	72	(9)
Reduction in tax rate	(12)	-	(12)	-
Impact of building depreciation rate change	491	-	491	-
Total deferred tax expense	547	(211)	547	(211)

Total income tax expense	1,240	325	1,104	290
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The company tax rate in New Zealand is 30% (2009: 30%).
With effect from 1 January 2011, the company tax rate has reduced to 28%.

Reconciliation of effective tax rate

Profit before tax	2,767	(4,974)	1,852	(3,856)
Income tax using the domestic corporation tax rate	830	(1,492)	556	(1,157)
Non-deductible expenses	21	36	21	36
Imputation credit received	12	22	9	13
Taxable (profit)/loss in associates	(200)	191	-	-
Impairment	-	1,583	-	1,312
Foreign currency translation reserve	-	(91)	-	-
Foreign operations income tax	-	196	-	196
Foreign operations income tax credit	-	(88)	-	(88)
Imputation credits	(41)	(70)	(30)	(42)
Deferred Tax	(3)	29	(3)	29
Under / (over) provided in prior years - deferred tax	72	(9)	72	(9)
Under / (over) provided in prior years - income tax	70	18	-	-
Tax rate reduction	(12)	-	(12)	-
Impact of building depreciation rate change	491	-	491	-
	1,240	325	1,104	290

Deferred tax recognised directly in equity

Relating to valuation of property, plant and equipment	-	84	-	84
Adjustments prior year	72	-	72	-
Reduction in tax rate	29	-	29	-
Total Deferred tax recognised directly in equity	101	84	101	84

Imputation credit account

Balance of beginning of year	1,144	1,232	699	901
Imputation credits attached to dividends received	41	73	29	44
Taxation paid	724	764	621	679
Imputation credits attached to dividends paid	(192)	(440)	(192)	(440)
Taxation refund	-	(293)	-	(293)
Prior year adjustment for tax paid	-	(192)	-	(192)
	1,717	1,144	1,157	699

The imputation credits are available to shareholders of the parent company:

Through the parent company	1,157	699	1,157	699
Through subsidiaries	560	445	-	-
	1,717	1,144	1,157	699

Notes to the Financial Statements

for the year ended 31 December 2010

(New Zealand dollars in thousands)	Land & buildings	Plant & machinery	Coolstore plant & equipment	Motor vehicles	Office equipment fixtures & fittings	Partially completed projects	Total
Note 6. Property, plant and equipment							
Group and company							
Cost							
Balance at 1 January 2009	5,725	5,128	1,950	413	143	940	14,299
Acquisitions	85	1,638	-	77	1	94	1,895
Disposals and write offs	-	(686)	-	(16)	-	-	(702)
Revaluations during the year	616	-	35	-	-	-	651
Accumulated depreciation written back on revaluation	(4)	-	(511)	-	-	-	(515)
Partially completed projects completed during the year	-	-	-	-	-	(940)	(940)
Balance at 31 December 2009	6,422	6,080	1,474	474	144	94	14,688
Balance at 1 January 2010	6,422	6,080	1,474	474	144	94	14,688
Acquisitions	285	485	35	138	11	3	957
Disposals and write offs	-	(86)	-	(10)	(20)	-	(116)
Partially completed projects completed during the year	-	-	-	-	-	(94)	(94)
Balance at 31 December 2010	6,707	6,479	1,509	602	135	3	15,435
Depreciation and impairment losses							
Balance at 1 January 2009	349	3,655	461	296	90	-	4,851
Depreciation charge for the year	211	677	191	26	9	-	1,114
Accumulated depreciation written back on revaluation	(4)	-	(511)	-	-	-	(515)
Disposals and write offs	-	(610)	-	(11)	-	-	(621)
Balance at 31 December 2009	556	3,722	141	311	99	-	4,829
Balance at 1 January 2010	556	3,722	141	311	99	-	4,829
Depreciation charge for the year	230	594	176	52	7	-	1,059
Disposals and write offs	-	(77)	-	(9)	(12)	-	(98)
Balance at 31 December 2010	786	4,239	317	354	94	-	5,790
Carrying amounts							
At 1 January 2009	5,376	1,473	1,489	117	53	940	9,448
At 31 December 2009	5,866	2,358	1,333	163	45	94	9,859
At 1 January 2010	5,866	2,358	1,333	163	45	94	9,859
At 31 December 2010	5,921	2,240	1,192	248	41	3	9,645

Partially completed projects

Prior to 31 December 2010, the group had commenced upgrades at Waioeaka Road. Construction costs up to the statement of financial position date totalled \$3,054 (2009: \$94,071).

Security

At 31 December 2010, assets with a carrying amount of \$9,645,032 (2009: \$9,858,929) are subject to a registered debenture to secure bank loans (see note 20).

Valuation

Land and buildings on hand at 31 December 2010 are stated at their market value as determined by an independent valuer, John L. Middleton ANZIV, SNZPI, of Middleton Property Advisors.

Land and improvements were valued on the 11th December 2009 at \$7,200,000 up from the previous valuation of \$4,500,000 completed on the 17th November 2007.

Middleton Property Advisors considered three approaches in determining the market value of land and buildings at 93 Waioeaka Road Opotiki:

1. Replacement cost approach (considers current level of building costs in Tauranga region, physical depreciation and obsolescence due to age and condition.)
2. Sales approach (considers sales of comparable types of properties including factors such as location, size, technology.)
3. Investment approach (assumes a hypothetical lease with current market rentals that are capitalised at an appropriate rate of return and considers type of development, location, terms of lease and financial capability.)

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
If carrying amount of land and buildings were stated on the historical cost basis, the amounts for the company and group would be as follows:				
Cost	6,553	6,268	6,553	6,268
Accumulated depreciation	2,318	2,070	2,318	2,070
Carrying amount	4,235	4,198	4,235	4,198

(New Zealand dollars in thousands)	Group	Company
Note 7. Intangible assets		
Software		
<i>Cost</i>		
Balance at 1 January 2009	350	350
Acquisitions	49	49
Balance at 31 December 2009	399	399
Balance at 1 January 2010	399	399
Acquisitions	27	27
Balance at 31 December 2010	426	426
Amortisation and impairment losses		
Balance at 1 January 2009	236	236
Amortisation charge for the year	83	83
Balance at 31 December 2009	319	319
Balance at 1 January 2010	319	319
Amortisation charge for the year	57	57
Balance at 31 December 2010	376	376
Carrying amounts		
At 1 January 2009	114	114
At 31 December 2009	80	80
At 1 January 2010	80	80
At 31 December 2010	50	50

Notes to the Financial Statements

for the year ended 31 December 2010

Note 8. Group entities

Opotiki Packing and Coolstorage Limited is the ultimate parent company of the group. The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries listed below in accordance with the accounting policy described in note 1(d).

	Interest Held		Balance Date	Country of Operation
	2010 %	2009 %		
<i>Subsidiaries</i>				
OPAC Properties Limited	100	100	31 December	New Zealand
OPAC Growers Supply Limited	100	-	31 December	New Zealand
<i>Associates</i>				
New Gold SRL	-	50	31 December	Italy
Famoso Gold Ranch LLC	35.7	35.7	31 December	USA
<i>Associates of Subsidiaries</i>				
Apanui Road Orchards JV	50	50	30 June	New Zealand
Fraser Road Orchard Limited	21	21	31 December	New Zealand
I Hort Limited	20	20	31 March	New Zealand
Te Kaha Gold Investments Partnership	33.3	33.3	31 March	New Zealand
Thornton Orchards Limited	40.2	40.2	31 December	New Zealand

During 2010 OPAC incorporated a new subsidiary OPAC Growers Supply Limited to act as an intermediary company to fulfil all logistical transactions required under the Zespri Supply agreement.

Opotiki Packing and Coolstorage Limited uses the equity accounted method for associates and associates of subsidiaries, even though the company or its subsidiaries hold 20% or more of the voting rights. The company does not have significant influence over the management of any of the associates, but does have board representation on each associate. Each associate has independent management structures and is responsible for making operational decisions.

The results of subsidiaries and associates are incorporated in the consolidated financial statements of the group based on the most recently available financial statements. The results of the group for the year ended 31 December 2010 include the results for all subsidiaries since the date of their last report to the 31 December 2010 using restated statements where balance dates differ.

(New Zealand dollars in thousands)	Assets	Liabilities	Equity	Revenues	Profit/(Loss)
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Note 9. Investment in associates

Summary financial information of group's share in associates.

2010

Apanui Road Orchards JV	256	11	245	(14)	(2)
Fraser Road Orchard Limited	760	178	582	117	64
I Hort Limited	299	197	103	70	22
Te Kaha Gold Investments Partnership	1,642	14	1,628	819	783
Thornton Orchards Limited	2,203	387	1,815	372	44
	5,160	787	4,373	1,364	911

2009

Apanui Road Orchards JV	286	29	257	10	(77)
Fraser Road Orchard Limited	817	287	530	111	(23)
I Hort Limited	326	219	107	46	(21)
New Gold SRL	6,599	1,322	5,277	4,867	(742)
Te Kaha Gold Investments Partnership	1,164	153	1,011	431	317
Thornton Orchards Limited	2,210	419	1,791	527	(47)
	11,402	2,429	8,973	5,992	(593)
Less: impairment of New Gold SRL (see note 28)	-	-	(5,277)	-	-
Share in associates	11,402	2,429	3,696	5,992	(593)

Producing orchards

The producing orchards of Thornton Orchards Limited, Fraser Road Orchard Limited and I-Hort Limited are carried at their estimated market value as determined by Opotiki Valuation & Consultancy Limited, registered valuers (A.N.Z.I.V.) on 20 November 2008 and 14 December 2009. The valuations were based on expertise and experience in conjunction with market related data published by REINZ.

	Land	Improvements	Total
Thornton Orchards Limited (14 December 2009)	1,554	3,300	4,854
I Hort Limited (14 December 2009)	611	859	1,470
Fraser Road Orchard Limited (20 November 2008)	1,262	1,855	3,117

The orchards of Te Kaha Gold Investments Partnership and Apanui Road Orchard JV have a finite life and are therefore carried at their fair value, based on a discounted cash flow model which values the biological assets of the associate. These valuations are recorded in the associates. The Opotiki Packing and Coolstores Limited financial statements record the group's share of the net income and net assets of associates.

Reconciliation of movements in carrying value of associates	2010	2009
Carrying amount at 1 January	3,696	11,076
Equity accounted earnings of associates	914	(398)
Impairment of associate	-	(5,277)
Dividends from associates	(38)	(62)
Capital distributions	(176)	(305)
Shareholder loan repayments	-	(218)
Other movements in equity	(3)	(117)
Shares issued	2	-
Foreign currency translation reserve movement	-	(1,000)
Revaluation to fair value	(22)	(3)
Carrying amount at 31 December	4,373	3,696

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009

Note 10. Available for sale financial assets

As required under NZ IAS 39, equity investments not otherwise held for trading are classified as available for sale.

Balance at the beginning of the year	895	635	469	266
Additions	143	58	1	1
Revaluation recognised in equity	-	202	-	202
Balance at the end of the year	1,038	895	470	469

Available for sale financial assets include the following:

Listed securities

Zespri Group Limited	179	186	179	186
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Unlisted securities

Ballance Agri Nutrients Limited	32	26	32	26
Farmlands Trading Society	5	3	5	3
OTK Orchards Limited	568	426	-	-
Ravensdown Fertiliser Co-operative Limited	24	24	24	24
UPNZ Limited	230	230	230	230
Total available for sale financial assets	1,038	895	470	469

The fair values of listed securities are based on closing share price at balance date. Ballance and UPNZ shares are recorded at fair value. All other unlisted securities are held at cost which Directors consider to approximate fair value.

The maximum exposure to credit risk at the reporting date is the fair value of the equity securities classified as available for sale.

None of the available for sale financial assets are considered impaired at balance date.

Note 11. Loans and cash advances

Loans to associates	252	363	-	-
Loans to others	-	200	-	200
Total loans and cash advances	252	563	-	200

Notes to the Financial Statements

for the year ended 31 December 2010

(New Zealand dollars in thousands)

	Assets		Liabilities		Net	
	2010	2009	2010	2009	2010	2009
Note 12. Deferred tax assets and liabilities						
Group and company						
<i>Deferred tax assets and liabilities are attributable to the following</i>						
Property, plant and equipment	-	-	912	472	912	472
Biological assets	-	-	175	179	175	179
Employee benefits	(15)	(25)	-	-	(15)	(25)
Net tax (assets) / liabilities	(15)	(25)	1,087	651	1,072	626

	Balance 01 Jan 09	Recognised in income	Recognised in equity	Balance 31 Dec 09	Recognised in income	Recognised in equity	Balance 31 Dec 10
Movement in temporary differences during the year							
Group and company							
Property, plant and equipment	398	-	84	482	470	(30)	922
Biological assets	369	(215)	-	154	(4)	-	150
Employee benefits	(14)	4	-	(10)	10	-	-
	753	(211)	84	626	476	(30)	1,072

(New Zealand dollars in thousands)

	Group		Company	
	2010	2009	2010	2009
Note 13. Cash and cash equivalents				
Cash at bank and in hand	2,183	96	2,107	96
Euro facility (NZD equivalent)	-	(229)	-	(229)
Total cash and cash equivalents	2,183	(133)	2,107	(133)

Note 14. Trade and other receivables

Trade and other receivables	1,204	1,701	1,204	1,701
Less: Provision for doubtful debts	(26)	(12)	(26)	(12)
Loans to subsidiaries	-	-	729	885
Loans to others	-	1	-	1
Accrued income and prepayments	890	970	890	970
Total trade and other receivables	2,068	2,660	2,797	3,545

Note 15. Inventories

Packaging at cost	300	591	300	591
Orchard consumables at cost	60	193	60	193
Total inventories	360	784	360	784

Total inventories expensed in the year were \$3,888,329 (2009: \$4,328,609).

Note 16. Biological assets – Kiwifruit crop on vine

Carrying amount at beginning of year	598	1,285	598	1,285
Harvested and sold	(598)	(1,285)	(598)	(1,285)
Costs incurred in growing crop	626	598	626	598
Carrying amount at end of year	626	598	626	598

The company as part of its operations, leases kiwifruit orchards for terms not exceeding three years. Harvesting of orchards takes place from approximately April to June each year. The orchards are situated in the Bay of Plenty and East Cape, New Zealand.

As at 31 December 2010 the company has leases on a total of 45 hectares (2009: 42ha) of kiwifruit orchards. During the year ending 31 December 2010, the company harvested 388,937 trays of kiwifruit (2009: 534,409) from its short term leased orchards.

Due to the profit share arrangements with landowners, the company only receives a small percentage of the profit from growing the crop. For this reason the company considers the costs to grow the crop to equate to the fair value of its investment.

Calculation of the value of the crop includes accruals which are based on estimated return on crops that is not finalised until after balance date.

(New Zealand dollars in thousands)

	Group		Company	
	2010	2009	2010	2009
Note 17. Share capital				
<i>Authorised share capital</i>				
	Shares	Shares	Shares	Shares
Ordinary shares - no par value	4,470,622	4,470,622	4,470,622	4,470,622
	4,470,622	4,470,622	4,470,622	4,470,622
<i>Movements in ordinary share capital</i>				
Opening balance of ordinary shares issued	8,666	8,630	8,666	8,630
Settlement of partly paid shares	16	36	16	36
Partly paid shares transferred during the year	(16)	-	(16)	-
Closing balance of ordinary shares issued	8,666	8,666	8,666	8,666
<i>Treasury share capital</i>				
Opening balance of ordinary shares issued	718	718	718	718
Shares transferred during the period	(79)	-	(79)	-
Closing balance of ordinary shares issued	639	718	639	718
Net share capital	8,027	7,948	8,027	7,948

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.

Shares held in treasury are a component of the employee share scheme and are held in trust.

(New Zealand dollars in thousands)

	Capital reserve	Available for			Share based payments reserve	Total
		Associates revaluation reserve	sale assets revaluation reserve	Asset revaluation reserve		
Note 18. Reserves						
Group						
Balance at 1 January 2009	697	1,128	106	1,384	27	3,342
Revaluations for the year net of tax	-	(3)	202	568	27	794
Balance at 31 December 2009	697	1,125	308	1,952	54	4,136
Revaluations for the year net of tax	-	(24)	(7)	102	25	96
Balance at 31 December 2010	697	1,102	301	2,053	79	4,232
Company						
Balance at 1 January 2009	670	-	106	1,384	27	2,187
Revaluations for the year net of tax	-	-	202	568	27	797
Balance at 31 December 2009	670	-	308	1,952	54	2,984
Revaluations for the year net of tax	-	-	(7)	101	25	119
Balance at 31 December 2010	670	-	301	2,053	79	3,103

The group operates an employee share scheme under which shares are issued to an employee share trust. Certain employees have an option to subscribe to shares held by the trust and this benefit is recognised as a share based payment and recorded as an expense over the vesting period.

Options are granted periodically and permanent staff are eligible to participate in the plan, subject to availability and board discretion. The vesting period associated with the options granted are 3 years from the grant date up to a maximum of 6 years, after which, if the option is not exercised, the option expires.

Options granted under this scheme carry a dividend and voting rights and are granted at the market price ruling at the date of grant. All dividends are paid directly to the employee share scheme trust and all voting rights are vested in the trustees.

Revaluation reserves

The revaluation reserves relate to property, plant and equipment, investments held in tradable shares and revaluations of investments in associates. The valuations of property plant and equipment are stated at their market valuation as determined by an independent valuer. The fair value of tradable shares are stated at the closing price of the shares at balance date.

Where impairments or decreases in the fair value of assets or investments, exceed the carrying value of the revaluation reserve, the loss or decrease is recognised in the statement of comprehensive income. Opotiki Packing and Coolstorage Limited is restricted in its ability to distribute any unrealised reserves included in equity:

Notes to the Financial Statements

for the year ended 31 December 2010

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
Unrealised reserves				
Available for sale financial assets revaluation reserve	301	308	301	308
Property, plant and equipment revaluation reserve	2,053	1,952	2,053	1,952
Associates revaluation reserve	1,102	1,125	-	-
Share based payments reserve	79	54	79	54
Total unrealised reserves	3,535	3,439	2,433	2,314

Note 19. Retained earnings

Balance 1 January	(601)	5,896	(3,102)	1,938
Total recognised income and expense	1,527	(5,603)	748	(4,146)
Dividends to shareholders	(447)	(894)	(447)	(894)
Balance 31 December	479	(601)	(2,801)	(3,102)

	2010		2009	
	Amount \$	Cents / Share	Amount \$	Cents / Share
Dividends				
Final dividend for 31 December 2008 (paid 9 May 2009)	-	-	447	10
Interim dividend for 31 December 2009 (paid 16 December 2009)	-	-	447	10
Interim dividend for 31 December 2010 (paid 3 December 2010)	447	10	-	-
Total dividend paid	447	10	894	20

The dividends are imputed to the fullest extent allowable in the tax year.
At balance date, no dividends had been declared by the group.

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
Note 20. Interest bearing loans and borrowings				
This note provides information about the contractual terms of the group's interest-bearing loans and borrowings. For more information about the group's exposure to interest rate and foreign currency risk, see note 22.				
Non-current liabilities				
Term loans	4,860	5,100	4,860	5,100
Total non-current liabilities	4,860	5,100	4,860	5,100
Current liabilities				
Term loans	240	240	240	240
Total current liabilities	240	240	240	240
Total interest bearing loans and borrowings	5,100	5,340	5,100	5,340

The bank overdraft and term debt are secured under the same debentures and mortgages over all company assets (see note 6). The group has total facilities of \$8,900,000. This is made up of a multi option credit facility of \$2,500,000, a bank overdraft of \$500,000 and term loan facilities of \$5,900,000.

Maturity Details

Term loans:

\$4,000,000 Expires on 1 December 2014 (\$4,000,000 drawn)
\$1,900,000 Expires on 30 September 2014 (\$1,100,000 drawn)
\$2,500,000 Multi option credit line is at call
\$500,000 Overdraft facility.

At no stage during the year did the company breach any of its lending covenants.

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
Note 21. Trade and other payables				
Trade creditors	98	415	75	415
Employee entitlements	157	202	156	202
Sundry creditors	1,252	789	1,200	789
Total trade and other payables	1,507	1,406	1,431	1,406

Note 22. Financial instruments

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The managing director is required to identify and report the major risks affecting the business and development strategies to mitigate these risks. The board reviews and approves overall risk management strategies covering specific areas such as market risk, use of derivative and non-derivative financial instruments and investments of excess liquidity.

A) Market risk

i) Foreign exchange risk

Foreign currency risk is the risk that the value of the group's assets and liabilities will fluctuate due to changes in foreign currency exchange rates. Transactions are normally undertaken at the exchange rate applying on the day.

The NZD value of unhedged currency risk at balance date is Nil (2009: Nil)

The group manages its currency risk by assessing exchange rates prior to undertaking a transaction in foreign currencies.

The group is exposed to foreign exchange risk indirectly through its fruit income received on leased orchards. The foreign currency risk associated with the offshore sales is managed by Zespri Group Limited and is not covered by the company.

ii) Price risk

The group is exposed to equity securities price risk. This arises from investments held by the group and classified on the statement of financial position as available for sale financial assets.

The majority of the group's equity instruments are in industry related entities, only some of which are publicly traded.

The table below summarises the impact of increases and decreases in the fair value of equity securities available for sale on the group's post tax profit for the year and on equity. The analysis is based on the assumption that the equity values had increased or decreased by 10% with all other variables held constant and all the group's equity instruments moved in correlation with each other.

(NZD in thousands)	Impact on post tax profit				Impact on equity			
	+10%		-10%		+10%		-10%	
	2010	2009	2010	2009	2010	2009	2010	2009
Zespri Group Limited	1	2	(1)	(2)	18	19	(18)	(19)
Ballance Agri Nutrients Limited	-	-	-	-	3	3	(3)	(3)
Farmlands Trading Society	-	-	-	-	-	-	-	-
OTK Orchards Limited	-	-	-	-	57	43	(57)	(43)
Ravensdown Fertiliser Co-operative Limited	-	-	-	-	2	2	(2)	(2)
UPNZ Limited	3	4	(3)	(4)	23	23	(23)	(23)

The treatment of an increase or decrease in the fair value of an investment is dependent on whether or not a previous reserve balance is available. If no such reserve exists, then any related loss is processed directly to the statement of comprehensive income, otherwise available reserves are utilised to offset the loss.

iii) Cash flow and fair value interest rate risk

The group's interest rate risk arises from both long and short term borrowing. Borrowing issued at variable rates expose the group to cash flow interest rate risk. Borrowing issued at fixed rates expose the group to fair value interest rate risk. The board continuously reviews the group's interest rate risk on term borrowing to ensure the most favourable interest rates are received.

An analysis of interest rate and price sensitivity of the group's financial assets and liabilities and their impact on profit and loss or equity is shown below. As loans and cash advances do not attract interest and are not subject to pricing risk, they have accordingly been excluded from this analysis.

Notes to the Financial Statements

for the year ended 31 December 2010

(NZD in thousands)	Carrying amount	Interest rate risk				Price risk			
		-1%		+1%		-10%		+10%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
31 December 2010									
<i>Financial assets</i>									
Accounts receivable	1,204	-	-	-	-	(120)	(120)	120	120
Available for sale financial assets	1,038	-	-	-	-	(104)	(104)	104	104
Cash at bank and in hand	2,183	(22)	(22)	22	22	-	-	-	-
<i>Financial liabilities</i>									
Trade payables	1,507	-	-	-	-	(151)	(151)	151	151
Term liabilities	5,100	51	51	(51)	(51)	-	-	-	-
Total increase/(decrease)		29	29	(29)	(29)	(375)	(375)	375	375
31 December 2009									
<i>Financial assets</i>									
Accounts receivable	1,701	-	-	-	-	(170)	(170)	170	170
Available for sale financial assets	895	-	-	-	-	(90)	(90)	90	90
Cash at bank and in hand	96	(1)	(1)	1	1	-	-	-	-
<i>Financial liabilities</i>									
Trade payables	1,406	-	-	-	-	141	141	(141)	(141)
Term liabilities	5,340	53	53	(53)	(53)	-	-	-	-
Bank borrowings	229	2	2	(2)	(2)	-	-	-	-
Total increase/(decrease)		54	54	(54)	(54)	(119)	(119)	119	119
				Between	Between	Between	Between	Between	Over
				0 - 3	3 - 6	6 - 12	1 - 2	2 - 5	5
				months	months	months	years	years	years

The following tables outline the expected undiscounted cash flows relating to the group's outstanding term debt as at balance date:

31 December 2010

Contractual undiscounted cash flows based on current market interest rates (\$'000)

	85	84	167	316	546	-
Average variable rate	% 6.78%	6.76%	6.73%	6.67%	6.27%	-

31 December 2009

Contractual undiscounted cash flows based on current market interest rates (\$'000)

	80	63	123	223	157	-
Average variable rate	% 6.17%	7.81%	7.76%	7.51%	6.20%	-

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 and committed transactions. As part of the group's financial risk policy, exposure is monitored on a regular basis. For banks and financial institutions, only registered banks or their subsidiaries are accepted. For customers, including outstanding receivables, the group deals predominantly with growers for which it receives payment directly from OPAC Growers Limited. Credit risk is therefore not considered significant. The group does not generally require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

Refer to trade and other receivables note 14 for further information on the credit risk of loans and receivables.

C) Liquidity risk

Management and the board regularly monitors the group's liquidity reserves on the basis of expected cashflows, recognising the seasonal nature of the group's operations.

At balance date, the group had \$8,900,000 (2009: \$9,855,000) of available lines of credit of which \$5,100,000 (2009: \$5,472,685) were drawn.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date at a discount rate of 10% (2009: 10%), being the group's benchmark weighted average cost of capital. Balances due within 12 months equal their carrying values, as the impact of discounting is not significant.

(New Zealand dollars in thousands)	Less than	Between	Between	Over
	1	1 - 2	2 - 5	5
	year	years	years	years
31 December 2010				
Trade and other payables	1,507	-	-	-
Interest bearing loans and borrowings	240	-	4,860	-
Total	1,747	-	4,860	-
31 December 2009				
Trade and other payables	1,406	-	-	-
Bank borrowings	133	-	-	-
Interest bearing loans and borrowings	240	1,100	4,000	-
Total	1,779	1,100	4,000	-

D) Capital risk

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital, in order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of its shareholder equity ratio. This ratio is calculated as total shareholder funds divided by total assets.

The shareholder equity ratio at 31 December is:

(New Zealand dollars in thousands)	2010	2009
Total shareholder funds	12,738	11,483
Total assets	20,595	19,231
Shareholder equity ratio	61.85%	59.71%

The group is subject to and monitors financial covenants imposed by its lenders. As at balance date, the group was subject to the following specific lending covenants:

- times interest earned: not less than 2.5,
- quasi equity ratio: shareholder funds not less than 35% of adjusted tangible assets.

At balance date, the group's interest times cover was 6.52 (2009: 5.53) and its quasi equity ratio was 50.64% (2009: 59.72%). Interest times cover earnings is OPAC and associates consolidated net profit before funding costs, income tax, and extra ordinaries including biological asset movements, and FX movements on shareholder loans but after depreciation

At no stage during the year did the company breach any of its lending covenants.

E) Fair value estimation

The fair value of financial assets and financial liabilities is estimated for recognition and measurement or for disclosure purposes. Refer to the accounting policies (note 1(O)) for fair value estimation methods. It is estimated that carrying values accurately reflect current fair value for these items.

The following table presents the group's assets that are measured at fair value at period end:

Notes to the Financial Statements

for the year ended 31 December 2010

(New Zealand dollars in thousands)

Level 1

At 31 December 2010

Assets

Available for sale

Equity Securities 179

Total available for sale equity securities 179

At 31 December 2009

Assets

Available for sale

Equity Securities 186

Total available for sale equity securities 186

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date. These instruments are included in Level 1. Instruments in Level 1 comprised of equity holdings in Zespri Group Limited. The group did not have any financial instruments in other levels.

F) Financial risk management strategies related to agricultural activity

The group undertakes agricultural activities through its leased orchard and long term leased orchard operations. These operations are exposed to business risks including climatic and market returns. The board and management have adopted the following strategies to manage risk:

i) Climatic risk

The group grows kiwifruit on orchards located throughout the Bay of Plenty region. This geographical spread provides risk diversification from localised climatic events. In addition, the group encourages the adoption of proactive crop protection on orchards operated by it and growers, who supply the group's post harvest division.

ii) Market and price risks

The group has no direct market risk from its sale of class 1 kiwifruit harvested from its leased orchards, as all marketing activities are undertaken by Zespri Group Limited under statutory regulations. The group however, is exposed to price risk for fruit returns from Zespri which impact on the group's orchard profitability. The group monitors fruit returns from Zespri and uses techniques to analyse current and projected orchard income. This information is used when setting orchard lease terms.

Note 23. Operating leases

The group leases a number of kiwifruit orchards structured as operating leases. The leases typically run for a 1 to 3 year period, with an option to renew the lease after that date. The group also leases land and buildings in Gisborne with a right to renewal for another 3 years in October 2012.

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
Non-cancellable operating lease expenses are payable as follows:				
Payable within one year	407	409	407	409
Payable between one and two years	235	358	235	358
Payable between two and five years	22	213	22	213
Total operating leases	664	980	664	980

Note 24. Capital commitments**Committed but not contracted for:**

New developments - OTK Orchards Limited	114	142	114	142
OPAC - Capital works	800	1,256	800	1,256
Total commitments	914	1,398	914	1,398

Note 25. Contingencies

Contingent liabilities are costs that the group will have to face if a particular event occurs.

Two contingent liabilities that have arisen as a consequence of two separate legal actions being taken against Famoso LLC in which OPAC has a 35% share. The directors believe that it is unlikely that the group will incur any significant cost as a result of these claims.

Identifying these two claims as contingent liabilities does not represent that the claim is valid.

(New Zealand dollars in thousands)	Group		Company	
	2010	2009	2010	2009
Note 26. Net cash flow from operating activities				
The following is a reconciliation between the surplus after income tax shown in the statement of comprehensive income and the net cashflow from operating activities:				
Surplus after income tax	1,527	(5,299)	748	(4,146)
<i>Less items classified as investing / financing</i>				
Associates contribution	(911)	273	-	-
Dividend income received	(70)	(158)	(70)	(96)
Interest income received	(107)	(20)	(106)	(20)
Realised foreign currency gains and losses	(14)	1	(14)	1
<i>Non-cash items</i>				
Depreciation	1,059	1,038	1,059	1,038
Amortisation of intangible assets	57	83	57	83
Bad debts/provision for doubtful debts	26	12	26	12
Loss on disposal of fixed assets	9	16	9	16
Gain on sale of fixed assets	(50)	(3)	(50)	(3)
Unrealised foreign exchange loss/(gain)	(3)	923	(3)	923
Movement in deferred taxation	446	(127)	446	(127)
Employee share benefits	25	27	25	27
Impairment of investments	-	5,277	-	4,375
<i>Movements in working capital items</i>				
Trade creditors and accruals	97	(779)	24	(779)
Income tax payable/(receivable)	34	(229)	(76)	(185)
Trade debtors and accruals	567	444	567	444
Inventories	424	(142)	424	(142)
Biological assets	(28)	687	(28)	687
Net cash from operating activities	3,088	2,024	3,038	2,108

Note 27. Related party transactions

Identity of related parties with whom material transactions have occurred

Group entities

The group has related party relationships with its subsidiaries, associates, joint ventures (see note 8 and 9).

Transactions with key management personnel

Key management personnel is defined as all directors and senior executives that set the strategic direction and manage the parent company. The company undertakes transactions with these persons in the normal course of business on normal commercial terms and none of which were of a material nature.

Included in expenses (Note 4) is an amount of \$821,847 (2009: \$978,534) for salaries and directors' fees.

As at the year ended 31 December 2010 the company has a loan outstanding from its employee share scheme of \$646,575 (2009: \$662,565). Dividends of \$15,990 (2009: \$35,900) were paid to the employee share scheme trust account. The shares are held in trust for employees and any dividends received are used to repay the loan account from the company.

Transactions with other related parties

Opotiki Packing and Coolstorage Limited has made loans and advances to certain subsidiaries and associates. Trade and other receivables in note 14 include loans and advances to subsidiaries and associates of \$728,980 (2009: \$884,716). All intercompany transactions are eliminated in the group accounts.

All loans and advances to subsidiary companies and associates are payable on demand.

The company undertakes transactions with other related parties in the normal course of business, and all transactions are on normal commercial terms.

The company received post harvest services from its grower entity to the value of \$17,906,545 (2009: \$20,142,699). The group received dividends, capital distributions and other income from associates (refer note 3) of \$191,069 (2009: \$355,685).

In addition to the above the company provides secretarial services and the use of offices for administrative purposes to group entities for no consideration (2009: Nil)

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

Notes to the Financial Statements

for the year ended 31 December 2010

Note 28. Impairment

At 31 December 2009 the group impaired the full value of its investment in its associate New Gold SRL, reducing the asset from its equity accounted value to nil. The impairment was due to the outbreak of bacteria in the New Gold orchards.

On 20 December 2010 the group transferred its shares in New Gold SRL with no monetary consideration but exempting the group from any future claims or liabilities.

Note 29. Events subsequent to balance date

There have been no events between balance date and the date of issue of the financial statements which affect the financial statements.

Note 30. *Pseudomonas syringae* pv. *actinidiae* ("Psa")

In November 2010 the bacteria *Pseudomonas syringae* pv. *actinidiae* (Psa) was confirmed in orchards in Tauranga, Te Puke, Edgecumbe, Whakatane, Hawkes Bay and Motueka. Subsequent information has indicated that there are two forms of the bacteria present. An Asian isolate which appears to have been present for some time, but has had little effect and is believed to be benign. The second isolate being an Italian form which has been far more aggressive and has been localised in the Te Puke area.

As a result of the discovery of the bacterial outbreak, the industry created the entity, Kiwifruit Vine Health Authority (KVH), an independent pan-industry organisation charged with leading the kiwifruit industry response to the Psa incursion. It was established following agreement of the Industry Advisory Council (IAC) to transition the management of the Psa response from MAF Biosecurity NZ and Zespri to a separate entity.

The Group is working with KVH to implement an aggressive containment strategy in response to the detection of the Italian isolate on orchards supplying OPAC. This strategy essentially sees that where there is lab confirmation of the presence of the Italian isolate in the orchard and secondary symptoms are present in the plants, vine or full orchard removal will proceed with a commensurate compensation package paid to the orchardist.

The possible impact of Psa has been considered in relation to the valuation of biological assets and the recoverability of short term lease prepayments. As at the date of the release of these accounts, no reliable estimate of the future financial impact, if any, from the Psa outbreak can be made.

Audit Report

INGHAM MORA

CHARTERED
ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Opotiki Packing and Coolstorage Limited

Report on the Financial Statements

We have audited the financial statements of Opotiki Packing and Coolstorage Limited on pages 6 to 30, which comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information for both the Company and Group. The Group comprises the Company and the entities it controlled at 31 December 2010 and during the financial year.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, 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.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Opotiki Packing and Coolstorage Limited.

Basis of Opinion

In our opinion, the financial statements on pages 6 to 30:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the Company and Group as at 31 December 2010 and their financial performance and cash flows for the year ended on that date.

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

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by the Company and Group as far as appears from an examination of those records.

Ingham Mora

4 April 2011
TAURANGA

Statutory Information for the year ended 31 December 2010

Principal activities

The principal activity of the company is to provide and manage service activities to the horticulture industry. The nature of the company's business has not changed in the year under review.

Dividends

An imputed interim dividend for the 2010 financial year was paid on 3 December 2010 of 10 cents per share.

Directors holding office during the year

A E de Farias
T D Chrisp
I J Craig
D J Emslie
M G Franks
C M Thompson (managing director)

Use of company information

During the year the board received no notices from directors requesting authority to use company information, which would not otherwise have been available to them.

Directors' shareholding

Directors held the following shares at 31 December 2010:

Current directors	No of Shares Held
I J Craig	204,081
D J Emslie - DJ & DJ Emslie Family Trust	371,198
C M Thompson	133,760

CM Thompson is a director of Ohiwa Investments Limited who hold 125,356 shares at balance date.

Share dealings

No directors acquired or sold interests, either directly or indirectly, in ordinary shares issued by the company during the year.

Directors remuneration and other benefits

Director	Fees	Other benefits	Total
A E de Farias	45,000	2,000	47,000
T D Chrisp	25,000	2,000	27,000
I J Craig	25,000	2,000	27,000
D J Emslie	25,000	2,000	27,000
M G Franks	25,000	2,000	27,000
CM Thompson		257,673	257,673
Total	145,000	267,673	412,673

Other benefits include bonuses and employee benefits.

Subsidiaries

No directors' remuneration was paid during the year by subsidiaries to their directors.

Employee remuneration

During the year 5 (2009: 6) employees who are not directors received remuneration of \$100,000 or more.

Salary Band	2010 No of Employees	2009 No of Employees
\$100,000 - \$110,000	2	1
\$110,000 - \$120,000	1	1
\$120,000 - \$130,000	1	-
\$130,000 - \$140,000	-	2
\$150,000 - \$160,000	1	1
\$180,000 - \$190,000	-	1

Remuneration Includes employee benefits, vehicles and all bonus payments.

Entries recorded in the interests register

The following additional entries were recorded in the interest's registers of the company and its subsidiaries during the year:

Directors' interests in transactions

Company

During the year the directors undertook transactions with the company as set out in Note 24 to the Financial Statements, Related party transactions.

Subsidiaries

Other than directors stating their directorships in the parent company no other interests were noted.

Other directorships

Directors have disclosed the following directorships held by them:

A E de Farias

Grasslands Consultants LLC	Director
Waterview Downs Orchards Limited	Director & Shareholder
Zespri International Limited	Director
Zespri Group Limited	Director
The Fresh Fruit Company of Nelson Limited	Director
Toi EDA (Eastern BOP Economic Development Agency)	Trustee
Canterbury Grasslands Limited	Chairman
Horizon Energy Distribution Limited	Director
OPAC Properties Limited	Director
Opotiki Packing and Coolstorage Limited	Director
OPAC Employee Share Scheme Trust	Trustee
BOP Rugby Union	Independent Director

D J Emslie

Fraser Road Orchards Limited	Director & Shareholder
Highcrest Limited	Director & Shareholder
D.C.D. Orchards Limited	Director & Shareholder
Seeka kiwifruit Industries Limited	Director
TKG Agent Limited	Director
Fortuna Orchard Limited	Director & Shareholder
Seeka Growers Limited	Director
Kaiaua Holdings Limited	Director & Shareholder
OTK Orchards Limited	Director
Arohena Pastoral Limited	Director & Shareholder
Opotiki Packing and Coolstorage Limited	Director & Shareholder
OPAC Properties Limited	Director
Kaiaaponi Farms Limited	Director
Seeka Employee Share Plan Trustees Limited	Director
OPAC Employee Share Plan Trust	Trustee

T D Chrisp

Links PHC Limited	Director & Shareholder
Cedenco Japan Limited	Chairman
Cedenco Foods New Zealand Limited	Director
OPAC Properties Limited	Director
Opotiki Packing & Coolstorage Limited	Director

M G Franks

Integrated Fruit Supply Logistics Limited	Director
Seeka Growers Limited	Director
OPAC Properties Limited	Director
Opotiki Packing & Coolstorage Limited	Director

C M Thompson

Ohiwa Hort Limited	Director
Ohiwa Investments Limited	Director
Double M Orchards Limited	Director
Paradise Kiwi Limited	Director
Paradise Management Limited	Director
Alandale Farms Limited	Shareholder
DCD Orchards Limited	Director
Vigneto Limited	Director
Opotiki Packing and Coolstorage Limited	Director & Shareholder
Seeka Kiwifruit Industries Limited	Shareholder
Fraser Road Orchards Limited	Director
Thornton Orchard Limited	Director
OPAC Properties Limited	Director
Kaiaaponi Farms Limited	Director
I-Hort Limited	Director
TKG Agent Limited	Director
OPAC Growers Supply Limited	Director

I J Craig

Tablelands Hail Machines Company Limited	Director
TKG 9 Limited	Director
Niks Limited	Director
Orangewood Limited	Chairman
Ian Craig Opotiki Limited	Director
OTK Orchards Limited	Director
OTK Management Limited	Director
Opotiki Packing and Coolstorage Limited	Director & Shareholder
Zespri Group Limited	Zespri Contractual Employee
OPAC Properties Limited	Director
Opotiki Packing and Coolstorage Limited	Director & Shareholder
OPAC Employee Share Scheme Trust	Trustee

Directors' indemnity and insurance

The company has insured all its directors and the directors of its subsidiaries against liabilities to other parties (except the company or a related party of the company) that may arise from their positions as directors. The insurance does not cover liabilities arising from criminal actions.

Donations

During the year various small amounts were donated to various charities by either the company or its subsidiaries.

Directors

Tony de Farias

Chairman

Elected in December 2006 as OPAC's chairman, Tony has more than 20 years experience in all aspects of the kiwifruit industry, including being the founding managing director of today's largest kiwifruit service company, Seeka. Tony was appointed by growers to be a director of Zespri Group Limited in 2007, having developed an extensive range of contacts throughout the international kiwifruit industry. He brings a valuable global insight to OPAC, and in prior years has held directorships on the Kiwifruit New Zealand Board – the governing body of the New Zealand kiwifruit industry before the inception of Zespri Group Limited. He has been actively involved in the kiwifruit industry over many years.

Ian Craig

Director

A co-founder of OPAC in 1987, Ian was OPAC's general manager from its inception until July 2004. Ian has also been a director of OPAC since the company was formed, the first eight years serving as chairman. He took leave as an OPAC director in November 2005 due to a possible conflict of interest with contract work he is undertaking with Zespri as their offshore post harvest advisor. The experience and industry knowledge Ian is gaining in this role will be invaluable for future operations. He is currently chairman of TKG Agent, the TKG Joint ventures and Orangewood Limited, a Kerikeri kiwifruit post harvest facility.

Michael Franks

Director

Appointed to the board by Seeka in 2007, Michael is a chartered accountant and a member of the New Zealand Institute of Chartered Accountants and the Institute of Directors. He brings financial management skills and is the chief executive of Seeka Kiwifruit Industries Limited. Michael has a commercial and financial background having previously filled senior roles at Seeka, Norske Skog and the New Zealand Forest Research Institute.

Tim Chrisp

Director

Tim has a long association with the East Coast having lived in Gisborne for 25 years and now lives in Auckland with his wife Adriel. He has 29 years experience in the marketing of horticultural products from New Zealand and is a current or past director of several horticultural post harvest and marketing organisations. He is chairman of Cedenco Japan, which involves managing the marketing and service delivery of a wide range of fresh, processed and added-value horticultural products in world markets. Now in his fifth year as an OPAC director, Tim is playing his part in helping OPAC develop into a world class service organisation and provide viable returns for all of its stakeholders.

David Emslie

Director

A founding director of OPAC, David has extensive industry and orchard experience developed from his roles at OPAC in leadership and field operations. David is a director of several orchard-owning companies and has been orcharding with his wife, Debbie, since purchasing their own holding in 1980.

Craig Thompson

Managing Director

Senior Management

Craig Thompson

Managing Director

Craig has been involved in the kiwifruit industry for more than 20 years, having started as an orchard cadet in the mid 1980s. Throughout this period he has worked in a wide range of areas, including three years managing OPAC's joint venture GOLD development in Italy. Craig is highly motivated and committed to the industry, with strong leadership skills and a large personal investment in kiwifruit orcharding and post harvest.

Warren Short

Post Harvest Operations Manager

Warren has a strong grounding in both ends of the kiwifruit supply chain, having worked for three years at Zespri's Mount Maunganui offices, being involved in grower services, then transferring to Zespri's Belgium office for a further six years. He joined OPAC in 2004 so he could focus on grower support. Warren advocates grower interests in the decision making process to focus post harvest operations on delivering the best outcomes for OPAC supplying orchardists.

Hugh O'Donnell

Gisborne Operations Manager

Hugh brings a strong Gisborne focus to operations, having more than 20 years horticultural experience in the Hawkes Bay apple industry covering all aspects from growing to harvesting. His expertise in Hawkes Bay growing conditions and excellent relationships with local orchardists have been major drivers in consolidating OPAC's Hawkes Bay operations, placing us in a strong position to be a key contributor as we realise the region's full potential.

Ian Coventry

Commercial Manager

Ian is a chartered accountant and held a number of senior financial and planning roles within the meat processing, research, forestry and paper industries prior to joining OPAC in a contracting capacity in 2007. Over the past four years Ian has worked with the field, grower services and administration teams to streamline systems and improve reporting. Early in 2010 he was appointed commercial manager to oversee finance and administration functions plus manage the grower services team. Ian has a personal investment in the kiwifruit industry as an OPAC grower with an orchard in the Whakatane region.

Shareholders as at 31 March 2011

Shareholder	Number of Shares	Percentage of Total Shareholding
SEEKA Kiwifruit Industries Limited	858,224	19.20%
Sheryl Tebbutt	400,000	8.95%
David Emslie, Deborah Emslie, & Sharp & Cookson Trustee Services Limited	371,198	8.30%
Robert Tait, Jane Tait & Ian Craig	250,000	5.59%
Pat Barton	248,160	5.55%
Ann Craig	236,086	5.28%
Ian Craig	204,081	4.56%
Employee Staff Share Scheme, David Emslie, Tony de Farias & Ian Craig	159,898	3.58%
Development Enterprises Limited	147,489	3.30%
Murray & Marilyn Thompson	143,938	3.22%
Craig & Michelle Thompson	133,760	2.99%
Ohiwa Investments Ltd	125,356	2.80%
Roger & Colleen Clark	122,062	2.73%
Selby & Judy Fisher	96,000	2.15%
Christopher Urry, Sally Urry & Donald Finlayson	96,000	2.15%
Hamish Spencer	81,418	1.82%
Sally Spencer	75,114	1.68%
Peter Anstis, Marian Anstis & Robert Tait	72,000	1.61%
John Connor	71,600	1.60%
Ian & Denise Robertson	65,852	1.47%
Ian Palmer	63,360	1.42%
Sharp & Cookson Trustee Services, Anne Larkey & Shona Devoy	48,000	1.07%
Ian Robertson, Denise Robertson, Robert Chappell & Walton Goldsmith	38,782	0.87%
Mary-Anne Barton	34,934	0.78%
Thorsen Gempton Consulting Limited, Sally Spencer & Hamish Spencer	29,111	0.65%
Thorsen Gempton Consulting Limited & Susan Cowie	29,111	0.65%
Rex & Ngaire Henderson	26,880	0.60%
Richard Anstis, Peter Anstis & Beverley Butchart	24,000	0.54%
Hedley Farms Ltd	24,000	0.54%
Jerome & Jean Smithson	24,000	0.54%
Ian Greaves, Nicola Greaves & Craig Thompson	24,000	0.54%
Dave & Bev Addison	19,200	0.43%
Brian Young & Kathleen Young	19,200	0.43%
Rushaven Farms	13,682	0.31%
Donald & Katherine Murray	12,000	0.27%
Andrew Taylor & Robert Tait	11,094	0.25%
Narayan Sherchan	10,000	0.22%
Becky Lawrance	9,600	0.21%
Dot Palmer	9,600	0.21%
Graeme & Delwyn Redpath	9,600	0.21%
Robert Tait, Jane Tait & David Tait	9,556	0.21%
Robert Tait, Jane Tait & Julia Tait	9,555	0.21%
Miranda Henwood	6,327	0.14%
Alan & Krystene Connolly	5,000	0.11%
Tony John Beal	1,794	0.04%
	4,470,622	100.00%

Company Directory

Directors

A E de Farias (Chairman)

T D Chrisp

I J Craig

D J Emslie

M G Franks

C M Thompson (Managing director)

Contact Details

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93 Waioeka Road, Opotiki

Auditors

Ingham Mora, Tauranga

Opotiki Packing and Coolstorage Limited

93 Waioeka Road

Opotiki

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