ANNUAL REPORT
31 MARCH 2009

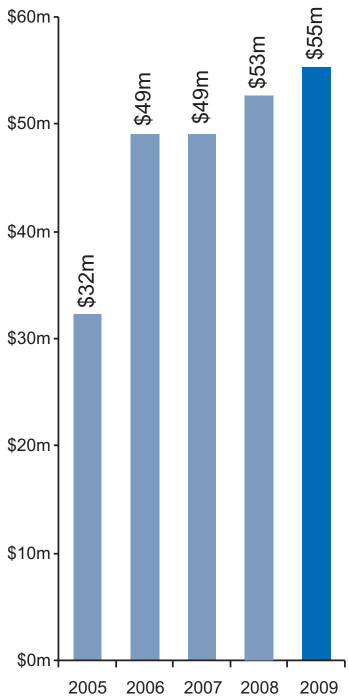
SEEKA KIWIFRUIT INDUSTRIES LIMITED

SEEKA
KIWIFRUIT INDUSTRIES LIMITED

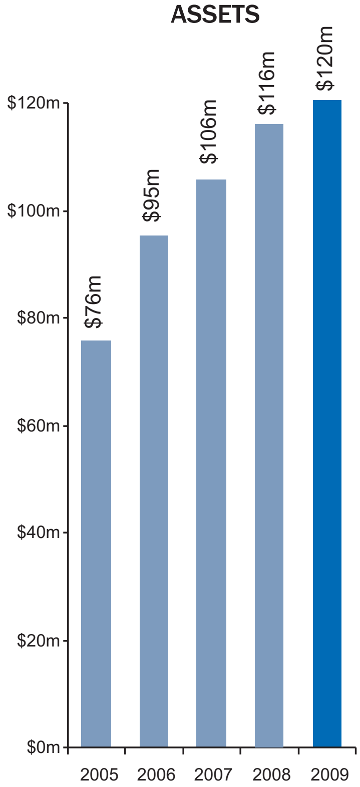
REVENUE

Financial year ended 31 March

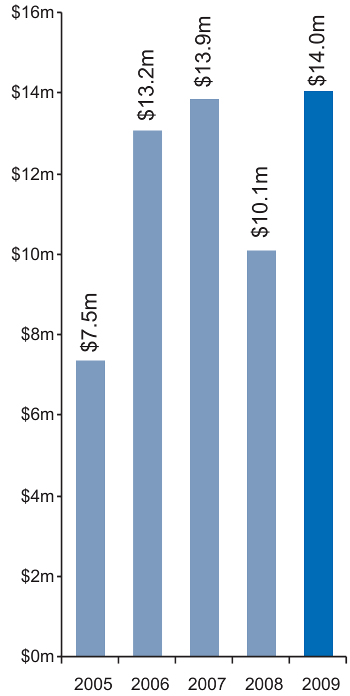
SHAREHOLDER FUNDS



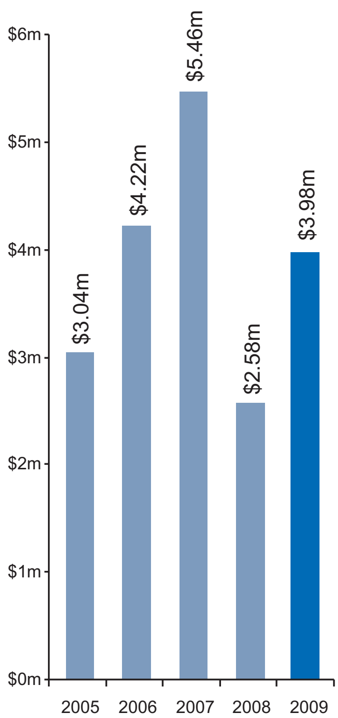
ASSETS



EBITDA

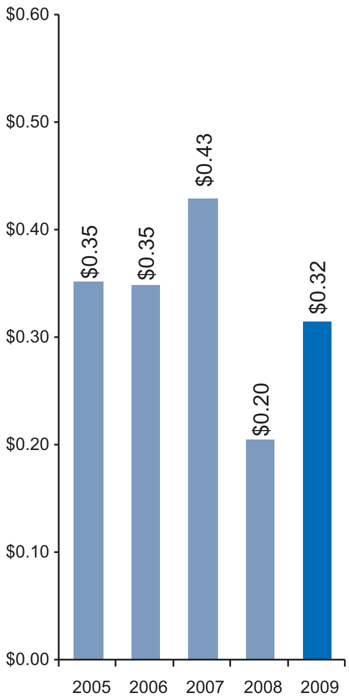


NPAT

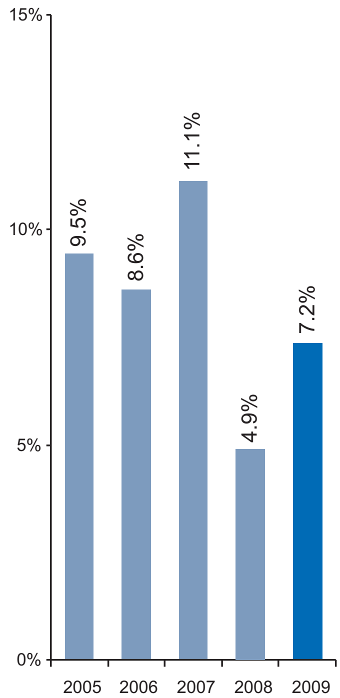


Financial year ended 31 March

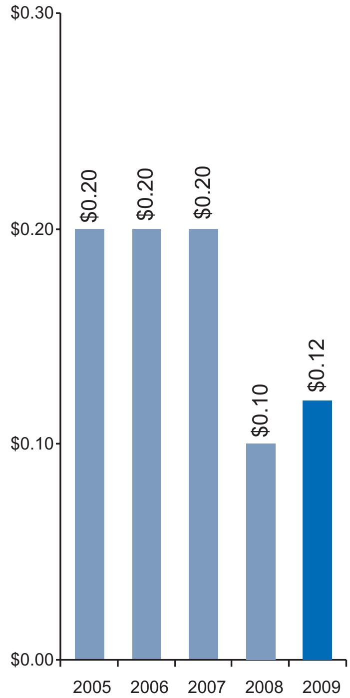
NPAT PER SHARE



NPAT ON NET ASSETS



DIVIDEND PER SHARE



Summary

> $5.59m profit before tax, compared with $2.03m in 2008.

> $12.59m cash flow from operations, an increase of $7.34m

> $14.04m earnings before interest, tax, depreciation and amortisation, compared with $10.12m in 2008.

> $4.54m reduction in closing debt

> Orchard operations return to profit

> 10 cents per share imputed dividend announced

Overview

Seeka achieved a $3.98m operating surplus after tax for the year ended 31 March 2009, compared with $2.58m in 2008. Profit before tax totalled $5.59m, an increase of $3.56m over the prior year. The 2009 result includes an allowance of $779k for the impairment of orchard work in progress, reflecting uncertainty of market returns for green kiwifruit; and a $992k write down of the Company's position in interest rate hedging. In spite of these charges, March 2009 profit before tax exceeded the upper range forecast to shareholders at the half year.

Cash flow from operations totalled $12.59m, up from $5.25m in 2008. This increased cash flow enabled the Company to carry lower debt by $4.54m. A dividend distribution was made to shareholders of $1.51m on 10 December 2008. $6.45m was invested in plant upgrades during the year reflecting the Company's investment strategy. The Directors continue to review assets and investment holdings. The Berry packhouse, formerly a class 2 site, was sold realising $957k.

As outlined in the Half Year Report, all aspects of the Company were reviewed as a result of a difficult 2008. The resulting changes delivered improvements to operational performance, returns to orchard owners and earnings. The Company continues to innovate to improve earnings and operational results, knowing that further enhancements are available and required.

DIVIDEND ANNOUNCED

An imputed dividend of $0.10 per share will be distributed to shareholders 29 June, and will apply to all shareholders on the register at 5pm June 19, 2009.

MAY 2009 HAIL EVENT
SUBSEQUENT TO BALANCE DATE

The Te Puke growing region experienced a severe hail storm on 11 May 2009 which affected a number of un-harvested Seeka supplying orchards.

The damage will affect Seeka's orchard leasing operations, and also decrease post harvest volumes. Seeka has established harvest and post harvest handling protocols in order to minimise the effect of this event.

The Company will provide shareholders with more guidance once the extent of the event is accurately quantified.

Operational Review

ORCHARD OPERATIONS RETURN TO PROFIT

Orchard division earnings of $3.72m is a $6m improvement on 2008's loss of $2.23m. The division delivered an excellent quality crop with high yields, lower reject rates and, through post harvest, achieved excellent storage incentives. Operational improvements were boosted through higher fruit returns, primarily due to a lower New Zealand dollar.

The New Zealand dollar fell dramatically in 2008 against key trading currencies. Zespri's FOBS payments increased $0.68 to $6.98 in green, $1.12 to $9.27 in green organic and $0.89 to $9.70 in gold. The resulting average orchard gate returns per hectare of $35,085 green, $44,390 organic and $60,696 gold, enabled the orchard division to return to profit.

Long term leased orchards delivered full production in harvest 2008. The 105 hectares produced 809k trays of gold and 306k trays of green, and delivered positive cash flow of $1.90m and EBITDA of $2.27m. The outlook for long term leased orchards remains positive, noting the volume of gold fruit produced by these orchards.

The Company continues to restructure its risk profile from orcharding. The Total Value Lease rebalances the orcharding risk and reward structure with orchard owners. During the year, 60 leases, representing approximately a third of Seeka's leasing business, were transitioned, with uneconomic or underperforming orchards not considered for renewal. The uptake of the Total Value Lease has been positive. In nearly all circumstances the orcharding team delivered orchard owners a premium greater than the cost of Seeka's professional management services. Accordingly, the Company continues to experience good demand from orchard owners for new leasing opportunities.

The improvement in orchard earnings and return to profit is pleasing. The focus remains on maintaining excellent standards, and transitioning to the Total Value Lease.

POST HARVEST

INNOVATION LEADS TO IMPROVED MARGINS & RETURNS

Seeka's total kiwifruit trays handled was 21.0m [class 1 and 2], down a marginal 0.2m trays on the prior year. In addition, post harvest handled 173k trays of avocados, down from 455k trays in the prior season, largely due to biennial fruiting of the local avocado crop.

While post harvest delivered lower earnings than the previous year, it returned to a normal earnings level. A better job, first time, and improved inventory which required less rework, lowered earnings but delivered superior orchard returns. Fruit loss improved to better than industry average in every variety, a significant achievement given Seeka's market share. This in turn delivered good storage returns to orchard owners, including Seeka's own orchard operations.

Seeka, through its supply operation IFSL, improved its delivery of fruit in-grade and on-time to Zespri. Accordingly Seeka and its supplying orchardists earned significant short order premiums by assisting Zespri to fill vessels.

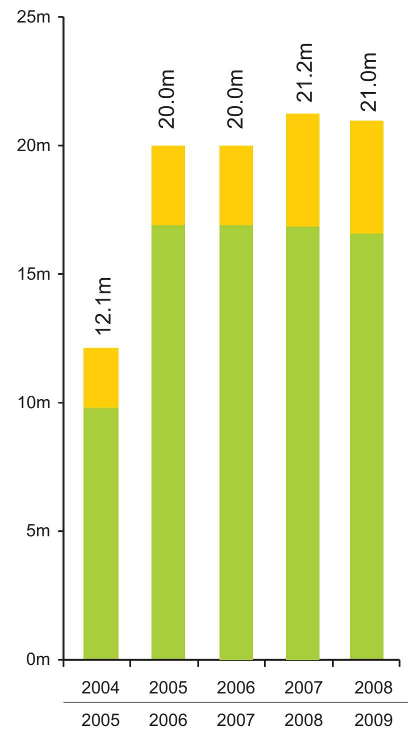
The hub structure implemented in post harvest improved inventory management and delivered better results. The Company assigned orchards to hubs and aligned packing and coolstore capacity using forecast volumes and load out patterns. Additional coolstorage was constructed at Katikati in order to better handle gold fruit.

The new role of inventory manager coordinates hub operations from orchard to load-out, with key measures in place for all staff including load-out performance. The new structure effectively models operations at the Peninsula packhouse where the Company consistently achieves best practice. Balanced capacities and aligned management structures delivered better results.

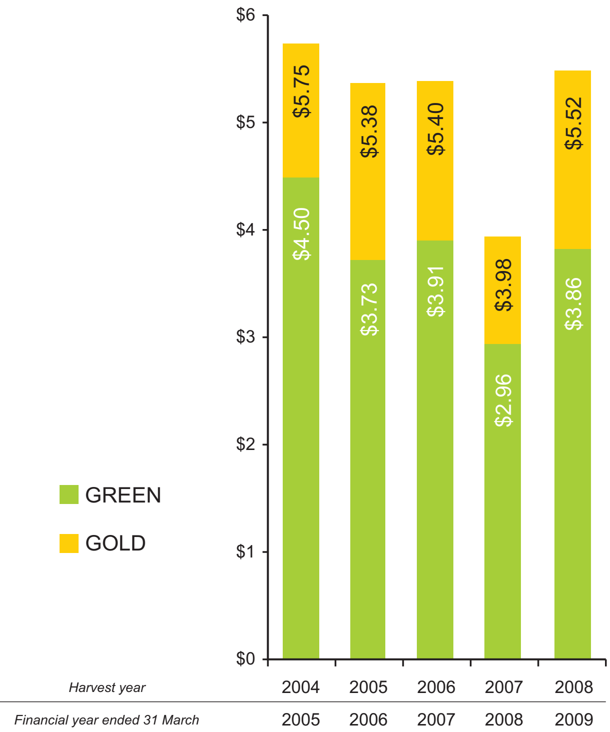
Seeka has deployed its advanced inventory management system (AIM©). The system provided inventory managers with the necessary information to manage fruit in store and prioritise load out, which contributed to lower fruit loss.

Harvest processes continue to be improved. A new quality control process was implemented across all picking operations. A penalty system charges contractors picking out of grade with the proceeds going to orchardists. The process was initiated to improve crop quality and reduce physical damage of product arriving at the packhouse.

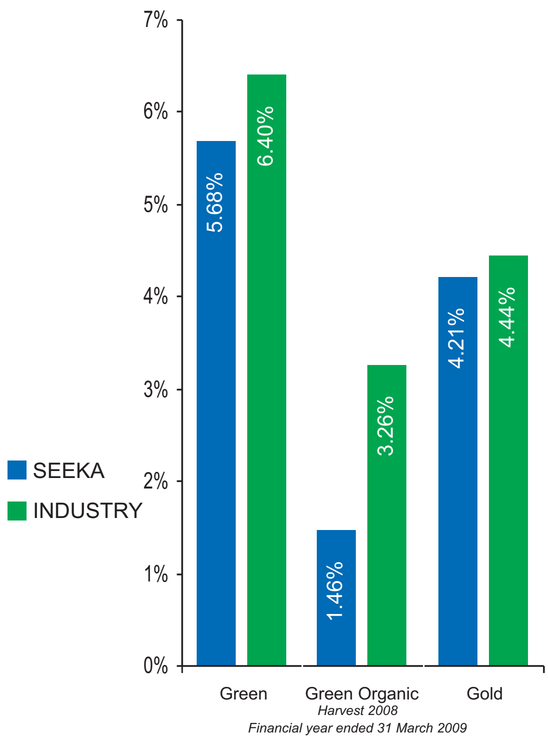
TOTAL TRAYS PACKED



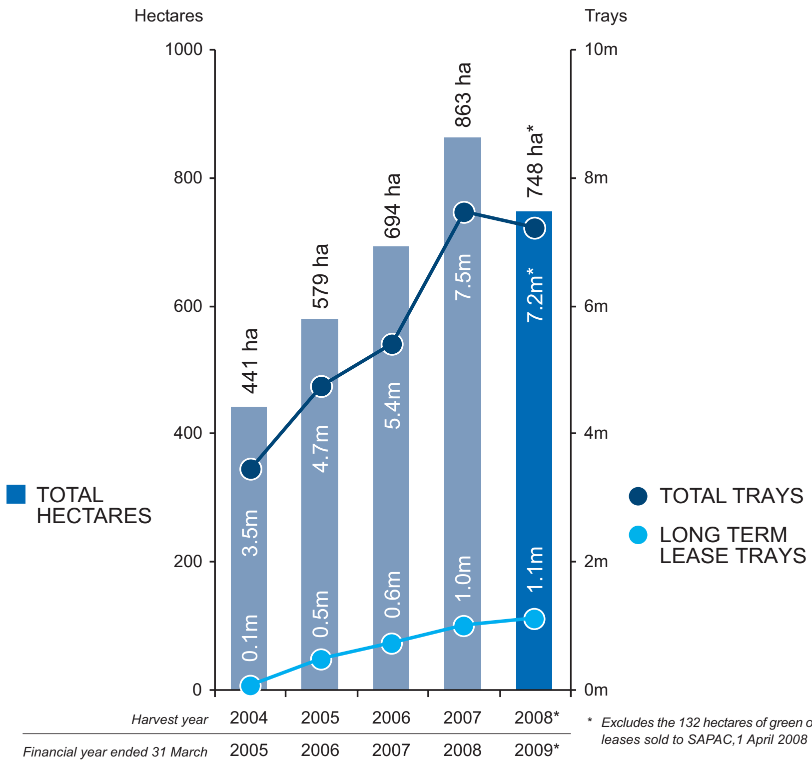
SEEKA GROWERS ORCHARD GATE RETURNS PER TRAY



POST HARVEST PERFORMANCE ONSHORE FRUIT LOSS



ORCHARD DIVISION PERFORMANCE PRODUCTION HECTARES & TRAYS



* Excludes the 132 hectares of green orchard leases sold to SAPAC, 1 April 2008

Commercial mechanisms, agreed with Seeka Growers, were initiated to differentiate and reward performance. Both Seeka and Seeka Growers continue to refine these mechanisms to simplify and provide clear incentives to both the Company and orchardist.

Seeka provides information to empower employees and orchardists. Along with real-time inventory reporting, Seeka achieved a step change through the innovation of reporting by maturity area rather than consolidated reporting at orchard level. Orchardists can see the financial differentiation of their various maturity areas and understand the variation in returns from different growing techniques or profiles within their orchard.

Across post harvest, disciplined planning, quality improvements, and a determination to do the job right first time, lifted operational performance. Management practices instilled within the division, along with experienced and dedicated personnel, augur well for future performance.

SeekaFresh & AvoFresh
A FRESH BUSINESS APPROACH

SeekaFresh is the brand Seeka uses to describe its domestic and Australian fruit marketing. Through SeekaFresh, the Company delivers quality fruit direct to market. The Company is striving to achieve its goal of right each time and a reputation for quality.

SeekaFresh supplies both retail customers and wholesale markets. The ability in 2009 to supply both retail and wholesale with class 1 kiwifruit provides SeekaFresh with opportunities to generate incremental earnings.

Avocados remain an important category for Seeka. During the year Seeka restructured and repositioned its avocado activities. The new brand ‘AvoFresh’ was launched, along with its own grower entity. New marketing structures were put in place with both GlobalFresh and JP Exports, and the Company established its own avocado oil extraction plant and developed a new avocado oil marketing relationship with The Village Press. AvoFresh delivered orchardists with competitive returns in its first year of operations and provides the platform for growth.

OUR PEOPLE OUR FUTURE

Seeka continues to focus on developing tomorrow's leaders. As part of the leadership development process, Seeka pioneered offshore in-shed fruit handling experiences. ‘Up-and-coming’ talent have been provided with paid secondments to the Venida packhouse in California and Kiwi Pontino post harvest facility in Cisterna, Italy. People selected to go on these programmes are completely immersed in the operations and have all benefited from the experience.

New steps are being taken to ensure the safety of people as they work across all operations. A dedicated Occupational Safety and Health Manager has been appointed. All base systems, reporting and documentation procedures reviewed and renewed. In addition to other safety initiatives, the Company will implement random drugs and alcohol testing across all processing sites in harvest 2009.

Seeka is committed to investing in its people, recognising the important contribution they make to the ongoing success of the Company. The Company continues to promote a safe work environment.

OUTLOOK

The world economy remains uncertain and the market for New Zealand kiwifruit is not immune to this. The economic turmoil coincided with the New Zealand kiwifruit industry growing a large green volume. Zespri, concluding it would be uneconomic to market the entire green crop, opted not to harvest a proportion of fruit and open the Australian market to class 1 fruit across a number of exporters. Subsequent to this, a lower than predicted national green harvest along with extensive hail damage in the Te Puke region led Zespri to review and unwind some of these steps. While sensible, the outlook for green returns is uncertain with a lower New Zealand dollar unlikely to be reflected in incremental returns to green orchardists.

The gold variety continues to experience good market demand and strong in-market pricing. Accordingly the outlook for returns in the gold variety is very positive.

Seeka has improved operations during the reported year and delivered increased earnings. The Board and Management are encouraged by the results achieved and thank all staff and suppliers for their efforts.

Kim Ellis
Chairman

Michael Franks
Chief Executive

KEY MARKET INDICATORS FOR SEEKA GROUP	2008/2009 ACTUALS (IFRS)	2007/2008 ACTUALS (IFRS)	2006/2007 ACTUALS (IFRS)	2005/2006 ACTUALS	2004/2005 ACTUALS
POST HARVEST OPERATIONS					
Total Gross Packed Trays	20,961,475	21,197,603	20,018,520	19,997,109	12,102,192
Class 1 Packed Trays	19,573,361	20,023,047	18,707,257	18,279,536	11,131,052
Class 2 Packed Tray Equivalents	1,388,114	1,174,556	1,311,263	1,717,573	971,140
Trays Coolstorage	21,147,220	22,055,625	21,010,303	20,133,691	11,287,307
ORCHARDING OPERATIONS					
Orchard Production Trays	7,229,906	7,472,921	5,398,356	4,747,714	3,465,961
Orchard Production Hectares	748	863	694	579	441
Orchard Production Trays per Hectare	9,660	8,663	7,784	8,196	7,859
ORCHARD GATE RETURNS PER TRAY SEEKA GROWERS					
Green	$3.86	$2.96	$3.91	$3.73	$4.50
Gold	$5.52	$3.98	$5.40	$5.38	$5.75
KEY FINANCIAL INDICATORS FOR SEEKA GROUP					
Total Income ($000s)	$107,972	$107,285	$98,107	$97,736	$57,128
Operating Cashflow ($000s)	$12,591	$5,252	$4,211	$10,191	$3,429
Net Profit Before Tax ($000s)	$5,589	$2,030	$7,092	$5,291	$4,443
Total Interest Costs ($000s)	$2,831	$3,288	$2,773	$3,396	$1,111
Fair Value Adjustment on Non-Hedge Derivatives ($000s)	$992	$151	($155)	-	-
Total Amortisation ($000s)	$469	$570	$378	$830	-
Total Depreciation ($000s)	$4,161	$4,079	$3,844	$3,699	$1,926
Total Assets ($000s)	$120,122	$116,104	$105,750	$95,287	$75,894
Total Shareholders Funds ($000s)	$55,168	$52,671	$49,084	$49,035	$32,204
Shareholder Equity Ratio %	46%	45%	46%	51%	42%
NPAT per Share	$0.32	$0.20	$0.43	$0.35	$0.35
Dividend per Share	$0.12	$0.10	$0.20	$0.20	$0.20
Dividend % of NPAT	38%	50%	44%	57%	55%
Share Price (at balance date)	$2.21	$2.16	$3.95	$3.20	$4.50
NPAT on Net Assets	7%	5%	11%	9%	9%
Total Shareholders	803	791	825	812	526
Net Asset Backing	$4.38	$4.18	$3.90	$4.05	$3.71
Total Shares on Issue	12,599,995	12,599,995	12,599,995	12,095,685	8,669,936
EBITDA ($000s)	$14,042	$10,118	$13,932	$13,215	$7,480
EBITDA % of Sales	13%	9%	14%	14%	13%
EBITDA on Net Assets	25%	19%	28%	27%	23%

Financial Statements

Income Statement

for the year ended 31 March 2009

	Notes	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
Revenue	7	107,464	106,868	107,464	105,308
Cost of sales	8	87,705	90,785	87,705	89,554
Gross operating profit		**19,759**	**16,083**	**19,759**	**15,754**
Other income	7	508	417	677	727
Share of profit of associates	20	509	392	-	-
Other costs	8	6,734	6,774	6,734	6,458
Earnings before interest tax depreciation and amortisation		**14,042**	**10,118**	**13,702**	**10,023**
Depreciation and amortisation expense	8	4,630	4,649	4,630	4,582
Earnings before interest and tax		**9,412**	**5,469**	**9,072**	**5,441**
Interest expense	8	2,831	3,288	2,831	3,283
Fair value adjustments on non-hedging derivatives	8	992	151	992	151
Profit before income tax		**5,589**	**2,030**	**5,249**	**2,007**
Income tax expense	9	1,609	(546)	1,609	(531)
NET OPERATING PROFIT ATTRIBUTABLE TO SHAREHOLDERS		**3,980**	**2,576**	**3,640**	**2,538**
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY DURING THE YEAR					
Earnings per share (cents)	30	0.32	0.20	0.29	0.20
Diluted earnings per share (cents)	30	0.32	0.20	0.29	0.20

The accompanying notes form an integral part of these financial statements

Balance Sheet

as at 31 March 2009

	Notes	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
EQUITY					
Share capital	25	28,947	28,878	28,947	28,878
Reserves	26	6,920	7,360	6,920	7,360
Retained earnings	26	19,301	16,433	18,538	16,010
TOTAL EQUITY		**55,168**	**52,671**	**54,405**	**52,248**
CURRENT ASSETS					
Cash and cash equivalents	10	458	83	458	83
Trade and other receivables	11	6,880	8,277	6,880	8,277
Short term lease prepayments		13,612	14,435	13,612	14,435
Inventories	12	9,156	6,957	9,156	6,957
Financial derivatives	13	-	31	-	31
Investments held for sale	28	-	3,389	-	3,370
Current tax receivables		108	1,093	108	1,093
TOTAL CURRENT ASSETS		**30,214**	**34,265**	**30,214**	**34,246**
NON CURRENT ASSETS					
Advances	5	5,348	1,134	5,331	1,134
Property, plant and equipment	15	62,330	60,160	62,330	60,160
Intangible assets	16	2,407	2,591	2,407	2,591
Available for sale financial assets	17	3,689	3,593	3,689	3,593
Biological assets	18	10,892	9,424	10,892	9,424
Investment in subsidiaries	19	-	-	39	39
Investment in associates	20	5,242	4,937	4,457	4,494
TOTAL NON CURRENT ASSETS		**89,908**	**81,839**	**89,145**	**81,435**
TOTAL ASSETS		**120,122**	**116,104**	**119,359**	**115,681**
CURRENT LIABILITIES					
Current tax liabilities		6	-	6	-
Trade and other payables	21	14,438	9,433	14,438	9,433
Provision for onerous leases	23	45	84	45	84
Interest bearing liabilities	24	16,025	19,570	16,025	19,570
Financial derivatives	13	1,233	56	1,233	56
TOTAL CURRENT LIABILITIES		**31,747**	**29,143**	**31,747**	**29,143**
NON CURRENT LIABILITIES					
Provision for onerous leases	23	-	45	-	45
Interest bearing liabilities	24	23,000	24,000	23,000	24,000
Deferred tax	22	10,207	10,245	10,207	10,245
TOTAL NON CURRENT LIABILITIES		**33,207**	**34,290**	**33,207**	**34,290**
TOTAL LIABILITIES		**64,954**	**63,433**	**64,954**	**63,433**
NET ASSETS		**55,168**	**52,671**	**54,405**	**52,248**

On behalf of the Baord

Dated: 27 May 2009

Kim Ellis
Chairman

Peter Dawe
Director

The accompanying notes form an integral part of these financial statements

Statements of Changes in Equity

for the year ended 31 March 2009

		GROUP		PARENT	
	Notes	2009 $000	2008 $000	2009 $000	2008 $000
Net profit attributable to shareholders		3,980	2,576	3,640	2,538
Movement in the cash flow hedge reserve		(151)	-	(151)	-
Revaluation of land and buildings		(363)	2,392	(363)	2,392
Revaluation of available for sale financial assets		56	-	56	-
Realisation of available for sale reserve		-	(281)	-	(281)
Realisation of land and building reserve		399	-	399	-
Employee share option expense		18	18	18	18
Total recognised income & expense for the year	26	**3,939**	**4,705**	**3,599**	**4,667**
Shares issued	25	69	143	69	143
Contribution from owners		**69**	**143**	**69**	**143**
Dividends paid	27	(1,511)	(1,261)	(1,511)	(1,261)
Distributions to owners		**(1,511)**	**(1,261)**	**(1,511)**	**(1,261)**
Movement in equity for year		**2,497**	**3,587**	**2,157**	**3,549**
Equity at beginning of year		**52,671**	**49,084**	**52,248**	**48,699**
EQUITY AT END OF YEAR		**55,168**	**52,671**	**54,405**	**52,248**

The accompanying notes form an integral part of these financial statements

Cash Flow Statement for the year ended 31 March 2009

	Notes	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from customers		107,566	104,915	107,566	104,758
Interest and dividends received		677	667	677	678
Cash was disbursed to:					
Payments to suppliers and employees		(92,251)	(97,541)	(92,251)	(97,100)
Interest paid		(2,743)	(3,132)	(2,743)	(3,132)
Income taxes paid		(658)	343	(658)	378
NET CASH FLOWS FROM OPERATING ACTIVITIES	29	**12,591**	**5,252**	**12,591**	**5,582**
INVESTING ACTIVITIES					
Cash was provided from:					
Sale of property, plant and equipment		997	(10)	997	(3)
Sale of available for sale investments		84	42	103	42
Repayment of employee share scheme advance		-	140	-	140
Repayment of advances		34	57	34	41
Cash was applied to:					
Purchase of property, plant and equipment		(6,453)	(6,294)	(6,453)	(6,294)
Purchase of available for sale investments		(57)	(727)	(57)	(425)
Advances		(834)	(2,564)	(853)	(3,181)
NET CASH FLOW FROM INVESTING ACTIVITIES		**(6,229)**	**(9,356)**	**(6,229)**	**(9,680)**
FINANCING ACTIVITIES					
Cash was provided from:					
Proceeds of short term bank borrowings		13,105	24,619	13,105	24,630
Issue of shares		69	3	69	3
Cash was applied to:					
Repayment of term debt		(1,000)	(1,011)	(1,000)	(1,000)
Repayment of bank borrowings		(16,650)	(18,179)	(16,650)	(18,190)
Payment of dividend		(1,511)	(1,261)	(1,511)	(1,261)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(5,987)**	**4,171**	**(5,987)**	**4,182**
Net increase (decrease) in cash flow		**375**	**67**	**375**	**84**
Opening cash (overdraft) brought forward		**83**	**16**	**83**	**(1)**
ENDING CASH (OVERDRAFT) CARRIED FORWARD	10	**458**	**83**	**458**	**83**

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 March 2009

NOTE 1. — REPORTING ENTITY

Seeka Kiwifruit Industries Limited and its subsidiaries (together 'the Group') provide and manage service activities to the horticultural industry. The Company is a limited liability company incorporated and domiciled in New Zealand and is registered under the Companies Act 1993 and listed on the New Zealand Stock Market (NZX). The Company is an issuer in terms of the Financial Reporting Act 1993. The Consolidated Financial Statements of the Group for the year ended 31 March 2009 comprise the Company and its subsidiaries and interest in associates. The address of its registered office is 6 Queen Street, Te Puke.

NOTE 2. — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The principal accounting policies adopted in the preparation of the financial report 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 Principles (NZ GAAP) and comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other Financial Reporting standards as applicable to profit oriented entities. The Financial Statements comply with the requirements of the Financial Reporting Act 1993, the Companies Act 1993 and International Financial Reporting Standards (IFRS).

i) Entities reporting

The financial statements include separate financial statements for Seeka Kiwifruit Industries Limited as separate legal entity ('Parent') and the consolidated entity consisting of the Company and its subsidiaries ('Group').

ii) Historical cost convention

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

> Financial instruments at fair value through profit or loss are measured at fair value.

> Biological assets are measured at fair value less point-of-sale costs (as applicable).

> Land and buildings are measured using the revaluation model.

iii) Accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

b. Principals of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries, associates and joint ventures of Seeka Kiwifruit Industries Limited ('Company') as at 31 March 2009 and their results for the year then ended. Seeka Kiwifruit Industries Limited, its subsidiaries and associates together are referred to in these financial statements as the Group or the consolidated entity.

i) Subsidiaries

Subsidiaries are all those 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 values 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 the 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 income statement.

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

ii) Associates

Associates are entities over which the Group has significant influence but not control, generally evidenced by a holding of 20% or more of the voting rights in conjunction with other forms of influence, such as representation on the board of directors. 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 are recognised in the income statement, and its share of post acquisition movements in reserves are recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends received 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.

c. Segment reporting

The Group's primary reporting format is business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

d. Functional currency

The financial statements are presented in New Zealand dollars, which is the Group's functional and presentation currency.

e. 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 post harvest and orchard services to the horticultural industry.

Post harvest services

This includes fruit packing, coolstorage and other associated activities. These services are predominantly provided during the period from April to October with the majority of revenues collected by the end of November each year.

Orchard services

This includes orchard management, leasing and associated services. Orchard management services are provided to growers who supply fruit to the Group. Fees for these services are invoiced as incurred on a monthly basis.

The Group also enters into orchard leases via financial arrangements with landowners to produce kiwifruit crops. The costs of growing these crops are incurred over an 11 month period prior to harvest during April/May each year. The revenue from these crops is received over the 10 month period following harvest and is applied against growing costs incurred and payments to landowners.

Notes to the Financial Statements for the year ended 31 March 2009

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 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.

f. Income tax

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years. Deferred tax is recognised using the balance sheet method, providing for temporary differences between the 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 liability 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.

g. Goods and Services Tax (GST)

The Income Statement has been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

h. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

i. Cash flow statements

This has been prepared using the direct approach. Cash and Cash Equivalents are considered to be cash on hand, bank current accounts, cash on deposit and bank overdrafts. Cash flows are shown exclusive of Goods and Services Tax (GST).

j. 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 other long term 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 income statement 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 is 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 income statement 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 considered to be onerous, the cost of the onerous portion is recognised immediately.

k. Impairment of non-financial assets

Assets with finite useful lives are subject to depreciation and amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. 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).

l. 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 receivables 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 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 income statement.

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. 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 and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. The Company determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Regular purchases and sales of financial assets are recognised on the trade-date, being 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 carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks an rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

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 the Company. 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 balance sheet.

Notes to the Financial Statements for the year ended 31 March 2009

iii) 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 the Company intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on 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 company 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 subsequently 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 income statement 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 income statement 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 or unlisted security is not active, 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.

iv) Impairment of financial assets

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 is 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 income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment of loans & receivables are described in Note 2(k).

o. Derivative financial instruments and hedging

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised as other income in profit or loss immediately unless the derivative is designated and effective as a hedge instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Refer to Note 13. Derivatives are classified as current or non-current based on the effective date.

p. Hedge accounting

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

i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects P&L. The gains or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in the income statement within finance costs. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as fair value movement in derivatives.

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

q. Non-current assets held for sale

Upon determination that a sale by the Group is highly probable and an assets carrying amount will be recovered principally through a sale transaction rather than by continued use, the asset will be reclassified on the face of the balance sheet as an investment held-for-sale.

A held-for-sale asset is recognised at the lower of its carrying amount and fair value, less costs to sell.

r. Trade and other payables

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

s. 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 balance date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of swap options are determined using standard option pricing models.

The carrying value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

t. Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. 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 income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. 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 income statement.

Notes to the Financial Statements for the year ended 31 March 2009

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

Buildings	20 - 50 years
Machinery	10 - 20 years
Vehicles	4 - 7 years
Furniture, fittings and equipment	3 - 10 years

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 the carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves in respect of those assets is transferred to retained earnings.

u. 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 income statement 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 the balance sheet date.

v. 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.

w. Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business or associate at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3 to 5 years).

x. Employee benefits

i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables 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 Staff Share Scheme

The Group 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, calculated using the Black Scholes model, 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.

The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

The scheme is managed by a trust established in October 2002 and the directors of the trustee company (Seeka Employee Share Plan Trust Limited) also hold office as directors of Seeka Kiwifruit Industries Limited.

Dividends paid on the shares are used to repay the debt between the Employee Share Scheme (ESS) and the Company.

Further shares may be issued at the Director's discretion at a price set by the Director's, 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. Further, the employees participating in the ESS are unable to exercise voting rights while monies are owed on the shares.

y. 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.

z. Earning per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

ii) Diluted earnings per share

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

aa. Biological assets - Long Term Leases

At the annual balance date, kiwifruit orchards and kiwifruit under long term lease are measured at their fair value less estimated point of sale costs (as applicable).

Notes to the Financial Statements for the year ended 31 March 2009

The fair value of orchards is determined by an independent valuer.

The fair value of kiwifruit on the vine is measured at fair value less estimated point of sale costs at the time of picking. In the absence of current prices in an active market, the valuations are prepared using techniques as described in Note 18.

The gain/loss in the fair value of the kiwifruit orchards and kiwifruit under long term lease is recorded in the income statement.

ab. 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.

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

ac. Comparative balances

The presentation of the following comparative balances have been amended to ensure consistency with the current year disclosure:

i) Fair value movement in biological assets has been moved from 'Other income' to 'Other costs'.

ii) Gain on sale of assets has been moved from 'Other income' to 'Other costs'.

iii) Fair value movement in derivatives has been moved from 'Other costs' to 'Finance costs'.

iv) Lease impairment charges has been moved from 'Amortisation' to 'Direct Expenses'.

NOTE 3. — 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 year, but are not currently relevant for the Group:

NZ IAS 39 and NZ IFRS 7 ‘Reclassification of financial assets’.

NZ IFRS 2 and NZ IFRIC 11 ‘Group and treasury share transactions’.

NZ IFRIC 12 ‘Service concession arrangements’.

NZ IFRIC 14 ‘NZ IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction’.

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:

i) NZ IAS 1 (Amendment) ‘Presentation of financial statements’ (effective for annual periods beginning on or after 1 January 2009). The amendment requires a number of changes to the presentation and disclosures in financial statements.

ii) NZ IAS 23 (Amendment) ‘Borrowing costs’ (effective for annual periods beginning on or after 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as a part of that asset. The option of immediately expensing those borrowing costs will be removed.

iii) NZ IAS 32 (Amendment) ‘Financial Instruments: presentation’, and consequential amendments to NZ IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2009). The amendment is not relevant to the Group, as the Group does not have any puttable instruments.

iv) NZ IFRIC 13 ‘Customer loyalty programs’ (effective for annual periods beginning on or after 1 July 2008). The pronouncement is not relevant to the Group as such programs are not utilised.

v) NZ IFRIC 16 ‘Hedges of a net investment in a foreign operation’ (effective for annual periods beginning on or after 1 October 2008). The pronouncement is not currently relevant to the Group as it has no foreign operations.

vi) 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.

vii) NZ IFRS 1 (Amendment) ‘First time adoption of NZ IFRS’, and consequential amendments to NZ IAS 27, 'Consolidated and separate financial statements' (effective for annual periods beginning on or after 1 January 2009). The amendment is not relevant to the Group, as the Group is not a first time adopter.

viii) NZ IFRS 2 (Amendment) ‘Share based payment’ (effective for annual periods beginning on or after 1 January 2009). The amendment restricts the definition of a "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted.

ix) NZ IFRS 3 (Amendment) ‘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 period of acquisition. Further, the amendments 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.

x) NZ IFRS 4 (Amendment) ‘Insurance contracts’ (effective for annual periods beginning on or after 1 January 2009). The amendment is not relevant to the Group, as the Group does not issue any insurance contracts.

xi) NZ IFRS 7 (Amendment) ‘Financial Instruments: Disclosures' (effective for annual periods beginning on or after 1 January 2009). The amended NZ IFRS 7 introduces a three level hierarchy for fair value measurement disclosures and requires entities to provide additional disclosures about the relative reliability of fair value measurements. In addition, the amendments clarify and enhance the existing requirements for the disclosure of liquidity risk. This amendment is not expected to have a material impact on the Group.

xii) NZ IFRS 8 ‘Operating segments’ (effective for annual periods beginning on or after 1 January 2009). NZ IFRS 8 replaces NZ IAS 14. The new standard requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes.

xiii) NZ IFRIC 15 ‘Agreements for the construction of real estate’ (effective for annual periods beginning on or after 1 January 2009). The pronouncement is not relevant to the Group as it is not involved in this industry.

NOTE 4. — CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 assets and liabilities and profit within the next financial year are discussed below:

a. **Valuation of long term leased orchards**

Long leased orchards (land and vines) 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 18.

b. **Valuation of kiwifruit**

Kiwifruit growing on long term leased orchards at the balance date are measured at fair value less point of sale costs as determined by Group forecasts. These forecasts include assumptions in relation to in-market prices, foreign exchange rates, fruit loss and forecast trays expected to be harvested. Refer Note 18.

Notes to the Financial Statements for the year ended 31 March 2009

c. **Valuation of 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 to Note 15.

d. **Fair value of derivatives and other financial instruments**

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are based on quoted market rates. Refer to Note 13.

e. **Share based payments**

Share based payments are measured at fair value. Refer to Note 26(d).

Changes to the above valuation assumptions would have a significant impact on the income statement and equity portion of the Company and Group.

NOTE 5. — FINANCIAL RISK MANAGEMENT

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 Chief Executive Officer is required to identify and report the major risks affecting the business and develop 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

The Group and Parent have no direct currency risk. The group is exposed to currency risk indirectly through its fruit income received on leased orchards. The foreign currency risk associated with the offshore sales is managed by Zespri and is not covered by Seeka.

ii) Price risk

The Group and Parent are exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss.

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

The table below summarises the impact of increases/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 increased/decreased by 10% with all other variables held constant and all the Group's equity instruments moved in correlation with each other.

	IMPACT ON POST-TAX PROFIT				IMPACT ON EQUITY			
	2009	2008	2009	2008	2009	2008	2009	2008
	+10%		-10%		+10%		-10%	
	$000	$000	$000	$000	$000	$000	$000	$000
Ballance AGR	-	-	(15)	(11)	15	11	-	-
Golden Heights	-	-	-	-	4	4	(4)	(4)
DMS	-	-	(1)	-	1	-	-	-
Koura Mara	-	-	-	-	13	13	(13)	(13)
Ravensdown Fertiliser Co-Operative Limited	-	-	(6)	(6)	6	6	-	-
UPNZ	-	-	(33)	(33)	33	33	-	-
Vital Foods Limited	-	-	(179)	(179)	179	179	-	-
Zespri Group Limited	-	-	-	-	115	110	(115)	(110)

The decision as to whether an increase or decrease in the fair value of an investment is processed though equity or the Income Statement is whether or not a previous revaluation reserve balance was available. If no such reserve existed, then any related loss is processed directly in the Income Statement. Otherwise, available reserves would have been utilised to offset the loss.

iii) Cash flow interest rate risk

The Group's cash flow interest rate risk arises primarily from short and long term variable rate borrowings from a financial institution. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. In relation to these variable rate borrowings, the Board continuously reviews the Group's interest rate risk on term borrowings and maintains a portion of the Group's borrowings at fixed rates by entering into interest rate swaps to hedge against its exposure to changes in the cash flows resulting from those borrowings. These interest rate swaps are designated as effective hedging instruments and hedge accounting is applied (see Note 2(p) and 13). During 2009 and 2008, the Group's borrowings were denominated in New Zealand Dollars.

An analysis of interest rate and price sensitivity of the Parent & Group financial assets and liabilities and their impact on profit and loss, or equity are shown below. As Cash and Advance balances do not attract interest and are not subject to pricing risk, they have accordingly been excluded from this analysis.

		INTEREST RATE RISK				PRICE RISK			
		-1%		+2%		10%		+10%	
	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
31 MARCH 2009									
FINANCIAL ASSETS									
Accounts receivable	5,308	-	-	-	-	(372)	(372)	372	372
Available for sale investments	3,689	-	-	-	-	(166)	(258)	-	258
Advances	5,348	(24)	(24)	48	48	-	-	-	-
FINANCIAL LIABILITIES									
Derivative liabilities	1,233	(292)	(426)	406	609	-	-	-	-
Trade payables	14,433	-	-	-	-	850	850	(850)	(850)
Term liabilities	23,000	161	161	(322)	(322)	-	-	-	-
Bank borrowings	16,025	112	112	(224)	(224)	-	-	-	-
TOTAL INCREASE/ (DECREASE)		**(19)**	**(153)**	**(140)**	**63**	**312**	**220**	**(478)**	**(220)**

		INTEREST RATE RISK				PRICE RISK			
		- 1%		+1%		- 10%		+10%	
	Carrying amount $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000	Profit $000	Equity $000
31 MARCH 2008									
FINANCIAL ASSETS									
Accounts receivable	6,956	-	-	-	-	(466)	(466)	466	466
Derivative assets	31	(192)	(192)	235	235	-	-	-	-
Available for sale investments	3,593	-	-	-	-	(156)	(241)	-	241
FINANCIAL LIABILITIES									
Derivative liabilities	56	(25)	(25)	48	48	-	-	-	-
Trade payables	9,433	-	-	-	-	595	595	(595)	(595)
Term liabilities	24,000	161	161	(161)	(161)	-	-	-	-
Bank borrowings	19,570	131	131	(131)	(131)	-	-	-	-
TOTAL INCREASE/ (DECREASE)		**75**	**75**	**(9)**	**(9)**	**(27)**	**(112)**	**(129)**	**112**

Notes to the Financial Statements for the year ended 31 March 2009

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

		Between 0 - 3 months $000	Between 3 - 6 months $000	Between 6 - 12 months $000	Between 1 - 2 years $000	Between 2 - 5 years $000	Over 5 years years $000
AT 31 MARCH 2009							
Contractual undiscounted cash flows based on current market interest rates		6,157	2,620	8,235	964	2,893	27,822
Floating rate	4.25%						
Average term rate	4.19%						
AT 31 MARCH 2008							
Contractual undiscounted cash flows based on current market interest rates		7,836	3,465	10,616	3,249	6,589	33,982
Floating rate	9.05%						
Average term rate	9.56%						

b. **Credit risk**

As at 31 March 2009, the Group's maximum exposure to credit risk is the risk that could cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties. As at 31 March 2009, the Group's maximum exposure arises from:

> the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet; and

> the amount of contingent liabilities in relation to the financial guarantees provided by the Group as disclosed in Note 31 and 32(b).

Credit risk is managed on a regular basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, derivative financial instruments and committed transactions. As part of the Company's financial risk policy, exposures are monitored on a regular basis. For banks and financial institutions, only registered banks or their subsidiaries are accepted. For customers, including outstanding receivables, the Company deals predominantly with growers for which it receives payment for post harvest services directly from Seeka Growers Limited. Credit risk is therefore not considered significant. The Company does not generally require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

Credit risk also arises in relation to advances to third parties. The Group currently holds an asset in relation to funds advanced to South Auckland Orchards Limited as part of the sale of its 50% joint venture holding in South Auckland Pack and Cool ('SAPAC') on 1 April 2008. Refer to Note 28. The advance is for a maximum term of three years to 31 March 2011 with principal repayments beginning 30 April 2009. The advance is subject to interest calculated on the daily outstanding principal balance and is secured by a GSA over all the property, including leases, of the debtor. The advance is also guaranteed by JACE Investments Limited and Auckland Pack and Cool Limited.

Other than concentration of credit risk on liquid funds which are deposited with one bank with a high credit rating and the secured advance to SAPAC, the Group does not have any other significant concentration of credit risk as trade receivables are spread over a large number of customers.

The table below shows the cash balances as at the balance sheet date:

	GROUP		PARENT	
	2009 $	2008 $	2009 $	2008 $
COUNTER PARTY				
Westpac bank deposits	455,107	82,932	455,107	82,932
Cash on hand	3,343	-	3,343	-
	458,450	**82,932**	**458,450**	**82,932**

Refer to Trade and Other Receivables Note 11 for further information on the credit risk of loans and receivables.

c. Liquidity risk

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

At the balance sheet date, the Group had $42,000,000 (2008 - $44,000,000) of available lines of credit of which $39,024,984 (2008 -$43,570,000) were drawn. Typically, at the balance date, lines of credit are drawn to their maximum value just prior to receiving cash flows from post harvest activities in April.

The table below analyses the Group and Parent financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 1 year $000	Between 1 - 2 years $000	Between 2 - 5 years $000	Over 5 years $000
AT 31 MARCH 2009				
Trade payables	14,438	-	-	-
Derivatives	590	307	-	-
Bank borrowings	15,025	-	-	-
Term liabilities	1,987	797	1,982	11,137
TOTAL	**32,040**	**1,104**	**1,982**	**11,137**
AT 31 MARCH 2008				
Trade payables	9,433	-	-	-
Derivatives	(196)	(86)	(44)	-
Bank borrowings	18,570	-	-	-
Term liabilities	3,347	2,685	4,514	14,037
TOTAL	**31,154**	**2,599**	**4,470**	**14,037**

d. Capital risk

The Group's objectives when managing capital (total equity) 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 March is:

	2009 $000	2008 $000
Total shareholder funds	55,168	52,671
Total assets	120,122	116,104
SHAREHOLDER EQUITY RATIO	**45.93%**	**45.37%**

The Group is subject to and monitors financial covenants imposed by its lenders from time to time. As at balance date, the Group was subject to two specific lending covenants:

> Times interest earned: Not less than 1.8X (2008: 1.3X)

> Quasi equity ratio: Shareholder funds not less than 40% of adjusted tangible assets (2008: 40%).

Notes to the Financial Statements for the year ended 31 March 2009

At balance date, the Group's interest times cover was 2.97 (2008: 1.64) and it's quasi equity ratio was 42.82% (2008: 41.52%). At no stage during the year did the Group breach any of its lending covenants.

The Group has current bank facilities of $18 million and term bank facilities of $24 million with the Westpac Banking Corporation, of which $3 million remains undrawn as at the balance date. Typically, at the balance date, lines of credit are drawn to their maximum value just prior to receiving cash flows from post harvest activities in April. The Group expects that all facilities will be refinanced when they become due for review in the normal course of business.

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 for fair value estimation methods as discussed in Note 2(s).

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 risks

The Group grows kiwifruit on 198 orchards (2008 - 225) located throughout the Coromandel, Waikato and Bay of Plenty region. This geographical spread provides risk diversification from localised climatic events, such as hail damage, that may negatively impact on the crop. In addition to this the Group encourages the adoption of active crop protection measures, such as frost protection systems, on orchards operated by both it and contract growers who supply the Group's post harvest division.

ii) Market and price risk

The Group has no direct market risk from the 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 modelling techniques to analyse current and projected orchard income. This information is used when setting lease terms each year.

Leased orchard contracts are typically entered into for a term of three years with renewal dates staggered so that approximately 1/3 of orchard leases are renegotiated each year.

NOTE 6. — SEGMENT INFORMATION

a. Description of segments

All operations are in New Zealand and therefore only one geographic segment applies. The Group is organised into the following divisions by product and service type.

Orchard

The Group provides orchard contracting and management services to the kiwifruit and avocado industry. It also leases orchards with short term lease contracts and has entered into long term leases of land that it has converted to kiwifruit production.

Post Harvest

The Group provides services to the kiwifruit and avocado post harvest sector that include fruit packing, cool storage and associated activities.

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
b. Primary reporting format - industry segments				
SEGMENT REVENUE				
Orchard division	36,780	29,222	36,780	29,470
Post harvest division	69,849	77,245	69,849	75,430
Unallocated income	1,343	818	1,512	1,135
TOTAL REVENUE	**107,972**	**107,285**	**108,141**	**106,035**
SEGMENT EARNINGS BEFORE INTEREST AND TAXATION (EBIT)				
Orchard division	3,723	(2,238)	3,723	(1,952)
Post harvest division	9,332	12,071	9,332	11,449
Associates	509	392	-	-
Unallocated	(4,152)	(4,756)	(3,983)	(4,056)
TOTAL EBIT	**9,412**	**5,469**	**9,072**	**5,441**
Finance costs	3,823	3,439	3,823	3,434
PROFIT BEFORE TAX	**5,589**	**2,030**	**5,249**	**2,007**
Taxation	1,609	(546)	1,609	(531)
PROFIT AFTER TAX	**3,980**	**2,576**	**3,640**	**2,538**
SEGMENT ASSETS				
Orchard division	31,643	32,176	31,643	32,176
Post harvest division	68,755	65,011	68,755	65,011
Unallocated	19,724	18,917	18,961	18,494
TOTAL ASSETS	**120,122**	**116,104**	**119,359**	**115,681**
SEGMENT LIABILITIES				
Orchard division	1,682	771	1,682	771
Post harvest division	8,790	6,935	8,790	6,935
Unallocated	54,482	55,727	54,482	55,727
TOTAL LIABILITIES	**64,954**	**63,433**	**64,954**	**63,433**
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLES AND OTHER NON-CURRENT SEGMENT ASSETS				
Orchard division	321	111	321	111
Post harvest division	6,879	5,187	6,879	5,187
Unallocated	92	214	92	214
TOTAL	**7,292**	**5,512**	**7,292**	**5,512**
DEPRECIATION AND AMORTISATION EXPENSE				
Orchard division	453	482	453	482
Post harvest division	3,726	3,583	3,726	3,583
Unallocated	451	584	451	517
TOTAL	**4,630**	**4,649**	**4,630**	**4,582**

NOTE 7. — REVENUE AND OTHER INCOME

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
REVENUE				
Orchard sales	36,780	29,222	36,780	29,470
Post harvest sales	69,849	77,245	69,849	75,430
Other sales	835	401	835	408
TOTAL SALES	**107,464**	**106,868**	**107,464**	**105,308**
OTHER INCOME				
Interest income	179	79	179	91
Dividend income	329	338	498	636
TOTAL OTHER INCOME	**508**	**417**	**677**	**727**
TOTAL REVENUES	**107,972**	**107,285**	**108,141**	**106,035**

Notes to the Financial Statements for the year ended 31 March 2009

NOTE 8. — DIRECT AND ADMINISTRATIVE EXPENSES

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
Operating materials and services	57,418	60,423	57,418	59,951
Orchard lease costs	7,229	8,386	7,229	8,386
Impairment charges on short term lease payments	779	14	779	14
Total employee benefits expense	26,103	26,637	26,103	25,691
General administrative expenses	2,462	2,794	2,462	2,676
Audit fees	138	83	138	83
Tax fees paid to auditors	31	3	31	3
Other accounting fees	34	39	34	39
Bad and doubtful debts expense	21	-	21	-
Movement in onerous lease provision	(84)	(1,159)	(84)	(1,159)
Directors fees	261	253	261	253
Donations	2	-	2	-
Research and development costs	3	75	3	75
Loss on sale of property plant and equipment	15	17	15	10
Rent and lease expenses	85	91	85	87
Profit on sale of shares	(103)	(42)	(103)	(42)
Profit on sale of property plant and equipment	(61)	(7)	(61)	(7)
Fair value movement in biological assets	106	(48)	106	(48)
TOTAL DIRECT AND ADMINISTRATIVE EXPENSES	**94,439**	**97,559**	**94,439**	**96,012**
DEPRECIATION				
Buildings	1,172	1,284	1,172	1,284
Plant and equipment	2,980	2,687	2,980	2,638
Motor vehicles	9	24	9	24
Loss on revaluation of building improvements	-	84	-	84
TOTAL DEPRECIATION EXPENSES	**4,161**	**4,079**	**4,161**	**4,030**
AMORTISATION				
Software amortisation	276	349	276	331
Bragg lease amortisation	193	221	193	221
TOTAL AMORTISATION EXPENSES	**469**	**570**	**469**	**552**
FINANCE COSTS				
Interest expense	2,831	3,288	2,831	3,283
Fair value adjustments on non-hedging derivatives and ineffectiveness	992	151	992	151
TOTAL FINANCE COSTS	**3,823**	**3,439**	**3,823**	**3,434**
Share of profit of associates	(509)	(392)	-	-
TOTAL EXPENSES	**102,383**	**105,255**	**102,892**	**104,028**

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000

NOTE 9. — INCOME TAX EXPENSE

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
a. Income tax expense				
CURRENT TAX EXPENSE				
Current period	1,698	(15)	1,698	-
Adjustments for prior periods	6	21	6	21
	1,704	**6**	**1,704**	**21**
DEFERRED TAX EXPENSE (INCOME)				
Origination and reversal of temporary differences	(95)	297	(95)	297
Prior period adjustment for deferred tax	-	(6)	-	(6)
Reduction in tax rate	-	(843)	-	(843)
	(95)	**(552)**	**(95)**	**(552)**
TOTAL INCOME TAX EXPENSE (CREDIT)	**1,609**	**(546)**	**1,609**	**(531)**
b. Numerical reconciliation of income tax expense to prima facie tax payable				
Profit before income tax expense	5,589	2,030	5,249	2,007
Tax at the New Zealand tax rate of 30% (2008: 33%)	1,677	670	1,575	662
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	74	20	59	20
Tax exempt income	(148)	(352)	(31)	(329)
Under provision in prior years	6	15	6	15
Tax rate reduction	-	(843)	-	(843)
Prior period adjustments to deferred tax	-	(56)	-	(56)
INCOME TAX EXPENSE	**1,609**	**(546)**	**1,609**	**(531)**

Effective 1 April 2008 the company tax rate was 30% (2008: 33%).

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
c. Imputation credit account				
Balance at beginning of year	109	18	109	18
Net tax paid	700	399	700	399
Imputation credits attached to dividends received	242	313	242	313
Imputation on dividends paid	(667)	(621)	(667)	(621)
BALANCE AVAILABLE TO SHAREHOLDERS AT YEAR END	**384**	**109**	**384**	**109**

NOTE 10. — CASH AND CASH EQUIVALENTS

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
Cash and cash equivalents in the balance sheet	458	83	458	83
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT	**458**	**83**	**458**	**83**

NOTE 11. — TRADE AND OTHER RECEIVABLES

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
Net trade receivables				
Trade receivables	1,384	2,486	1,384	2,486
Seeka Growers Limited	-	404	-	404
Provision for doubtful receivables	-	-	-	-
	1,384	**2,890**	**1,384**	**2,890**
Prepayments	1,572	1,321	1,572	1,321
GST refund due	953	551	953	551
Other sundry receivables	2,971	3,515	2,971	3,515
Total receivables	**6,880**	**8,277**	**6,880**	**8,277**

Within trade receivables, $318,811 are past due (2008: $869,636), of which 43.76% are more than 90 days (2008: 48.19%). However, trade receivables are generally felt to be fully recoverable by management as balances can be recovered directly from grower payments. Thus no provision is made in the financial statements for doubtful balances. Management expect that the fair value of the receivable equals the current value.

Notes to the Financial Statements for the year ended 31 March 2009

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
NOTE 12. — INVENTORIES				
Total packaging at cost	8,984	6,779	8,984	6,779
Other inventories at cost	172	178	172	178
TOTAL INVENTORIES	**9,156**	**6,957**	**9,156**	**6,957**

Carter Holt Harvey holds a security interest in all packaging goods purchased from them, but not paid for as at the balance date.

NOTE 13. — DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
ASSETS				
Interest rate swap contracts - held for trading	-	31	-	31
TOTAL DERIVATIVE ASSETS	**-**	**31**	**-**	**31**
LIABILITIES				
Interest rate swap contracts - cash flow hedge	215	-	215	-
Interest rate swap contracts - held for trading	1,018	-	1,018	-
Swap option - held for trading	-	56	-	56
TOTAL DERIVATIVE LIABILITIES	**1,233**	**56**	**1,233**	**56**

Bank loans of the Group currently bear an average variable interest rate of 4.19% (2008: 9.56%). It is policy to protect the term portion of the loans from exposure to changing interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. Swaps currently in place cover 83% (2008: 88%) of the term liabilities outstanding at the balance date and are classified as either 'held for trading' or as 'cashflow hedges'.

Derivatives held for trading

In previous years the Group did not apply hedge accounting and therefore for those swaps all fair value movements of its interest rate swaps are recognised in the income statement immediately and are included in finance costs. The corresponding mark to market value (being the fair value as at balance date) is recognised in the Balance Sheet.

A loss on valuation of the swap contracts of $992,053 (2008: $94,452 loss) was recognised during the year owing to a change in the underlying forward interest rates used to value the instruments. Currently, the Group relies upon Westpac for the provision of the year end swap fair values which are then reviewed by management. For each interest rate swap, the asset or liability recognised in the Balance Sheet will be continually revalued through to the Income Statement until the swap expires and the value becomes NIL.

		TERM LOAN		SWAP	
		Rate	Maturity	Rate	Expiry
Term Loan #91	$2,000,000	4.17%	2 March 2010	-	-
Term Loan #92	$3,000,000	4.21%	30 November 2009	-	-
Term Loan #96	$10,000,000	4.17%	1 December 2010	8.55%	30 October 2010

In conjunction with establishing the interest rate swap for term loan #96 in February 2008, the Company sold a call option to its bank, Westpac, at a nil premium. This gave Westpac the right to extend the interest rate swap on term loan #96 for an additional two year term. A loss of $8,220 (2008: $56,491) was realised in the current year as Seeka undertook to settle the option with the bank in December 2008.

	Notional	Strike Rate	Maturity	Settled
Swap Option #831484	$10,000,000	8.55%	30 October 2012	22 December 2008

Cash flow hedges

The Group elected to apply hedge accounting to a swap contract entered into during the current year thereby creating a cashflow hedge. At the balance date, the Group had the following interest rate swap designated as a highly effective hedging instrument in order to manage the Group's variable interest rate exposure in relation to outstanding bank term debt. The terms of the interest rate swap have been negotiated to match the terms of the respective designated hedged item. The major terms for this contract are as follows:

		TERM LOAN		SWAP	
		Rate	Maturity	Rate	Expiry
Term Loan #95	$10,000,000	4.21%	1 December 2010	5.73%	1 December 2010

During the year, fair value losses of $215,355 (2008: $NIL) have been recognised in equity. The fair values of the interest rate swaps are measured using quoted values as supplied by Westpac Bank.

The gains and losses recognised in equity will be released to the income statement until the repayment of the related term loan.

NOTE 14. — FINANCIAL INSTRUMENTS SUMMARY

The tables below summarise the categories of the Group and Parent financial assets and liabilities:

	Loans and receivables $000	Assets at fair value through profit & loss $000	Held to maturity $000	Available for sale $000	Total $000
31 MARCH 2009					
FINANCIAL ASSETS					
Cash and cash equivalents	458	-	-	-	458
Trade and other receivables	5,308	-	-	-	5,308
Derivative financial instruments	-	-	-	-	-
Advances	5,348	-	-	-	5,348
Available for sale investments	-	-	-	3,689	3,689
TOTAL	**11,114**	**-**	**-**	**3,689**	**14,803**

	Liabilities at fair value through profit & loss $000	Other financial liabilities $000	Total $000
31 MARCH 2009			
FINANCIAL LIABILITIES			
Bank overdrafts	-	-	-
Trade or other payables	-	14,438	14,438
Bank borrowings	-	16,025	16,025
Derivative financial instruments	1,233	-	1,233
Term liabilities	-	23,000	23,000
TOTAL	**1,233**	**53,463**	**54,696**

Notes to the Financial Statements for the year ended 31 March 2009

	Loans and receivables $000	Assets at fair value through profit & loss $000	Held to maturity $000	Available for sale $000	Total $000
31 MARCH 2008					
FINANCIAL ASSETS					
Cash and cash equivalents	83	-	-	-	83
Trade and other receivables	6,956	-	-	-	6,956
Derivative financial instruments	-	31	-	-	31
Advances	1,134	-	-	-	1,134
Available for sale investments	-	-	-	3,593	3,593
TOTAL	**8,173**	**31**	**-**	**3,593**	**11,797**

	Liabilities at fair value through profit & loss $000	Other financial liabilities $000	Total $000
31 MARCH 2008			
FINANCIAL LIABILITIES			
Bank overdrafts	-	-	-
Trade or other payables	-	9,430	9,433
Bank borrowings	-	19,570	19,570
Derivative financial instruments	56	-	56
Term liabilities	-	24,000	24,000
TOTAL	**56**	**53,000**	**53,059**

There are no differences between financial instruments held by the Parent company and Group at 31 March 2009.

	Land $000	Buildings $000	Plant and equipment $000	Motor vehicles $000	Total $000
NOTE 15. — PROPERTY, PLANT AND EQUIPMENT					
GROUP					
At 1 April 2007					
Cost	5,486	33,325	38,611	512	77,934
Accumulated depreciation	-	(3,615)	(17,976)	(171)	(21,762)
NET BOOK AMOUNT	**5,486**	**29,710**	**20,635**	**341**	**56,172**
Year ended 31 March 2008					
Opening net book amount	5,486	29,710	20,635	341	56,172
Additions	-	1,351	3,947	-	5,298
Revaluation	(15)	3,017	-	-	3,002
Depreciation	-	(1,037)	(2,886)	(23)	(3,946)
Disposals	(11)	(160)	(195)	-	(366)
Asset reclassifications	3	(5)	2	-	-
CLOSING NET BOOK AMOUNT AT 31 MARCH 2008	**5,463**	**32,876**	**21,503**	**318**	**60,160**

	Land $000	Buildings $000	Plant and equipment $000	Motor vehicles $000	Total $000
At 1 April 2008					
Cost	5,463	33,254	42,128	512	81,357
Accumulated depreciation	-	(378)	(20,625)	(194)	(21,197)
NET BOOK AMOUNT	**5,463**	**32,876**	**21,503**	**318**	**60,160**
Year ended 31 March 2009					
Opening net book amount	5,463	32,876	21,503	318	60,160
Additions	225	3,025	3,950	-	7,200
Revaluation	(402)	559	-	-	157
Depreciation	-	(1,172)	(2,980)	(9)	(4,161)
Disposals	(251)	(682)	(93)	-	(1,026)
Asset reclassifications	-	-	-	-	-
CLOSING NET BOOK AMOUNT AT 31 MARCH 2009	**5,035**	**34,606**	**22,380**	**309**	**62,330**
At 31 March 2009					
Cost	5,035	36,034	45,986	512	87,567
Accumulated depreciation	-	(1,428)	(23,606)	(203)	(25,237)
NET BOOK AMOUNT AT 31 MARCH 2009	**5,035**	**34,606**	**22,380**	**309**	**62,330**

a. Land and buildings are revalued to their estimated market value on a rolling three year cycle. The current year's valuations were completed by J L Middleton, ANZIV, independent registered valuer. Subsequent additions are at cost. All valuations were as at 31 March 2009 and the movement in the revaluation reserve are summarised in the table below:

	Land $	Buildings $	Total $
Transpack	(537,000)	472,659	(64,341)
MacLaughlins	135,000	86,493	221,493
	(402,000)	**559,152**	**157,152**

In conducting the valuations, the valuer considered 3 different approaches. These approaches are considered in concert in order to arrive at a fair value of the land and improvements. The methodology considered was as follows:

Replacement cost approach – adds the value of the land to the value of the buildings and other improvements based on the current level of buildings cost with an allowance for physical depreciation (2%). Specific consideration is given to the 'optimised depreciated replacement cost' methodology.

Sales approach – considers sales of other comparable type properties.

Investment approach – assumes a hypothetical lease of the property with a current market rental being established and capitalising this at an appropriate rate of return (11 - 12%) that would be expected by a prudent investor.

Subsequent to the building revaluations conducted in 2009, $122,470 (2008: $4,273,535) of accumulated depreciation was offset directly against the assets book value.

Management have reviewed property, plant and equipment for potential impairment. No impairment has been identified.

Notes to the Financial Statements for the year ended 31 March 2009

b. If land and buildings were stated on the historical cost basis, the amounts for parent and group would be as follows:

	2009 $000	2008 $000
Cost	38,338	36,021
Accumulated depreciation	(5,859)	(4,681)
NET BOOK AMOUNT	**32,479**	**31,340**

c. Assets under construction

Prior to 31 March 2008, the Group had commenced a canopy upgrade and construction of additional cool store facilities at Katikati. Construction costs incurred up to the balance sheet date totalled $961,214.

Prior to 31 March 2009, the Group had commenced a coolstore capacity increase at its Oakside facility. Construction costs incurred up to the balance sheet date totalled $1,592,217.

PARENT

	Land $000	Buildings $000	Plant and equipment $000	Motor vehicles $000	Total $000
AT 1 APRIL 2007					
Cost	5,475	33,165	38,460	512	77,612
Accumulated depreciation	-	(3,615)	(17,955)	(171)	(21,741)
NET BOOK AMOUNT	**5,475**	**29,550**	**20,505**	**341**	**55,871**
YEAR ENDED 31 MARCH 2008					
Opening net book amount	5,475	29,550	20,505	341	55,871
Additions	-	1,351	3,947	-	5,298
Revaluation	(15)	3,017	-	-	3,002
Depreciation	-	(1,037)	(2,886)	(23)	(3,946)
Disposals	-	-	(65)	-	(65)
Asset reclassifications	3	(5)	2	-	-
CLOSING NET BOOK AMOUNT AT 31 MARCH 2008	**5,463**	**32,876**	**21,503**	**318**	**60,160**
AT 1 APRIL 2008					
Cost	5,463	33,254	42,129	512	81,358
Accumulated depreciation	-	(378)	(20,626)	(194)	(21,198)
NET BOOK AMOUNT	**5,463**	**32,876**	**21,503**	**318**	**60,160**
YEAR ENDED 31 MARCH 2009					
Opening net book amount	5,463	32,876	21,503	318	60,160
Additions	225	3,025	3,950	-	7,200
Revaluation	(402)	559	-	-	157
Depreciation	-	(1,172)	(2,980)	(9)	(4,161)
Disposals	(251)	(682)	(93)	-	(1,026)
Asset reclassifications	-	-	-	-	-
CLOSING NET BOOK AMOUNT AT 31 MARCH 2009	**5,035**	**34,606**	**22,380**	**309**	**62,330**
AT 31 MARCH 2009					
Cost	5,035	36,034	45,986	512	87,567
Accumulated depreciation	-	(1,428)	(23,606)	(203)	(25,237)
NET BOOK AMOUNT AT 31 MARCH 2009	**5,035**	**34,606**	**22,380**	**309**	**62,330**

NOTE 16. — INTANGIBLE ASSETS

	Software $000	Goodwill $000	Total $000
GROUP			
AT 1 APRIL 2007			
Cost	1,718	1,706	3,424
Accumulated amortisation	(659)	-	(659)
NET BOOK AMOUNT	**1,059**	**1,706**	**2,765**
YEAR ENDED 31 MARCH 2008			
Opening net book amount	1,059	1,706	2,765
Reclassification of SAPAC to held for sale	(9)	(48)	(57)
Additions	133	81	214
Amortisation	(331)	-	(331)
CLOSING NET BOOK AMOUNT AT 31 MARCH 2008	**852**	**1,739**	**2,591**
AT 1 APRIL 2008			
Cost	1,842	1,739	3,581
Accumulated amortisation	(990)	-	(990)
NET BOOK AMOUNT	**852**	**1,739**	**2,591**
YEAR ENDED 31 MARCH 2009			
Opening net book amount	852	1,739	2,591
Additions	74	18	92
Amortisation	(276)	-	(276)
CLOSING NET BOOK AMOUNT AT 31 MARCH 2009	**650**	**1,757**	**2,407**
AS AT 31 MARCH 2009			
Cost	1,916	1,757	3,673
Accumulated amortisation	(1,266)	-	(1,266)
NET BOOK AMOUNT AT 31 MARCH 2009	**650**	**1,757**	**2,407**
The remaining amortisation period of software is 5 years.			
PARENT			
AT 1 APRIL 2007			
Cost	1,709	1,658	3,367
Accumulated amortisation	(659)	-	(659)
NET BOOK AMOUNT	**1,050**	**1,658**	**2,708**
YEAR ENDED 31 MARCH 2008			
Opening net book amount	1,050	1,658	2,708
Additions	133	81	214
Amortisation	(331)	-	(331)
CLOSING NET BOOK AMOUNT AT 31 MARCH 2008	**852**	**1,739**	**2,591**
AT 1 APRIL 2008			
Cost	1,842	1,739	3,581
Accumulated amortisation	(990)	-	(990)
NET BOOK AMOUNT	**852**	**1,739**	**2,591**
YEAR ENDED 31 MARCH 2009			
Opening net book amount	852	1,739	2,591
Additions	74	18	92
Amortisation	(276)	-	(276)
CLOSING NET BOOK AMOUNT AT 31 MARCH 2009	**650**	**1,757**	**2,407**
AS AT 31 MARCH 2009			
Cost	1,916	1,757	3,673
Accumulated amortisation	(1,266)	-	(1,266)
NET BOOK AMOUNT AT 31 MARCH 2009	**650**	**1,757**	**2,407**
The remaining amortisation period of software is 5 years			

Notes to the Financial Statements for the year ended 31 March 2009

Impairment tests for goodwill

Goodwill supports the Group's post harvest operations and is allocated to post harvest cash generating units (CGU's) for the purpose of assessing impairment. Impairment tests are undertaken at the lowest identifiable level of CGU.

The net present value is based on a 10 year return. The return is calculated on the expected number of trays multiplied by the margin on packing and coolstorage. The inflation correction used amounts to 1%.

A segment-level summary of the goodwill allocation is presented below:

	GROUP		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Bridgecool Holdings Limited	1,298	1,298	1,298	1,298
Corogrow Kiwifruit Limited	100	100	100	100
Eleos Limited	260	260	260	260
Other post harvest	99	81	99	81
	1,757	**1,739**	**1,757**	**1,739**

Goodwill is tested for impairment using value in use calculations which include the following assumptions:

	Discount period	Growth rate	Discount rate
Key assumptions used for net present value calculations			
CGU - 2009			
Bridgecool Holdings Limited	10 Yrs	1%	10%
Corogrow Kiwifruit Limited	10 Yrs	1%	10%
Eleos Limited	10 Yrs	1%	10%
Other post harvest	10 Yrs	1%	10%
CGU - 2008			
Bridgecool Holdings Limited	10 Yrs	1%	10%
Corogrow Kiwifruit Limited	10 Yrs	1%	10%
Eleos Limited	10 Yrs	1%	10%
Other post harvest	10 Yrs	1%	10%

The above assumptions have been used for the analysis of the net present value of budget gross margin of each CGU, which are determined by management based on past performance and its expectations of market development. The above noted discount rates are applied to after-tax cash flows and reflect the expected period of benefit from each segment.

No impairments have been identified (2008: NIL).

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000

NOTE 17. — AVAILABLE FOR SALE FINANCIAL ASSETS

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

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
Balance at the beginning of the year	3,593	3,515	3,593	3,515
Additions	50	363	50	363
Disposals/impairment	(10)	(4)	(10)	(4)
Revaluation recognised in equity	56	(281)	56	(281)
Balance at end of year	**3,689**	**3,593**	**3,689**	**3,593**
Less: Current portion	-	-	-	-
NON-CURRENT PORTION	**3,689**	**3,593**	**3,689**	**3,593**
Available for sale financial assets include the following:				
Listed securities				
Zespri Group Limited	1,152	1,096	1,152	1,096
Unlisted securities				
Vital Foods Limited	1,794	1,794	1,794	1,794
Golden Heights	39	39	39	39
Koura Mara	130	130	130	130
Ravensdown Fertiliser Co-Operative Limited	60	60	60	60
UPNZ	335	335	335	335
Ballance AGR	148	113	148	113
Other share holdings	31	26	31	26
	3,689	**3,593**	**3,689**	**3,593**

The fair values of listed securities are based on closing share price at balance date. All unlisted securities are currently held at cost which after due consideration, the Board has determined, 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 sheet date.

NOTE 18. — BIOLOGICAL ASSETS

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
KIWIFRUIT VINES AT FAIR VALUE				
Carrying amount at 1 April	6,341	6,293	6,341	6,293
Fair value movement	(106)	48	(106)	48
CARRYING VALUE AT 31 MARCH	**6,235**	**6,341**	**6,235**	**6,341**
KIWIFRUIT CROP AT FAIR VALUE				
Carrying amount at 1 April	3,083	3,325	3,083	3,325
Valuation of current harvest	4,657	3,083	4,657	3,083
Previous harvest	(3,083)	(3,325)	(3,083)	(3,325)
CARRYING VALUE AT 31 MARCH	**4,657**	**3,083**	**4,657**	**3,083**
TOTAL BIOLOGICAL ASSETS	**10,892**	**9,424**	**10,892**	**9,424**

The Group, as part of its operations, leases land and grows and harvests kiwifruit on orchards for which it has long term leases. Harvesting of orchards takes place from April to June each year. The orchards are situated in the Bay of Plenty New Zealand.

As at 31 March 2009 the Group had long term leases on a total of 106 hectares (2008 - 106) of kiwifruit orchards comprising 14 individual orchards (2008 - 14). The leases were entered into over a period of time and generally have a maximum term of 19 years and 11 months with the last lease expiring in 2020.

Notes to the Financial Statements for the year ended 31 March 2009

Number of Orchards	Hectares	2008 Production	Remaining lease term	Carrying value ($)
1	16.61	131,203	6	745,900
2	3.71	35,187	10	180,277
11	85.50	948,276	11	5,308,559
	105.82	**1,114,666**		**6,234,736**

Actual production for the 2008 season was 1,114,666 trays as compared to estimated production of 976,895 trays.

The fair value of the kiwifruit orchards (land and vines) has been determined in accordance with an independent valuation performed at each annual reporting date by Logan Stone Registered Valuers. The basis of valuation is Valuation Standard Number 1– Market Value Basis of Valuation and Practice Standard Number 3 – The Valuation of Rural Properties. In preparing their valuation, Logan Stone have based their assumptions for orchard gate returns ('OGR') on 10 year averages for each variety.

During the year to 31 March 2009, the Company harvested 1,114,666 trays of kiwifruit (2008: 1,016,861) from long term leased orchards. The fair value of the crop at balance date has been assessed at $4.657 million (2008: $3.083 million) based on the following assumptions:

	2009	2008
Estimated volumes:		
Green volume (tray equivalents)	253,654	241,852
Gold volume (tray equivalents)	864,603	735,043
	1,118,257	**976,895**
Estimated orchard gate returns:		
Green	$3.45	$3.38
Gold	$5.34	$4.01
Estimated exchange rates:		
YEN	60.00	81.00
EUR	0.443	0.500
USD	0.557	0.790

NOTE 19. — INVESTMENT IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2009	Equity holding 2008
Eleos Limited - Not trading	New Zealand	Ordinary	100%	100%
Envirogrow Limited - Not trading	New Zealand	Ordinary	100%	100%

NOTE 20. — INVESTMENT IN ASSOCIATES

The Groups principal associates are:

	Business activity	Share of issued capital and voting rights 2009	Share of issued capital and voting rights 2008
Kiwifruit Supply Research Limited	Research	20%	20%
Tauranga Kiwifruit Logistics Limited	Port Service	20%	20%
Opotiki Packing and Cool Storage Limited	Post Harvest	19.2%	20%
Kiwi Produce Limited	Prepacking	25%	25%

All associate companies are incorporated in New Zealand and have a 31 March balance date, except for Opotiki Packing and Cool Storage Limited which has a 31 December balance date.

During the current year, the Group's position in Opotiki Packing and Cool Storage Limited ('OPAC') was diluted to 19.2%. Although no longer 20%, the Group still maintains the investment in OPAC as an associate utilising equity accounting as it maintains a member on the board of directors of OPAC. As well, OPAC is a part of Integrated Fruit Supply and Logistics ('IFSL'), a unit of the Group, which facilitates OPAC's fruit sales with Zespri. Due to these additional factors, the Board has concluded that significant influence still exists.

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
RESULTS OF ASSOCIATE COMPANIES				
Share of earnings before income tax	623	574	-	-
Income tax	(114)	(182)	-	-
NET EARNINGS	**509**	**392**	**-**	**-**
INTERESTS IN ASSOCIATES				
Carrying value at beginning of period	4,937	4,885	4,494	4,533
Acquisition of further associate	-	-	-	-
Advances	(37)	(39)	(37)	(39)
Net earnings	509	392	-	-
Dividends received	(167)	(301)	-	-
BALANCE AT END OF PERIOD	**5,242**	**4,937**	**4,457**	**4,494**
The amount of goodwill included in the opening balance	**1,103**	**1,103**	**1,103**	**1,103**
The amount of goodwill included in the closing balance	**1,103**	**1,103**	**1,103**	**1,103**

Summary financial information for Investees, not adjusted for the percentage ownership held by the company.

Associate	Assets	Liabilities	Revenues	Net profit /(loss)
2009				
Kiwifruit Supply Research Limited	-	-	-	-
Tauranga Kiwifruit Logistics Limited	-	-	-	-
Opotiki Packing and Cool storage Limited	27,060	9,746	33,312	2,377
Kiwi Produce Limited	-	-	-	-
	27,060	**9,746**	**33,312**	**2,377**
2008				
Kiwifruit Supply Research Limited	-	-	-	-
Tauranga Kiwifruit Logistics Limited	-	-	-	-
Opotiki Packing and Cool storage Limited	24,674	8,830	27,445	1,015
Kiwi Produce Limited	-	-	-	-
	24,674	**8,830**	**27,445**	**1,015**

Due to confidentiality commitments made to the majority shareholders the data for Kiwiproduce Limited, Kiwifruit Supply Research Limited and Tauranga Kiwifruit Logistics Limited cannot be made available for disclosure. These entities are immaterial to the overall presentation of the Group's financial statements.

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000

NOTE 21. — TRADE AND OTHER PAYABLES

Trade payables	10,313	6,354	10,313	6,354
Accrued expenses	2,391	1,988	2,391	1,988
Employee expenses	1,734	1,091	1,734	1,091
	14,438	**9,433**	**14,438**	**9,433**

Notes to the Financial Statements for the year ended 31 March 2009

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000

NOTE 22. — DEFERRED TAX

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

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
a. Expected settlement:				
Within 12 months	5,327	5,441	5,327	5,441
In excess of 12 months	4,880	4,804	4,880	4,804
	10,207	**10,245**	**10,207**	**10,245**
b. Net deferred tax (assets) liabilities:				
Opening balance	10,245	10,060	10,245	10,048
Prior period adjustments for deferred tax	-	56	-	56
Reversal of SAPAC on disposal	-	(12)	-	-
Charged/(credited) to the income statement	(95)	(552)	(95)	(552)
Charged to revaluation reserve	122	693	122	693
Charged to hedge reserve	(65)	-	(65)	-
Closing balance at 31 March	**10,207**	**10,245**	**10,207**	**10,245**

The movement in deferred tax assets during the year, without taking the offsetting of balances within the same tax jurisdiction into consideration, is as follows:

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
Temporary differences on non-current assets	5,327	4,804	5,327	4,804
Provisions	(566)	(387)	(566)	(387)
Prepayments and accrued income	5,446	5,774	5,446	5,774
Temporary differences on available for sale assets	-	877	-	877
Tax losses to carry forward	-	(823)	-	(823)
	10,207	**10,245**	**10,207**	**10,245**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. No amounts were recognised at balance date and there were no unrecognised tax losses (2008: NIL).

NOTE 23. — ONEROUS LEASE PROVISION

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
Carrying amount at start of period	129	1,287	129	1,287
Amounts used	-	(666)	-	(666)
Unused amounts reversed	(84)	(492)	(84)	(492)
Carrying amount at end of period	**45**	**129**	**45**	**129**
Current	45	84	45	84
Non-Current	-	45	-	45
	45	**129**	**45**	**129**

The onerous lease provision arose on the purchase of Bridgecool Holdings Limited in April 2005. At the date of purchase, the contract terms for each lease within the acquired Bridgecool lease book was assessed against prevailing terms for standard Seeka leases. The onerous lease provision will be progressively utilised over a period up to 31 March 2010.

NOTE 24. — INTEREST BEARING LIABILITIES

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
CURRENT SECURED				
Bank borrowings	15,025	18,570	15,025	18,570
Short term liabilities	1,000	1,000	1,000	1,000
TOTAL CURRENT INTEREST BEARING LIABILITIES	**16,025**	**19,570**	**16,025**	**19,570**
NON-CURRENT SECURED				
Term liabilities	23,000	24,000	23,000	24,000
TOTAL NON-CURRENT INTEREST BEARING LIABILITIES	**23,000**	**24,000**	**23,000**	**24,000**
TOTAL INTEREST BEARING LIABILITIES	**39,025**	**43,570**	**39,025**	**43,570**

The bank overdraft is secured under the same debentures and mortgages as the term debt. The Group has total facilities of $42,000,000 (2008: $44,000,000). This is made up of a multi option credit facility of $18,000,000 and term loans of $24,000,000.

The Board has assessed the fair value of the term loans as the outstanding balance at 31 March 2009. Refer to the table below which outlines loan terms and maturities.

	Balance Due	Variable Rate	Maturity	Repayment Terms
Term Loan #91 - $2,000,000	$999,984	4.17%	2 March 2010	Monthly Repayment
Term Loan #92 - $3,000,000	$3,000,000	4.21%	30 November 2009	Interest Only
Term Loan #96 - $10,000,000	$10,000,000	4.17%	1 December 2010	Interest Only
Term Loan #95 - $10,000,000	$10,000,000	4.21%	1 December 2010	Interest Only

a. **Assets pledged as security**
The bank loans and overdraft are secured by first mortgages over the Company's freehold land and buildings.

NOTE 25. — CONTRIBUTED EQUITY

	GROUP		PARENT	
	2009 Shares	2008 Shares	2009 Shares	2008 Shares
a. **Authorised share capital**				
Ordinary shares - fully paid. No par value	12,599,995	12,599,995	12,599,995	12,599,995
Ordinary shares - partly paid. No par value	-	-	-	-
	12,599,995	**12,599,995**	**12,599,995**	**12,599,995**

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
b. **Movements in ordinary share capital**				
Opening balance of ordinary shares issued	30,158	30,155	30,158	30,155
Settlement of partly paid shares	-	3	-	3
CLOSING BALANCE OF ORDINARY SHARE CAPITAL	**30,158**	**30,158**	**30,158**	**30,158**

c. **Ordinary shares**
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of full paid shares held.

d. **Treasury share capital**				
MOVEMENTS IN TREASURY SHARE CAPITAL				
Opening balance of ordinary shares issued	1,280	1,420	1,280	1,420
Shares re-issued in period	(69)	(140)	(69)	(140)
CLOSING BALANCE HELD AS TREASURY CAPITAL	**1,211**	**1,280**	**1,211**	**1,280**

Shares held in treasury are a component of the Employee Share Scheme and are held in trust.

e. **Net share capital**	**28,947**	**28,878**	**28,947**	**28,878**

Notes to the Financial Statements for the year ended 31 March 2009

NOTE 26. — RETAINED EARNINGS AND RESERVES

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
a. Cash-flow Hedge reserve				
BALANCE AT 1 APRIL	-	-	-	-
Fair value gains (losses) in the year	(215)	-	(215)	-
Deferred tax adjustment	64	-	64	-
BALANCE 31 MARCH	**(151)**	**-**	**(151)**	**-**
b. Available-for-sale reserve				
BALANCE AT 1 APRIL	417	698	417	698
Fair market value reserve addition	56	-	56	-
Fair market value adjustment	-	(281)	-	(281)
BALANCE 31 MARCH	**473**	**417**	**473**	**417**

The available-for-sale reserve is used to record increments and decrements on the revaluation of available for sale financial assets.

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
c. Land and buildings revaluation reserve				
BALANCE AT 1 APRIL	6,847	4,455	6,847	4,455
Realised reserves on disposal	(399)	-	(399)	-
Deferred tax adjustment on disposal	59	-	59	-
Revaluation reserve addition	157	3,085	157	3,085
Deferred tax adjustment	(180)	(693)	(180)	(693)
BALANCE 31 MARCH	**6,484**	**6,847**	**6,484**	**6,847**

The land and buildings revaluation reserve is used to record increments and decrements on the revaluation of land and buildings.

d. Share based payments reserve

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.

	GROUP 2009 $000	GROUP 2008 $000	PARENT 2009 $000	PARENT 2008 $000
BALANCE AT 1 APRIL	96	78	96	78
SEST Reserve addition	18	18	18	18
BALANCE 31 MARCH	**114**	**96**	**114**	**96**

At 31 March 2009, the number of shares is respect of which options have been granted and remain outstanding under the scheme was 295,725 (2008: 336,166), representing 2.35% (2008: 2.67%) of the shares of the company in issue at that date.

Options are granted periodically and permanent staff are eligible to participate in the plan, subject to availability and board discretion and no consideration is payable on the grant of an option. 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 no dividend or voting rights and are granted at the market price ruling at the date of grant. The option exercise price is determined by the directors of the Company based upon the closing price of the Company's shares on the date of grant.

Options were priced using a Black Scholes pricing model. Expected volatility was based on management judgement as the Company has a small market capitalisation and had only been listed in November 2003.

Inputs into the model	30 August 2003	30 November 2004	31 August 2006
Grant date share price	$2.91	$4.70	$4.00
Exercise price	$2.91	$4.70	$4.00
Expected life (interest free loan period)	5 years	5 years	5 years
Maximum loan period	6 years	6 years	6 years
Time to vest	3 years	3 years	3 years
Employee exit rate pre-vesting (% per year)	30.00%	30.00%	30.00%
Expected volatility (% per year)	35.00%	35.00%	35.00%
Risk-free interest rate	10.30%	6.50%	7.25%
Dividend yield	6.87%	6.38%	7.50%
Value of option	$0.13	$0.36	$0.28

The variables and assumptions used in computing the fair value of the share options are based on management's best estimates. The value of an option varies with different variables of certain subjective assumptions.

Set out below is the summary of movements of options granted under the scheme:

AS AT 31 MARCH 2009

Grant Date	Expiry Date	Fair value at grant date	Exercise price	1 Apr 2008 open balance (Shares)	Exercised (Shares)	31 Mar 2009 close balance (Shares)
30 August 2003	30 August 2009	$0.13	$2.91	77,986	(27,851)	50,135
30 November 2004	30 November 2010	$0.36	$4.70	86,000	(13,000)	73,000
31 August 2006	31 August 2012	$0.28	$4.00	172,180	410	172,590
TOTAL				**336,166**	**(40,441)**	**295,725**
Weighted average exercise price				$3.93		$3.99
Weighted average contractual life (years)				3.27		2.48

AS AT 31 MARCH 2008

Grant Date	Expiry Date	Fair value at grant date	Exercise price	1 Apr 2007 open balance (Shares)	Exercised (Shares)	31 Mar 2008 close balance (Shares)
30 August 2003	30 August 2009	$0.13	$2.91	112,110	(34,124)	77,986
30 November 2004	30 November 2010	$0.36	$4.70	86,000	-	86,000
31 August 2006	31 August 2012	$0.28	$4.00	174,990	(2,810)	172,180
TOTAL				**373,100**	**(36,934)**	**336,166**
Weighted average exercise price				$3.83		$3.93
Weighted average contractual life (years)				4.11		3.27

There has been no change in the effective exercise price of any outstanding options during the year and no options have expired during the periods covered by the above tables.

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
e. Retained earnings				
Movements in retained earnings were as follows:				
BALANCE 1 APRIL	16,433	15,118	16,010	14,733
Net profit for the period	3,980	2,576	3,640	2,538
Dividends paid	(1,511)	(1,261)	(1,511)	(1,261)
Revaluation reserves realised	399	-	399	-
Movement in held for sale investment equity	-	-	-	-
BALANCE 31 MARCH	**19,301**	**16,433**	**18,538**	**16,010**

NOTE 27. — DIVIDENDS

	2009		2008	
	$000	Per share	$000	Per share
Ordinary shares				
Final dividend for 31 March 2007 (paid 20 June 2007)	-	-	1,261	0.10
Interim dividend for 31 March 2009 (paid 9 December 2008)	1,511	0.12	-	-
TOTAL DIVIDEND PAID	**1,511**		**1,261**	

The dividends are fully imputed.

At the balance date, no dividend has been declared by the Company.

Notes to the Financial Statements for the year ended 31 March 2009

NOTE 28. — INVESTMENTS HELD FOR SALE

Disposal of joint venture

Prior to 31 March 2008, the Group entered into a contract to sell its 50% share in the SAPAC joint venture. This sale contract was completed on 1 April 2008. Accordingly, the SAPAC investment was reclassified as a held for sale asset and deconsolidated from the Group's balance sheet as at 31 March 2008. The major classes of assets comprising the held for sale asset at 31 March 2008 were as follows:

	GROUP $000	PARENT $000
Shares held	5	5
Advances and loans	443	443
WIP - Short term orchard leases	2,922	2,922
50% share of SAPAC retained earnings	19	-
HELD FOR SALE ASSET	**3,389**	**3,370**

The proceeds of the sale are as per the following schedule, and resulted in a realised gain of $108,542 upon completion of the contract on 1 April 2008. As per the terms of the sale agreement, the Group was required to pay 50% of the value of SAPAC's 31 March 2008 after tax loss to the remaining joint venture partner. The remaining sale proceeds due comprise a portion of the outstanding advances on the balance sheet. As per the terms of the agreement, SAPAC is able to continue to draw upon the loan facility to a maximum capital value of $3,500,000 until 30 April 2010 at which time the loan will be progressively repaid until 31 March 2011. During the year, additional capital of $502,070 was advanced and interest of $165,903 was accrued. Refer to Note 5(b) for discussion of credit risk. Subsequent to 31 March 2009, the $300,000 instalment due for payment on 1 April 2009 and accrued interest was received in full.

	GROUP $000	PARENT $000
Due to Seeka Kiwifruit Industries Ltd – 1 April 2008	-	300
Due to Seeka Kiwifruit Industries Ltd – 1 April 2009	300	300
Interest bearing loan at 5% due in full – 31 March 2011	3,590	2,922
PROCEEDS OF SALE	**3,890**	**3,522**

The SAPAC investment had comprised a component of the Orchard Operation segment as disclosed in Note 6.

NOTE 29. — RECONCILIATION OF NET OPERATING SURPLUS AFTER TAXATION WITH CASH FLOWS FROM OPERATING ACTIVITIES

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
NET OPERATING SURPLUS AFTER TAXATION	3,980	2,576	3,640	2,538
Add non cash items:				
Depreciation	4,161	3,927	4,161	3,946
Amortisation of orchard development	193	221	193	221
Amortisation of intangibles	276	349	276	331
Loss on revaluation of buildings	-	84	-	84
Movement in deferred tax	(38)	185	(38)	197
Movement in fair value of biological assets	(1,636)	194	(1,636)	194
Movement in onerous leases	(84)	(1,158)	(84)	(1,158)
Movement in derivatives	1,057	151	1,057	151
Movement in employee share scheme	18	18	18	18
Share of income from associates	(340)	(91)	-	-
Share of loss from joint ventures	-	53	-	-
	3,606	**3,933**	**3,946**	**3,984**
Add items not classified as an operating activity:				
Loss on sale of property, plant and equipment	(46)	10	(46)	3
Gain on sale of shares	(103)	(42)	(103)	(42)
	(149)	**(32)**	**(149)**	**(39)**
Increase (decrease) in working capital:				
Increase (decrease) in accounts payable	4,312	2,255	4,312	2,746
(Increase) decrease in accounts receivable	1,422	(1,266)	1,422	(1,412)
(Increase) decrease in inventory	(2,198)	(3,027)	(2,198)	(3,071)
(Increase) decrease in work in progress / prepayments	629	1,237	629	1,237
Increase (decrease) in taxes and GST due	990	(424)	990	(401)
	5,154	**(1,225)**	**5,154**	**(901)**
NET CASH FLOW FROM OPERATING ACTIVITIES	**12,591**	**5,252**	**12,591**	**5,582**

NOTE 30. — EARNINGS PER SHARE

a. **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	2009	2008	2009	2008
Profit attributable to equity holders of the Company (thousands)	3,980	2,576	3,640	2,538
Weighted average number of ordinary shares in issue (thousands)	12,600	12,600	12,600	12,600
Basic earnings per share (cents)	0.32	0.20	0.29	0.20

b. **Diluted Earnings Per Share**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2009	2008	2009	2008
Profit attributable to equity holders of the Company (thousands)	3,980	2,576	3,640	2,538
Weighted average number of ordinary shares in issue (thousands)	12,600	12,600	12,600	12,600
Adjustment for share options	-	-	-	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR DILUTED EARNINGS PER SHARE	**12,600**	**12,600**	**12,600**	**12,600**
Diluted earnings per share (cents)	0.32	0.20	0.29	0.20

NOTE 31. — CONTINGENCIES

As at 31 March 2009 the parent entity and Group had no contingent liabilities or assets (2008: Nil).

NZX/Westpac: Westpac Bank holds a guarantee for a bond of $75,000 (2008: $75,000) in favour of the New Zealand Stock Exchange.

NOTE 32. — COMMITMENTS

a. **Capital commitments**

As at 31 March 2009 the total capital expenditure contracted for but not provided for was $2,091,311 (2008: $1,172,000).

As at 31 March 2009, the associate, Opotiki Packing and Cool storage Limited had capital commitments at their 31 December 2008 balance date of $2,044,000 (2007: $1,096,000).

b. **Lease commitments : Group and Parent as lessee**

OPERATING LEASES

The Group has the following lease commitments:

Orchard leases:

At balance sheet date, 184 (2008: 215) orchards are leased by the Group with terms ranging from 1 to 3 years. Orchard leases are non-cancellable and typically a lease payment is related to the volume of crop harvested and orchard gate return earned. Some orchards have a fixed lease element to their lease payment.

Long term leases:

i) Land and buildings: The Group leases land and buildings for its head office and a number of its post harvest facilities. Lease terms are usually for between 3 to 6 years.

ii) Equipment and vehicles: The Group leases office equipment and vehicles on terms up to 3 years.

iii) Long term leased orchards: The Group lease 106 hectares of bare land on which it has developed kiwifruit orchards. The leases are for periods up to 20 years at the end of which the land, structures and vines revert back to the lessor. Rental reviews are normally every 3 years and the Company has a conditional right to lease the properties for a future term at the expiration of each lease.

Notes to the Financial Statements

for the year ended 31 March 2009

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	3,992	4,781	3,992	4,781
Later than one year but not later than five years	8,372	7,585	8,372	7,585
Later than five years	7,342	4,860	7,342	4,860
	19,706	**17,226**	**19,706**	**17,226**

In addition to the above lease commitments there are commitments for orchard leases which are contingent on the number of trays harvested in each year of the lease. A receivable of a greater value than the lease commitment accrues at the time of harvest.

NOTE 33. — RELATED PARTY TRANSACTIONS

a. Seeka Growers Limited

In the normal course of business the Group undertakes transactions with Seeka Growers Limited, a related party which administers all post harvest operations and revenues from the sale of kiwifruit on behalf of growers with whom it holds a contract. In the current year the Group received $95,586,266 (2008: $87,342,323) for the provision of post harvest and orchard management services to Seeka Growers Limited.

b. Directors

The names of persons who were directors of the company at any time during the financial year are as follows: K R Ellis, M J Cartwright, J A Scotland, D J Emslie, P G Dawe, S B Burns (Appointed 17 June 2008) and J Moryia (Appointed 15 August 2008).

c. Key management and personnel and compensation

Key management personnel compensation for the year ended 31 March 2009 and the year ended 31 March 2008 is set out below. The key management personnel are all the directors of the company and the executives with the greatest authority for the strategic direction and management of the company.

	2009 $000	2008 $000
Directors fees	261	250
Executive salaries	1,591	1,427
Short term benefits	164	164
TOTAL	**2,016**	**1,841**

During the year, the Group established a long term incentive scheme that will reward the executive if agreed profit targets are achieved by 31 March 2011.

The Board has determined that the cost of the scheme in the current financial year is NIL.

	GROUP		PARENT	
	2009 $000	2008 $000	2009 $000	2008 $000
d. Transactions				
Excluding transactions with Seeka Growers Limited which are disclosed above, the following transactions were entered with related parties during the year:				
Sale of services				
Joint ventures	-	1,019	-	1,341
Associates	281	398	281	398
Directors, management and other personnel	1,220	671	1,220	671
Purchase of services				
Joint ventures	-	(2,277)	-	(4,554)
Associates	(369)	-	(369)	-
Directors, management and other personnel	(4,542)	(1,868)	(4,542)	(1,868)
e. Outstanding balances				
The following balances are outstanding at the reporting date in relation to transactions with related parties:				
Current receivables (operating)				
Joint ventures	-	786	-	786
Associates	16	3	16	3
Directors, management and other personnel	102	585	102	585
Advances				
Joint ventures	-	-	-	-
Associates	-	34	-	34
Directors, management and other personnel	-	45	-	45
Current payables (operating)				
Joint ventures	-	(151)	-	(151)
Associates	(126)	-	(126)	-
Directors, management and other personnel	(157)	(429)	(157)	(429)

f. Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of advances between the parties.

Outstanding balances are unsecured and are repayable in cash.

NOTE 34. — EVENTS OCCURRING AFTER THE BALANCE DATE

Hail Event

On Monday, 11 May 2009, a number of orchards supplying or leased by the Group were affected by a hail storm in the Bay of Plenty. While it is not possible to accurately quantify any impact on the fair value of short term lease prepayments and biological assets held on the Balance Sheet, the information available suggest any impact will be immaterial to the Financial Statements as presented.

Dividends

Subsequent to the balance date, an imputed dividend of $0.10 per share was approved by the board for payment on 29 June 2009.

Except for the items noted above, there were no other events occuring subsequent to balance date requiring adjustment to or disclosure in the financial statements.

Auditors' Report

PRICEWATERHOUSECOOPERS

Auditors' Report
to the shareholders of Seeka Kiwifruit Industries Limited

We have audited the financial statements on pages 10 to 49. The financial statements provide information about the past financial performance and cash flows of the Company and Group for the year ended 31 March 2009 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 14 to 22.

Directors' Responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company and Group as at 31 March 2009 and their financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

(a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and

(b) whether the accounting policies are appropriate to the circumstances of the Company and Group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditors and providers of other assurance and tax services.

Unqualified Opinion

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

In our opinion:

(a) proper accounting records have been kept by the Company as far as appears from our examination of those records; and

(b) the financial statements on pages 10 to 49:

- (i) comply with generally accepted accounting practice in New Zealand;
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the financial position of the Company and Group as at 31 March 2009 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 27 May 2009 and our unqualified opinion is expressed as at that date.

PricewaterhouseCoopers

Chartered Accountants Auckland

Disclosures as required by Section 211 of the Companies Act 1993

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

During the year ended 31 March 2008, a fully imputed dividend of $0.10 per share was paid on 20 June 2007.
During the year ended 31 March 2009, a fully imputed dividend of $0.12 per share was paid on 10 December 2008.

DIRECTORS HOLDING OFFICE DURING THE YEAR

The directors holding office during the year were:

M J Cartwright (1)
P G Dawe
D J Emslie
J Moriya (3)
J A Scotland
K R Ellis
S B Burns (2)

(1) Non-independent Directors
(2) Appointed 17 June 2008
(3) Appointed 15 August 2008

USE OF COMPANY INFORMATION

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

DIRECTORS SHAREHOLDING

Directors held the following shares at 31 March 2009:

Current Directors	Beneficially Held Shares	Non-beneficially Held Shares
S B Burns - RotoruaTrust Perpetual Capital Fund Limited	-	300,000
M J Cartwright	54,294	-
P G Dawe	17,097	-
P G Dawe - Omarama Farm Partnership	41,824	-
D J Emslie	155,348	-
J A Scotland - Gilray Ridge Ltd (ex Scotland Farms Limited)	52,120	-

SHARE DEALINGS

During the year no directors acquired (or sold) interests, either directly or indirectly, in ordinary shares issued by the Company.

REMUNERATION AND OTHER BENEFITS

Director	Directors Fees	Other Remuneration	Total
K R Ellis	65,000	-	65,000
S B Burns	29,167	-	29,167
M J Cartwright	35,000	12,500	47,500
P G Dawe	40,000	-	40,000
D J Emslie	35,000	-	35,000
J Moriya	21,911	-	21,911
J A Scotland	35,000	-	35,000

REMUNERATION OF EMPLOYEES

The Company had 28 (2008: 20) employees that are not directors whose remuneration and benefits exceed $100,000 in the financial year.

Remuneration	2009 No of Employees	2008 No of Employees
$100,000 - $110,000	7	7
$110,000 - $120,000	6	3
$120,000 - $130,000	4	1
$130,000 - $140,000	1	1
$140,000 - $150,000	3	2
$150,000 - $160,000	-	-
$160,000 - $170,000	2	-
$170,000 - $180,000	-	1
$180,000 - $190,000	-	1
$190,000 - $200,000	1	2
$200,000 - $210,000	1	1
$210,000 - $220,000	1	-
$220,000 - $230,000	1	-
$280,000 - $290,000	-	1
$320,000 - $330,000	1	-

DIRECTORS INTERESTS

During the year the Company undertook transactions with the directors as set out in Note 33 to the financial statements ‘Related Party Transactions’.

Directors have disclosed the following particular directorships held by them:

S Burns - Director of RotoruaTrust Perpetual Capital Fund Limited.

M J Cartwright - Chairman and shareholder as trustee of Seeka Growers Limited, and director of AvoFresh Limited.

D J Emslie - Director of Opotiki Packing and Coolstorage Limited, DCD Orchards Limited and Seeka Growers Limited.

J Moriya - Chairman Japanese Fresh Produce Import and Safety Association.

J A Scotland - Director of the New Zealand Institute for Plant and Food Research Limited, Chairman of the Port of Napier Limited.

INDEMNITY INSURANCE

Clause 9.7 of the Constitution allows the Company to indemnify and insure directors to the extent permitted by the Companies Act 1993.
The Company has provided insurance for all directors.

Corporate Profile

Directors

Junichi Moriya	Peter Dawe	Malcolm Cartwright	David Emslie	Kim Ellis	Jim Scotland	Stuart Burns
Director	Director	Director	Director	Chairman	Director	Director

	REMUNERATION COMMITTEE	AUDIT COMMITTEE
Kim Ellis	Chairman	
Peter Dawe		Chairman
Stuart Burns		Member
Malcolm Cartwright	Member	
David Emslie	Member	
Jim Scotland		Member

Corporate Governance Statement in summary

RESPONSIBILITIES AND FUNCTIONS OF THE BOARD

The Board of Directors is responsible for the direction and oversight of 'Seeka Kiwifruit Industries Limited and its controlled entities' (the Company) on behalf of the shareholders. Responsibility for day to day operations and administration is delegated by the Board to the chief executive officer.

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Each director has the right to seek independent professional advice at the Company's expense.

The directors act collectively as the Board, but in carrying out functions as a member of the Board, each director has a duty to act honestly and with reasonable care and diligence.

COMPOSITION OF THE BOARD

The Company's constitution provides that there shall not be fewer than three directors, and, unless otherwise determined by the Company in a general meeting, the number, of ordinary directors shall not exceed eight.

At each annual meeting, one-third of the ordinary directors shall retire from office. A retiring ordinary director shall be eligible for re-election.

The chairman is elected annually by the Board at the first directors' meeting following the ASM.

DEALINGS IN COMPANY SHARES

Directors or senior executives can buy or sell shares after filing a request with and obtaining the Company's approval, within the guidelines of the NZX.

COMMITTEES

The following permanent committees assist in the execution of the Board's duties. Committee members are appointed from members of the Board and membership is reviewed on an annual basis.

All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

AUDIT COMMITTEE

The audit committee is comprised of three non-executive directors. The role of the committee is to advise on the establishment and maintenance of the framework of internal control and appropriate ethical standards. The company secretary and external auditors are invited to audit committee meetings as deemed necessary.

The responsibilities of the audit committee include:

> reviewing the annual reports

> liaising with the external auditors

> reviewing internal controls

> improving the quality of the accounting function.

The audit committee reviews the external audit process on an annual basis and oversees the implementation of any recommendations and changes to accounting practices adopted by the Company.

REMUNERATION COMMITTEE

The remuneration committee is comprised of three non-executive directors. The role of the committee is to recommend appropriate remuneration packages for the senior executives and directors.

Remuneration committee members:

> review the Company's compensation policy and procedures for all employees

> review and recommend to the Board any changes regarding the chief executive officer's remuneration.

INTERNAL CONTROL

The Board is responsible for the overall internal control framework of the Company. No cost effective control system will preclude all errors and irregularities, however to safeguard the assets of the Company and ensure that all transactions are recorded and appropriately reported the Board has instigated and monitors the internal control system.

BUSINESS RISKS

The chief executive officer is required to identify and report on the major risks affecting each business segment and to develop strategies to mitigate these risks.

THE ROLE OF THE SHAREHOLDERS

The shareholders appoint ordinary directors and they approve major business decisions affecting the Company as prescribed in the Company's constitution.

The Board of Directors ensures shareholders are informed of all major developments affecting the Company's state of affairs.

Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of the shareholders.

Shareholder Analysis

TOP 50 SHAREHOLDERS AT 31 MARCH 2009*

CR Morton	2,363,608	MI & BM Tremain	86,963
DMS Orchard Management Limited	608,148	WV & WJ Flowerday	85,910
New Zealand Central Securities	525,782	NP Gray, WR Gray, W Kameta & B Kingi	80,852
CW Flood & M Schlagel	348,130	Custodial Services Limited	80,326
J & PC Law	306,353	BJ Stapleton & LE Stapleton	78,772
Rotorua Trust Perpetual Capital Fund Limited	300,000	JR Griffin & Others	77,441
Seeka Employee Share Plan Trustees Limited	294,725	SW & RA Nelmes & PR Hills	71,942
Rod Bayliss Orchards Limited	234,457	AR Wright & HO Wright	71,362
WJ McGillivray & BE McGillivray & RE Lee	202,232	Fairview Orchards (1997) Limited	64,874
Burts Orchards (1997) Limited	166,663	Te Puke Orchards (1997) Ltd	64,874
DJ Emslie & DJ Emslie & Others	155,348	AJ Hill & JM Hill & VW Brownrigg	64,457
ID Greaves & CM Thompson & MS Thompson	153,890	WR Baldwin & AM Baldwin	59,190
S Moss	148,016	MS Thompson & MA Thompson	58,405
SR Tebbutt	140,000	JP & PJ Jensen	56,837
Pho Holdings Limited	130,000	D J Hicks and Others	55,700
CW Flood	129,000	Bowyer Orchards Limited	54,586
LJ Christie	125,000	MJ Cartwright & HC Cartwright & Others	54,294
J Slater & RA Slater & Others	122,291	CM Thompson & MR Thompson	54,035
KM Oakley & MAS Oakley	119,443	HD Spencer	53,985
TG & JD Newman	117,845	RA & DG Bibby	53,333
Custodial Services Limited	105,633	T&G Hawthorn & Wood Walton Trustees	53,076
MC & HF Salt	103,770	BF Grafas	52,309
J Slater & RA Slater	100,000	Gilray Ridge Ltd (ex Scotland Farms Limited)	52,120
HC & LL Zingle	91,012	Penmaen Limited	51,442
RB Tait & JG Tait & IJ Craig	90,000	Ohiwa Investments Limited	50,865

ANALYSIS OF SHAREHOLDER BY SIZE AT 31 MARCH 2009*

	No. of Shareholders	Shares Held	Percentage of Shareholders	Shares	Average Holding
Up to 1,000 Shares	241	121,146	30.01%	0.96%	503
1001 to 5,000 Shares	313	799,428	38.98%	6.34%	2,554
5001 to 10,000 Shares	97	710,315	12.08%	5.64%	7,323
10,001 to 100,000 Shares	130	4,068,772	16.19%	32.29%	31,298
100,001 Shares or More	22	6,900,334	2.74%	54.76%	313,652
TOTAL	**803**	**12,599,995**	**100.0%**	**100.0%**	**15,691**

SUBSTANTIAL SECURITY HOLDERS AT 31 MARCH 2009**

	Shares Held	Percentage of Shareholding
CR Morton**	2,363,608	18.76%

*All shares fully paid up

**Shares that are fully paid and have voting rights

Directory

MANAGEMENT

Michael Franks
Chief Executive

Bryan Grafas
GM Orchard Operations

Kevin Halliday
GM IFSL

Stuart McKinstry
Chief Finanical Officer

Terry Richards
GM Business Development & Grower Services

Greg Rodger
GM Information Technology

Rob Towgood
GM Post Harvest Operations

CORPORATE

Offices of Seeka Kiwifruit Industries Limited

Head Office
6 Queen Street
PO Box 47, Te Puke
www.seeka.co.nz

Auditor

PriceWaterhouseCoopers
Auckland

Accountants

Wood Walton Chartered Accountants Limited
Tauranga

Bankers

Westpac Banking Corporation
Auckland

Share Registrar

Link Market Services Limited
Ashburton

NZX

www.nzx.com

Legal Advisors

Harmos Horton and Lusk
Auckland

McKenzie Elvin
Tauranga

6 Queen Street, Te Puke
PO Box 47, Te Puke, New Zealand
p. 07 573 6127
f. 07 573 9831
info@seeka.co.nz
www.seeka.co.nz