

Half-Yearly Report

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

SPEIRS GROUP LIMITED
REPORT TO SHAREHOLDERS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2022

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DIRECTORS' COMMENTARY

Overview

The first six months of the 2022/23 financial year produced an overall group loss attributable to shareholders of Speirs Group Limited of \$362,000 compared to a loss of \$202,000 for the previous corresponding period, a deterioration of \$160,000. The main reason being a very difficult trading period experienced by Speirs Foods.

Financial Performance

The contributions to the overall loss after tax of \$362,000 can be summarised as:

	<i>Six Months 31 December 2022 \$000</i>	<i>Six Months 31 December 2021 \$000</i>
Speirs Foods (2018) LP trading profit/(loss) before interest	(150)	92
Net corporate governance costs	(149)	(154)
Net financing costs	(124)	(119)
Depreciation expense of Speirs Group Limited in relation to acting as landlord for Speirs Foods (2018) LP	(35)	(35)
Total Profit/(Loss)	(458)	(216)
(Profit)/Loss attributable to non-controlling Interest	96	14
Overall profit/(loss) attributable to ordinary shareholders of Speirs Group Limited	(362)	(202)

The information appearing in the above table contains non-GAAP (Generally Accepted Accounting Practice) financial information. Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The financial information in the reconciliation table above is extracted from the unaudited financial statements. The directors believe that this non-GAAP financial information is useful for readers of the financial statements as it provides a clear and concise comparative summary of the performance of each of our core activities and investments. Management use similar measures to monitor consolidated financial performance.

Details from each of our core activities and investments are outlined below.

Speirs Foods

Speirs Foods (2018) LP ("Speirs Foods") continues to manufacture and supply innovative products throughout New Zealand, principally to the two major supermarket chains.

Speirs Foods has had a difficult six months of trading. The key drivers of this were the continuing impacts of labour pricing and availability coupled with price increases from suppliers who are coping with rising product costs and supply shortages. Added to these issues, Mother Nature devastated New Zealand with one of the wettest (if not the wettest) winters on record which meant that many of the vegetables used by Speirs Foods were in short supply due to very unfavourable growing conditions. These factors are discussed in more detail below.

The business continues to be impacted by a number of factors including:

- a noticeable shift in customer demand from bulk products (those sold from "under the glass" in supermarket delicatessens) to pre-packaged products which are more labour intensive in their production and often require the use of higher cost raw materials;
- higher material costs as suppliers increase their prices to us due to inflation. Also, a lack of availability of some key production components has resulted in a need to source higher cost alternative supplies due to increased shipping and freight costs and supply chain constraints;
- pressure on labour availability and costs due to general market shortages and the flow on effects of the increase in the minimum wage driving labour costs up across the general labour force.
- the business was also severely impacted for several months by the weather induced shortage of key materials including cabbage, cauliflower and broccoli. This has resulted in substantially higher input costs and for a period an inability to maintain production and supply of key products at normal levels.

The business has taken a number of steps to address these issues and improve profitability including:

- a significant capital investment in new plant over the last two years to improve the efficiency of producing prepack products;
- continual work on improving product flow efficiency through the plant and increase productivity through new or replacement plant to improve labour efficiency;
- a full review of product margins to ensure products provide an acceptable return on the costs to produce;

- discontinuation of some products which were not returning a sufficient margin;
- continuous development of innovative and fresh new products

While benefits of the measures undertaken are starting to show returns, cost pressures remain and the business will need to keep innovating, investing and improving processes to maintain a reasonable return on the assets employed in the business.

At the time of writing the supply of most vegetables has returned to near normal levels and we have been successful in partially recovering some of the higher input costs through pricing adjustments in the latter part of this six-month period.

Equipment Leasing and Finance Holdings Limited (EL&F)

Our wholly owned subsidiary Speirs Investments LP holds 2.27% of the equity in the diversified finance, leasing, and heavy mobile equipment business Equipment, Leasing & Finance Holdings Limited.

The EL&F Group includes:

- AB Equipment Limited (ABE), supplying a wide range of heavy mobile equipment to the forestry, infrastructure, construction and manufacturing industries throughout New Zealand; and
- Speirs Finance Group Limited, including Speirs Finance Limited providing funding of heavy and light commercial vehicles, cars and other mobile equipment, and Yoogo Limited providing vehicle leasing facilities.

We understand that the satisfactory performance of EL&F last financial year has continued through this first half of the current financial year to 31 December 2022.

No adjustment has been made to the Group's carrying value of the investment for the six months ended 31 December 2022. At 30 June 2022 and 31 December 2022, the directors assessed the fair value of the EL&F shares to be \$1.65 per share.

Financing

The principal borrowing of the parent company is \$2.2m of redeemable preference shares that have a maturity date of 30 September 2025 and carry a fixed dividend rate of 7.50% per annum.

Speirs Foods (2018) LP is financed by a fixed term loan and with a debtor financing facility with a New Zealand based Registered bank. While the term loan is a fixed rate facility the debtor financing facility's interest rate is regularly reset based on prevailing market interest rates. At 31 December 2021 the rate on the debtor financing facility was 5.49%. Rising market interest rates since that time have seen this interest rate increase to 9.67% at 31 December 2022.

Board and Management

The Board of Speirs Group presently comprises myself as Executive Chair and three non-executive directors— Fred Hutchings, Nelson Speirs and David Speirs.

The Board of the General Partner for Speirs Foods (2018) LP is Fred Hutchings (Chair), Ross Kane (Managing Director) and Sarah McCormack, a non-executive independent director.

Both boards continue to work effectively, and I thank my colleagues for their work on behalf of the Company.

I would like to acknowledge again the significant efforts that the staff and directors continue to make in responding to the challenges set by the current New Zealand economic environment. In a rapidly changing market and operating environment everybody continues to stand up and provide considerable additional effort to enable the business to continue operating safely and effectively and respond to the needs of our customers.

Dividend

During the year ended 30 June 2022 Speirs Foods and Equipment Leasing and Finance distributed cash to the Speirs Group parent in excess of the parent company's operating costs. Based on this metric as well as a wide range of other considerations, the directors resolved that a fully imputed dividend of 5c per share be paid on 31 October 2022. .

Outlook

The business environment at present is tough. As well as cost pressures and labour availability issues present in the wider market, Speirs Foods faced weather related shortages and high prices for its fresh ingredients. This had a significant impact on the results for the first six months. We have negotiated price increases with our customers who acknowledge that we have experienced significant inflationary pressure which is continuing due to supply shortages and supplier inflation. Despite the steps we have taken to improve the trading results of Speirs Foods, continuing high inflation and tough economic conditions as noted below will likely mean continuing difficult trading conditions for the business.

However, we are conscious of:

- The volatility of the New Zealand business environment at the current time and note comments from some economic analysts that suggest that the New Zealand economy may be facing a recession in the coming months. If such an economic downturn occurs it is difficult to forecast the negative impact that this will have on the trading results in the short term for both Speirs Foods and Equipment Leasing and Finance.
- Inflation does not appear to have peaked, and Speirs Foods is faced with continuing supplier price rises on a regular basis. Management are focussed on this issue and will regularly reassess profit margins and pricing to ensure that the impact of supplier price rises are effectively managed.

Maximising returns from our key investments continues to be our key focus. We remain firmly on this path with a focus on reducing debt. With debt at manageable levels, cash returns from trading activities or divestments can be applied to returning cash to shareholders.

For and on behalf of the Directors,



Lee Simpson
Executive Chairman
Speirs Group Limited

27 January 2023

CONSOLIDATED FINANCIAL STATEMENTS

Throughout this interim report, the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, and Consolidated Statement of Cash Flows referring to:

- The six-month period ended, and as at, 31 December 2022 are unaudited;
- The consolidated financial statements for the year ended, and as at, 30 June 2022 have been audited; and
- The six-month period ended, and as at, 31 December 2021 are unaudited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Assets				
Current Assets				
Cash and Cash Equivalents	9	135	62	78
Prepayments		141	39	120
Investments	12	580	850	660
Assets Held for Resale		-	-	30
Trade and Other Receivables	10	2,757	2,319	2,279
Inventories	11	738	887	854
Total Current Assets		4,351	4,157	4,021
Non-Current Assets				
Investments	12	2,939	2,939	2,761
Deferred Income Tax Asset		276	276	276
Property, Plant & Equipment		2,517	2,648	2,606
Intangible Assets		53	67	131
Total Non-Current Assets		5,785	5,930	5,774
Total Assets		10,136	10,087	9,795
Liabilities				
Current Liabilities				
Borrowings	14	1,162	566	346
Leases	22	48	67	76
Trade and Other Payables	13	2,298	2,159	2,374
Total Current Liabilities		3,508	2,792	2,796
Non-Current Liabilities				
Leases	22	26	77	109
Borrowings	14	2,756	2,826	2,896
Total Non-Current Liabilities		2,782	2,903	3,005
Total Liabilities		6,290	5,695	5,801
Equity				
Capital	15	12,925	12,925	12,925
Accumulated Deficits		(9,523)	(9,073)	(9,435)
Equity Attributable to Owners of the Parent		3,402	3,852	3,490
Non-Controlling Interest		444	540	504
Total Equity		3,846	4,392	3,994
Total Equity and Liabilities		10,136	10,087	9,795

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Notes	6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
Revenue	21	9,483	18,384	9,000
<i>Purchases of Raw Materials</i>		(4,668)	(8,586)	(4,276)
<i>Employee Benefits Expense</i>		(2,621)	(5,316)	(2,603)
<i>Freight, Packaging & Other</i>		(1,881)	(3,229)	(1,565)
Net Trading Income		313	1,253	556
Other Income	5	126	471	30
Total Net Income Earned from Operating Activities		439	1,724	586
Gain on Fair Value Through Profit or Loss of a Financial Asset	12	-	178	-
Other Expenses	6	(572)	(1,040)	(496)
Earnings/(Loss) Before Interest, Depreciation and Amortisation		(133)	862	90
<i>Interest Income</i>		10	9	4
<i>Interest Expense</i>		(134)	(227)	(123)
Net Interest Expense	7	(124)	(218)	(119)
Depreciation and Amortisation		(201)	(383)	(187)
Profit/(Loss) Before Income Tax		(458)	261	(216)
Income Tax (Expense)/ Benefit		-	-	-
Profit/(Loss) After Income Tax		(458)	261	(216)
Other Comprehensive Income		-	-	-
Total Comprehensive Income/(Loss)		(458)	261	(216)
Total Comprehensive Income/(Loss) for the Period				
Attributable to:				
Owners of Speirs Group Limited		(362)	190	(202)
Non-Controlling Interest		(96)	71	(14)
		(458)	261	(216)
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company Based Upon the Number of Ordinary Shares on Issue at Period End:				
Basic Profit/(Loss) per Share (c/share)	8	(34.66)	11.38	(20.55)
Diluted Profit/(Loss) per Share (c/share)	8	(34.66)	11.38	(20.55)
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company Based Upon the Weighted Average Number of Ordinary Shares on Issue During the Period:				
Basic Profit/(Loss) per Share (c/share)	8	(34.66)	2.46	(2.51)
Diluted Profit/(Loss) per Share (c/share)	8	(34.66)	2.46	(2.51)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Attributable to Owners of the Parent \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2022	12,925	(9,073)	3,852	540	4,392
Comprehensive Income					
Profit/(Loss) for the Period	-	(362)	(362)	(96)	(458)
Total Comprehensive Income/(Loss)	-	(362)	(362)	(96)	(458)
Transactions with Owners in Their Capacity as Owners					
Dividends on Perpetual Preference Shares	-	(31)	(31)	-	(31)
Dividend on Ordinary Shares	-	(57)	(57)	-	(57)
Total Transactions with Owners	-	(88)	(88)	-	(88)
Balance at 31 December 2022	12,925	(9,523)	3,402	444	3,846

For the year ended 30 June 2022

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Attributable to Owners of the Parent \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2021	12,925	(9,202)	3,723	551	4,274
Comprehensive Income					
Profit/(Loss) for the Year	-	190	190	71	261
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income/(Loss)	-	190	190	71	261
Transactions with Owners in Their Capacity as Owners					
Dividends on Perpetual Preference Shares	-	(61)	(61)	-	(61)
Distributions to Non- Controlling Interest	-	-	-	(82)	(82)
Total Transactions with Owners	-	(61)	(61)	(82)	(143)
Balance at 30 June 2022	12,925	(9,073)	3,852	540	4,392

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Attributable to Owners of the Parent \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2021	12,925	(9,202)	3,723	551	4,274
Comprehensive Income					
Profit/(Loss) for the Period	-	(202)	(202)	(14)	(216)
Total Comprehensive Income/(Loss)	-	(202)	(202)	(14)	(216)
Transactions with Owners in Their Capacity as Owners					
Dividends on Perpetual Preference Shares	-	(31)	(31)	-	(31)
Distributions to Non- Controlling Interest	-	-	-	(33)	(33)
Total Transactions with Owners	-	(31)	(31)	(33)	(64)
Balance at 31 December 2021	12,925	(9,435)	3,490	504	3,994

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

		6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
	<i>Notes</i>			
Cash Flows from Operating Activities				
Interest Received		10	9	4
Dividends Received		-	171	-
Cash Receipts from Customers		9,045	17,967	8,623
Other Income		124	281	30
Dividends Paid on Redeemable Preference Shares		(83)	(184)	(101)
Interest Expense		(51)	(44)	(23)
Cash Paid to Suppliers and Employees		(9,581)	(18,420)	(8,988)
Net Cash from Operating Activities	16	(536)	(220)	(455)
Cash Flows from Investing Activities				
Proceeds from Sale of Assets Held for Resale		-	49	-
Disposal of Property, Plant & Equipment		19	-	-
Repayment of Loans		-	70	70
Repayment of Short-Term Bank Deposits - Net		270	365	555
Acquisition of Intangible Assets		-	(28)	(79)
Acquisition of Property, Plant & Equipment		(118)	(385)	(153)
Net Cash Flows from Investing Activities		171	71	393
Cash Flows from Financing Activities				
Proceeds from Borrowings - Net		526	-	-
Repayment of Borrowings - Net		-	(291)	(441)
Distributions Paid to Non-Controlling Interests		-	(82)	(33)
Dividends Paid on Ordinary Shares		(57)	-	-
Dividends Paid on Perpetual Preference Shares		(31)	(61)	(31)
Net Cash Flows from Financing Activities		438	(434)	(505)
Net Increase / (Decrease) in Cash and Cash Equivalents		73	(583)	(567)
Cash and Cash Equivalents at Beginning of Period		62	645	645
Cash and Cash Equivalents at Period End	9	135	62	78

Notes to the Financial Statements

1 GENERAL INFORMATION

Speirs Group Limited operates as a holding company. At 31 December 2022 its core investments were:

- Speirs Foods (2018) LP is a 67% majority owned subsidiary of Speirs Group Limited and is involved in the production and distribution of fresh food products.
- Speirs Investments LP is a wholly owned subsidiary of Speirs Group Limited which holds a 2.27% investment in Equipment, Leasing & Finance Holdings Limited.

Speirs Group Limited is a limited liability company incorporated and domiciled in New Zealand. The postal address of the head office of Speirs Group Limited is PO Box 318, Palmerston North, New Zealand.

Speirs Group Limited has its ordinary shares listed on the New Zealand based Unlisted Securities Exchange trading platform (www.usx.co.nz).

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these consolidated financial statements are the same as those applied for the year ended 30 June 2022. Please refer to the annual report for the year ended 30 June 2022 on the company's website at www.speirs.co.nz for full disclosure of the applicable significant accounting policies applied in relation to the preparation of these interim financial statements.

These interim financial statements are presented in accordance with NZ IAS 34 Interim Financial Reporting.

3 ESTIMATES AND JUDGMENTS

The Group makes assumptions and estimates that affect the reported amounts of assets and liabilities. 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.

Judgement has been exercised in:

Partial Recognition of a Future Income Tax Benefit

The Group has partially recognised the portion of accumulated tax losses to the extent it is probable that a taxable profit will be available against which to utilise the tax losses. The remaining benefit of tax losses and temporary differences continue to be treated as an unrecognised asset.

Measurement of Fair Value for Equipment Leasing and Finance Holdings

The Group's accounting policies and disclosures for the Investment in Equipment, Leasing & Finance Holdings Limited (EL&F) require the measurement of fair values. For further information about the assumptions made in measuring the fair value of EL&F refer to note 12.

There are no other significant accounting estimates and assumptions deemed critical to the Group's results and financial position.

4 SEGMENT REPORTING

For the purposes of this note, the chief operating decision-maker has been identified as the Board of Directors of Speirs Group Limited. The Board reviews the Group's internal reporting pack on a monthly basis to assess performance and to allocate resources. Within the pack, operating segments have primarily been determined with reference to differences in products and services. The Board of Directors assesses the performance of the operating segments based on a measure of net profit after tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event.

A summarised description of each business unit is shown below:

<i>Speirs Foods</i>	The supply of salad and fresh cut vegetables to retailers and caterers.
<i>Corporate</i>	The Group has some central operations and corporate costs which are not allocated to business segments. This includes the operations of Speirs Investments LP. Rental income from Speirs Foods (2018) LP has been included in "Corporate" income and the associated land and buildings have been included as "Corporate" assets.

The Group operates wholly within New Zealand.

Group 6 months 31 December 2022	<i>Speirs Foods</i>	<i>Corporate</i>	<i>Consolidation Adjustments</i>	<i>Consolidated</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
External Revenue				
Dividends Received	-	-	-	-
Interest Income	-	10	-	10
Revenue	9,483	-	-	9,483
Other Income	126	118	(118)	126
Intersegment Revenue/(Eliminations)	-	(118)	118	-
Total Segment Revenue/(Eliminations)	9,609	10	-	9,619
Interest Expense	(65)	(83)	14	(134)
Overall Segment Result	(378)	(176)	96	(458)
Income Tax Expense				-
Loss for the 6 Month Period				(458)
Segment Assets	6,231	6,810	(2,905)	10,136
Segment Liabilities	4,323	2,246	(279)	6,290
Depreciation and Amortisation	321	48	(168)	201
Capital Expenditure	124	-	-	124

The Group receives Trading Income from two customers who account for 99% of total Segment Revenue

Group 12 months 30 June 2022	<i>Speirs Foods</i>	<i>Corporate</i>	<i>Consolidation Adjustments</i>	<i>Consolidated</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
External Revenue				
Dividends Received	-	339	(168)	171
Interest Income	-	9	-	9
Revenue	18,384	-	-	18,384
Other Income	298	233	(231)	300
Intersegment Revenue / (Eliminations)	-	(399)	399	-
Total Segment Revenue	18,682	182	-	18,864
Interest Expense	(77)	(184)	34	(227)
Overall Segment Result	20	188	53	261
Income Tax Benefit/(Expense)				-
Profit for the Year				261
Segment Assets	6,049	7,112	(3,074)	10,087
Segment Liabilities	3,763	2,282	(350)	5,695
Depreciation and Amortisation	639	96	(352)	383
Capital Expenditure	388	1	-	389

The Group receives Trading Income from two customers who account for 99% of total Segment Revenue.

Group 6 months 31 December 2021	Speirs Foods \$'000	Corporate \$'000	Consolidation Adjustments \$'000	Consolidated \$'000
External Revenue				
Dividends Received	-	67	(67)	-
Interest Income	-	4	-	4
Revenue	9,000	-	-	9,000
Other Income	30	116	(116)	30
Intersegment Revenue/(Eliminations)	-	(183)	183	-
Total Segment Revenue/(Eliminations)	9,030	4	-	9,034
Interest Expense	(40)	(101)	18	(123)
Overall Segment Result	(152)	(117)	53	(216)
Income Tax Expense				-
Loss for the 6 Month Period				(216)
Segment Assets	6,240	6,795	(3,240)	9,795
Segment Liabilities	3,977	2,241	(417)	5,801
Depreciation and Amortisation	324	48	(185)	187
Capital Expenditure	152	1	-	153

The Group receives Trading Income from two customers who account for 99% of total Segment Revenue.

5 OTHER INCOME

	6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
Dividends Received	-	171	-
Reversal of Impairment of Assets Held for Resale Upon Sale of the Underlying Asset	-	19	-
Gain on Disposal of Property, Plant and Equipment	2	-	-
Government Grants	10	32	-
Other Income	114	249	30
Total Other Income	126	471	30

6 OTHER EXPENSES

	6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
Fees Paid to Auditors			
Statutory Audit of Financial Statements	39	72	36
Other Services	-	-	-
Directors Fees - Parent	35	73	37
Consulting Fees Paid to Executive Chairman	8	-	-
Directors Fees - Subsidiaries	18	25	12
Cloud Software Expenses	-	58	-
Insurance	126	210	105
Building Maintenance – Roof Repair	25	-	-
Other Expenses	321	602	306
Total Other Expenses	572	1,040	496

7 NET INTEREST EXPENSE

	6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
Interest Income			
Cash and Cash Equivalents	10	8	3
Loans and Advances	-	1	1
Total Interest Income	10	9	4
Interest Expense			
Leases	3	11	6
Borrowings			
2021 Redeemable Preference Shares - Dividend	-	56	56
2025 Redeemable Preference Shares - Dividend	83	128	45
Term Loan Facility	8	19	10
Debtor Financing	40	13	6
Total Interest Expense	(134)	(227)	(123)
Net Interest Expense	(124)	(218)	(119)

8 EARNINGS/ (LOSS) PER SHARE

Basic and Diluted Profit(Loss) per Share	6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
Profit/(Loss) Attributable to Ordinary Shareholders			
Profit/(Loss) for the Period	(362)	190	(202)
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Profit/(Loss) for the Period Attributable to Ordinary Shareholders	(393)	129	(233)
Weighted Average Number of Ordinary Shares – Basic and Diluted	6 months 31 December 2022 '000	12 months 30 June 2022 '000	6 months 31 December 2021 '000
Number of Ordinary Shares at Beginning of Period	1,134	11,335	11,335
Number of Ordinary Shares at Period End	1,134	1,134	1,134
Weighted Average Number of Ordinary Shares at Period End – Basic and Diluted	1,134	5,242	9,283

On 24 November 2021 Speirs Group Limited undertook a 1 for 10 ordinary share consolidation

	6 months 31 December 2022 Cents Per Share	12 months 30 June 2022 Cents Per Share	6 months 31 December 2021 Cents Per Share
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company Based Upon Ordinary Shares on Issue at Period End:			
Basic Profit/(Loss) per Share (c/share)	(34.66)	11.38	(20.55)
Diluted Profit/(Loss) per Share (c/share)	(34.66)	11.38	(20.55)

Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company Based on the Weighted Average Number of Ordinary Shares on Issue:

Basic Profit/(Loss) per Share (c/share)
Diluted Profit/(Loss) per Share (c/share)

	6 months 31 December 2022 Cents Per Share	12 months 30 June 2022 Cents Per Share	6 months 31 December 2021 Cents Per Share
	(34.66)	2.46	(2.51)
	(34.66)	2.46	(2.51)

9 CASH AND CASH EQUIVALENTS

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Cash at Bank	110	58	67
Short Term Deposits – Call	25	4	11
Total Cash & Cash Equivalents	135	62	78

All cash and cash equivalents are held in registered banks in New Zealand. The Group has no overdraft facilities.

10 TRADE AND OTHER RECEIVABLES

31 December 2022	Gross Amount \$'000	Allowance for Expected Credit Losses \$'000	Carrying Amount \$'000
Trade and Other Receivables			
Trade Receivables	2,757	-	2,757
Total Trade and Other Receivables	2,757	-	2,757

30 June 2022	Gross Amount \$'000	Allowance for Expected Credit Losses \$'000	Carrying Amount \$'000
Trade and Other Receivables			
Trade Receivables	2,319	-	2,319
Total Trade and Other Receivables	2,319	-	2,319

31 December 2021	Gross Amount \$'000	Allowance for Expected Credit Losses \$'000	Carrying Amount \$'000
Trade and Other Receivables			
Trade Receivables	2,279	-	2,279
Total Trade and Other Receivables	2,279	-	2,279

11 INVENTORIES

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Inventories			
Raw Materials and Consumables	678	753	720
Goods in Transit		35	-
Finished Goods	60	99	134
Total	738	887	854

No inventory is subject to retention of title clauses.

12 INVESTMENTS

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares	2,939	2,939	2,761
Short Term Deposits - BNZ	580	850	660
	3,519	3,789	3,421
Provision for Impairment	-	-	-
Carrying Value	3,519	3,789	3,421
Current	580	850	660
Non-Current	2,939	2,939	2,761
Total	3,519	3,789	3,421

Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares

Speirs Investments LP, a wholly owned subsidiary of Speirs Group Limited, holds 1,781,230 (30 June 2022: 1,781,230; 31 December 2021: 1,781,230) ordinary shares in Equipment, Leasing & Finance Holdings Limited ("EL&F"). The directors' assessment of the value for this investment is determined based on information in relation to: normalised historic earnings performance, normalised forecast future earnings and an assessment of appropriate earnings multiples for similar unlisted equity securities based on market information for similar types of companies. The directors consider this valuation approach best represents the fair value of Speirs' shareholding in EL&F. The total number of shares on issue in EL&F are 78,344,666 (30 June 2022: 78,344,666; 31 December 2021: 78,264,666). At 31 December 2022 the ordinary shares are valued at \$1.65 per share (30 June 2022: \$1.65 per share; 31 December 2021: \$1.55 per share). The increase in the value of the EL&F ordinary shares in the year ended 30 June 2022 principally arose from the recovery of the business after the Covid 19 pandemic lockdowns and the improving forecast future performance of EL&F.

Investment in Equipment, Leasing & Finance Holdings Limited Preference Shares

In accordance with certain agreements dated 30 September 2016 the 229,358 preference shares held by Speirs Investments LP in EL&F converted to ordinary shares in EL&F on a one for one basis on 1 October 2021.

Reconciliation – Six Months Ended 31 December 2022

	<i>Ordinary Shares \$'000</i>
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2022	2,939
Investment in Equipment, Leasing & Finance Holdings Limited at 31 December 2022	2,939

Reconciliation – Year Ended 30 June 2022

	Ordinary Shares \$'000	Preference Shares \$'000	Total \$'000
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2021	2,405	356	2,761
Conversion of Equipment Leasing and Finance Holdings Limited Preference Shares into Equipment Leasing and Finance Holdings Ordinary Shares as Per Their Terms of Issue on 1 October 2021	356	(356)	-
Fair Value Gains on Through Profit or Loss Financial Asset – Year Ended 30 June 2022	178	-	178
Investment in Equipment, Leasing & Finance Holdings Limited at 30 June 2022	2,939	-	2,939

Reconciliation – Six Months Ended 31 December 2021

	Ordinary Shares \$'000	Preference Shares \$'000	Total \$'000
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2021	2,405	356	2,761
Conversion of Equipment Leasing and Finance Holdings Limited Preference Shares into Equipment Leasing and Finance Holdings Ordinary Shares as Per Their Terms of Issue on 1 October 2021	356	(356)	-
Investment in Equipment, Leasing & Finance Holdings Limited at 31 December 2021	2,761	-	2,761

13 TRADE AND OTHER PAYABLES

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Trade and Other Payables			
Trade Payables	1,539	1,393	1,468
Non-Trade Payables and Accrued Expenses	759	766	906
	2,298	2,159	2,374

14 BORROWINGS

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Borrowings			
Debtor Financing	1,022	427	209
2025 Redeemable Preference Shares	2,200	2,200	2,200
Term Loan Facility	696	765	833
	3,918	3,392	3,242
Current	1,162	566	346
Non-Current	2,756	2,826	2,896
	3,918	3,392	3,242

The period end effective interest rates with respect to borrowings are set out in the table below:

	31 December 2022 %	30 June 2022 %	31 December 2021 %
Borrowings			
Debtor Financing	9.67%	7.48%	5.49%
2025 Redeemable Preference Shares	7.50%	7.50%	7.50%
Term Loan Facility	2.30%	2.30%	2.30%

Debtor Financing

The Limited Partnership has a debtor financing arrangement with a Registered Bank based in New Zealand.

The debtor financing facility:

- Is secured by a first ranking charge over the assets and undertakings of Speirs Foods (2018) LP and a guarantee from Speirs Foods General Partner Limited; and
- Until 2 May 2022 (when the covenant was removed by the Registered Bank) had a covenant requiring that EBITDA (earnings before interest, tax expense, depreciation and amortisation of intangibles) of Speirs Foods (2018) LP is to be maintained at a minimum of 3.00 times of gross interest expense. This was tested as at the last day of each financial year on a rolling 12-month basis. At 31 December 2021 this covenant was respected.

2021 Redeemable Preference Shares

As at 31 December 2022 there are Nil (30 June 2022: Nil; 31 December 2021: Nil) 2021 Redeemable Preference Shares on issue at \$1 each. The 2021 Redeemable Preference Shares had a scheduled redemption date of 30 September 2021. The 2021 Redeemable Preference Shares ranked behind all other liabilities of Speirs Group Limited but ahead of ordinary and perpetual preference shareholders. The dividend rate on the 2021 Redeemable Preference Shares was 9.00% per annum.

On 30 September 2021 Speirs Group Limited refinanced the maturing 2021 Redeemable Preference Shares by:

- repaying \$512,315 to the 2021 Redeemable Preference shareholders; and
- converting 1,987,685 of the maturing 2021 Redeemable Preference Shares into 1,987,685 2025 Redeemable Preference Shares.

2025 Redeemable Preference Shares

At 31 December 2022 there are 2,200,000 (30 June 2022: 2,200,000; 31 December 2021: 2,200,000) fully paid 2025 Redeemable Preference Shares on issue at \$1 each. The 2025 Redeemable Preference Shares have a scheduled redemption date of 30 September 2025, although Speirs Group Limited has the right to redeem at any time before the scheduled redemption date. The 2025 Redeemable Preference Shares rank behind all other liabilities of Speirs Group Limited, equally with the 2021 Redeemable Preference Shares (until their maturity on 30 September 2021), but ahead of ordinary and perpetual preference shareholders. The fixed dividend rate on the 2025 Redeemable Preference Shares is 7.50% per annum.

On 30 September 2021 Speirs Group Limited issued 1,987,685 an additional 2025 Redeemable Preference Shares.

Term Loan Facility

Speirs Foods (2018) LP has a term loan facility with a bank registered in New Zealand ("The Bank"). The key terms of the facility are:

Amount	\$1 million
Main Purpose of the Facility	To fund capital expenditure
Term	5 years
Interest Rate	2.30% (fixed for 5 years)
Repayment Terms	60 monthly payments of \$12,900.18 The repayment amounts are based on a repayment period of 7 years. If this repayment period extends past the 5-year maturity date, Speirs Foods (2018) LP must repay the loan on the maturity date in full unless The Bank agrees to extend it. Based on the scheduled repayments a principal balance of \$302,308 will require refinancing or repayment at the end of the 5-year period.
Security	A first ranking charge over the assets of Speirs Foods (2018) LP and a guarantee from Speirs Foods General Partner Limited
Covenants	Until 2 May 2022 (when the covenant was removed by the Registered Bank) this facility had two covenants: <ul style="list-style-type: none"> • EBITDA (earnings before interest, tax expense, depreciation and amortisation of intangibles) for

	<p>Speirs Foods (2018) LP is to be maintained at a minimum of 3 times gross interest expense. This was tested as at the last day of each financial quarter on a rolling 12-month basis, with first test date at 30/12/2020.</p> <ul style="list-style-type: none"> Equity (total assets less loans to related parties less total liabilities plus loans from Limited Partners) for Speirs Foods (2018) LP is to be maintained at a minimum of \$1,500,000 at all times. This was tested as at the last day of each financial quarter, with first test date at 30/12/2020. <p>At 31 December 2021 both covenants were respected.</p>
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15 CAPITAL

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Balance at Beginning of Period	12,925	12,925	12,925
Balance at Period End	12,925	12,925	12,925
Capital is comprised of:			
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Ordinary Shares	12,217	12,217	12,217
Perpetual Preference Shares	708	708	708
Total Capital	12,925	12,925	12,925

Ordinary Shares

	Ordinary Shares		
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Number of Shares on issue at Start of Period	1,134	11,335	11,335
Number of Shares on issue at Period End	1,134	1,134	1,134

The total authorised number of ordinary shares at 31 December 2022 is 1,133,596 (30 June 2022: 1,133,596; 31 December 2021 1,133,596). All issued shares were fully paid and entitled to one vote.. There are no preferences or restrictions attached to this class of share. Ordinary shares have no par value.

On 24 November 2021 Speirs Group Limited undertook a 1 for 10 ordinary share consolidation.

Perpetual Preference Shares

	Perpetual Preference Shares		
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Number of Shares authorised and on issue at Start of Period	679	679	679
Number of Shares authorised and on issue at Period End	679	679	679

During the year ended 30 June 2012, in accordance with shareholder resolutions passed at a special shareholder meeting, 679,000 perpetual preference shares ("PPS") were issued at \$1 each.

The table below sets out some of the key terms of the PPS.

Issue price	\$1.00 each.
Dividends payable by the Company	Dividends are only payable if authorised by the Board. If authorised, dividends are payable at the higher of: (a) 9% per annum; and (b) the average bid and offered swap rate for a one-year swap as quoted on the Reuters Screen Page "FISSWAP" plus 5% on 30 June each year. No dividends may be authorised by the Board in respect of ordinary shares in the Company unless dividends are authorised in respect of the PPS and all dividends on the PPS, including authorised but unpaid dividends, have been paid. Where a dividend is not authorised in a given period in accordance with the principles set out above, rights to those dividends do not accrue.
Ranking in respect of dividends	Behind the dividends payable on the Redeemable Preference Shares ("RPS"), equally with all other dividends payable on the PPS, and ahead of dividends payable on ordinary shares in the Company and any other shares in the Company that are expressed to rank behind the PPS.
When redeemable	May, at the sole option of the Company, be redeemed by the Company at any time after 10 years from the issue date (i.e. from 25 May 2022).
Redemption amount payable by the Company	\$1.00 plus any authorised but unpaid dividends.
When convertible	The PPS were convertible at the election of the holder between 5 and 10 years from the date of issue (i.e. between 24 May 2017 and 24 May 2022). On 24 May 2022 this conversion option lapsed and the PPS holders can no longer convert their PPS into ordinary shares.
Rate of conversion	Prior to the ordinary share consolidation on 24 November 2021, 1 PPS could have converted into 8 ordinary shares in the Company. After the ordinary share consolidation on 24 November 2021 and until the conversion option lapsed on 24 May 2022, 10 PPS could have converted into 8 ordinary shares in the Company. At 31 December 2022 and 30 June 2022 the PPS have no right to convert into ordinary shares.
Ranking in liquidation	Behind the creditors of the Company, behind the RPS holders, but ahead of ordinary shareholders and any other holders of shares that are expressed to rank behind the RPS.

Dividends

The following dividends were declared and paid by the Company:

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
5.0c per Ordinary Share (30 June 2022: 0.0c; 31 December 2021: 0.0c)	57	-	-
4.5c per Perpetual Preference Share (30 June 2022: 9.0c per share; 31 December 2021: 4.5c per share).	31	61	31

16 RECONCILIATION OF PROFIT/(LOSS) FOR THE PERIOD TO NET CASH FROM OPERATING ACTIVITIES

	6 months 31 December 2022 \$'000	12 months 30 June 2022 \$'000	6 months 31 December 2021 \$'000
Reconciliation of Profit/(Loss) for the Period to Net Cash from Operating Activities			
Profit/(Loss) for the Period	(362)	190	(202)
Adjustments for Non-Cash Items:			
Depreciation on Property, Plant and Equipment	187	353	170
Amortisation of Intangible Assets	14	30	17
Lease Payments on Right of Use Assets	(25)	(65)	(31)
Profit/(Loss) Share Attributable to Non-Controlling Interest	(96)	71	(14)
Impairment/(Reversal of Impairment) of Assets Held for Resale	-	(19)	-
Loss/(Gain) on Disposal of Property, Plant and Equipment	(2)	-	-
Gain On Fair Value Through Profit or Loss Financial Asset	-	(178)	-
	(284)	382	(60)
Movement in Other Working Capital Items:			
Change in Inventories	149	(268)	(235)
Change in Trade and Other Receivables and Prepayments	(540)	(420)	(461)
Change in Trade and Other Payables	139	86	301
Net Cash From Operating Activities	(536)	(220)	(455)

17 RELATED PARTIES

Transactions with Key Management Personnel

Key management personnel are considered to be the Directors of the Company and executives with the greatest authority for the strategic direction and management of the company.

Key Management Personnel Compensation

	6 Months 31 December 2022 \$'000	12 Months 30 June 2022 \$'000	6 Months 31 December 2021 \$'000
Directors' Fees	53	98	49
Consulting Fees Paid to Executive Chair	8	-	-
Consulting Fees Paid to Key Management Personnel	155	327	172
	216	425	221

At 31 December 2022 the amount of unpaid consulting fees payable to key management personnel was \$23,000 (30 June 2022: \$23,000; 31 December 2021: \$23,000).

Dividends paid on **Perpetual Preference Shares** to related parties and Perpetual Preference Shares held at period end were:

	PPS Dividends Six Months Ended 31 December 2022 \$'000	PPS Dividends Year Ended 30 June 2022 \$'000	PPS Dividends Six Months Ended 31 December 2021 \$'000	PPS Shares Held 31 December 2022 \$'000	PPS Shares Held 30 June 2022 \$'000	PPS Shares Held 31 December 2021 \$'000
Nelson Speirs - Director	18	35	18	389	389	389
David Speirs - Director	13	26	13	290	290	290
	31	61	31	679	679	679

Dividends paid on **2025 Redeemable Preference Shares** to related parties and 2025 Redeemable Preference Shares held at period end were:

	<i>RPS Dividends Six Months Ended 31 December 2022 \$'000</i>	<i>RPS Dividends Paid Year Ended 30 June 2022 \$'000</i>	<i>RPS Dividends Six Months Ended 31 December 2021 \$'000</i>	<i>RPS Shares Held 31 December 2022 \$'000</i>	<i>RPS Shares Held 30 June 2022 \$'000</i>	<i>RPS Shares Held 31 December 2021 \$'000</i>
Derek Walker – Former Director	1	2	1	-	29	29
Lee Simpson – Company Secretary/Director	5	8	3	138	138	138
	6	10	4	138	167	167

Derek Walker retired as a director on 21 November 2022 – as a result the disclosures for Derek Walker are made until his retirement on 21 November 2022. Lee Simpson was appointed as a director on 21 November 2022. Prior to his appointment as a director Lee Simpson was Speirs Group's Company Secretary. As Lee Simpson was a related party both as Company Secretary and then as a director the disclosures for Lee Simpson cover the entire 6-month period 1 July 2022 to 31 December 2022.

Other Transactions with Key Management Personnel

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or for which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Entities with which Speirs Group Limited is deemed to be related are:

- Speirs Foods (2018) LP (a Limited Partnership in which Speirs Group has a 67% interest and is therefore a majority owned subsidiary;
- Speirs Investments LP (a wholly owned subsidiary); and
- Kane Investments Limited (a company which holds a 33% partnership interest in Speirs Foods (2018) LP).

Transactions with related parties during the period ended 31 December 2022 are summarised below:

- **Speirs Foods (2018) LP**
 - Speirs Group Limited received a distribution of \$Nil (30 June 2022: \$167,500; 31 December 2021: \$67,000) from Speirs Foods (2018) LP.
 - Speirs Group Limited charged rent on land and buildings leased by Speirs Foods (2018) LP of \$85,000 (30 June 2022: \$165,000; 31 December 2021: \$82,500)
 - Speirs Group Limited charged Speirs Foods (2018) LP \$33,000 (30 June 2022: \$66,000; 31 December 2021: \$33,000) in respect of corporate services provided by Speirs Group Limited.
 - At 31 December 2022 Speirs Foods (2018) LP owed \$Nil (30 June 2022: \$Nil; 31 December 2021: \$Nil) to Speirs Group Limited.
 - Speirs Group Limited paid rates and water rates and recharged these to Speirs Foods (2018) LP of \$31,438. (30 June 2022: \$88,724; 31 December 2021: \$33,853)
 - Reimbursed Speirs Foods General Partner Limited \$20,753 (30 June 2022: \$27,833; 31 December 2021: \$13,307) in relation to costs incurred by Speirs Foods General Partner Limited in the execution of its duties as General Partner for the Limited Partnership.
- **Speirs Investments LP**
 - Speirs Group Limited provided an interest free loan to Speirs Investments LP in the amount of \$171,846. At 31 December 2022 the balance owed by Speirs Investments LP to Speirs Group Limited was \$171,846 (30 June 2022: \$171,846); 31 December 2021: \$171,846).
 - Speirs Investments LP made a distribution of \$Nil (Year Ended 30 June 2022: \$171,119; Six Months Ended 31 December 2021: \$Nil) to Speirs Group Limited.
- **Kane Investments Limited**
 - Kane Investments Limited received a distribution of \$Nil (12 months 30 June 2022: \$82,500; 6 months 31 December 2021: \$33,000) from Speirs Foods (2018) LP.
 - At 31 December 2022 Speirs Foods (2018) LP owed \$Nil (30 June 2022: \$Nil; 31 December 2021: \$Nil) to Kane Investments Limited.

18 CAPITAL COMMITMENTS AND CONTINGENCIES

The Group was committed to the following at year end:

31 December 2022	Capital Expenditure \$'000	Total \$'000
Less than One Year	-	-
Between One and Five Years	-	-
More than Five Years	-	-
	-	-

30 June 2022	Capital Expenditure \$'000	Total \$'000
Less than One Year	-	-
Between One and Five Years	-	-
More than Five Years	-	-
	-	-

31 December 2021	Capital Expenditure \$'000	Total \$'000
Less than One Year	125	125
Between One and Five Years	-	-
More than Five Years	-	-
	125	125

Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities or contingent assets (30 June 2022: Nil; 31 December 2021: Nil).

19 EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to balance date requiring disclosure in, or adjustment to, the financial statements.

20 NET TANGIBLE ASSETS PER ORDINARY SHARE

	31 December 2022 \$	30 June 2022 \$	31 December 2021 \$
Net Tangible Assets Per Ordinary Share	2.36	2.74	2.34

21 REVENUE

The following table summarises some key characteristics of the Group's revenue streams.

	31 December 2022	30 June 2022	31 December 2021
Geographical Region	New Zealand - 100% of Revenue	New Zealand - 100% of Revenue	New Zealand - 100% of Revenue
Type of Goods	Salads and fresh cut vegetables	Salads and fresh cut vegetables	Salads and fresh cut vegetables
Customers/Sales Channels	Supermarket Chains – 99% of Revenue	Supermarket Chains – 99% of Revenue	Supermarket Chains – 99% of Revenue
Timing of Transfer of Goods	Revenue from goods or services transferred to customers at a point in time – 100% of Revenue	Revenue from goods or services transferred to customers at a point in time – 100% of Revenue	Revenue from goods or services transferred to customers at a point in time – 100% of Revenue
Transaction Pricing	Each good sent to customers is individually priced on the associated invoice. Any payment discounts available to customers is netted off revenue in the month in which the sale took place.	Each good sent to customers is individually priced on the associated invoice. Any payment discounts available to customers is netted off revenue in the month in which the sale took place.	Each good sent to customers is individually priced on the associated invoice. Any payment discounts available to customers is netted off revenue in the month in which the sale took place.
Timing of Revenue Recognition	When the customer takes undisputed control of the goods. This occurs when the goods are delivered to the customer.	When the customer takes undisputed control of the goods. This occurs when the goods are delivered to the customer.	When the customer takes undisputed control of the goods. This occurs when the goods are delivered to the customer.
Payment Terms	Generally, 30 days after the goods have been supplied. There are no subsequent performance obligations.	Generally, 30 days after the goods have been supplied. There are no subsequent performance obligations.	Generally, 30 days after the goods have been supplied. There are no subsequent performance obligations.
Key Assumptions and Judgements in Relation to Revenue Recognition	None	None	None
Credit Risk Associated with Revenue	Minimal	Minimal	Minimal
Obligation to Provide a Credit Note for Returned Goods	Only in relation to goods which arrive in a damaged condition. These equate to approximately 4.2% of all sales made. At balance date the obligations to provide a credit note for returned goods was immaterial.	Only in relation to goods which arrive in a damaged condition. These equate to approximately 2.8% of all sales made. At balance date the obligations to provide a credit note for returned goods was immaterial.	Only in relation to goods which arrive in a damaged condition. These equate to approximately 2.0% of all sales made. At balance date the obligations to provide a credit note for returned goods was immaterial.

22 LEASING

NZ IFRS 16 Leases

The Group has leases for motor vehicles, forklifts and some IT equipment. The lease liabilities are secured over the related underlying assets. Except for short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Lease liabilities are presented in the Consolidated Statement of Financial Position as follows:

	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Lease Liabilities (current)	48	67	76
Lease Liabilities (non-current)	26	77	109
	74	144	185

Future minimum lease payments are as follows:

Minimum Lease Payments Due

31 December 2022	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	52	27	-	79
Finance Charges	(4)	(1)	-	(5)
Net Present Values	48	26	-	74

31 June 2022	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	75	82	-	157
Finance Charges	(8)	(5)	-	(13)
Net Present Values	67	77	-	144

31 December 2021	Within 1 Year \$'000	1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
Lease Payments	86	117	-	203
Finance Charges	(10)	(8)	-	(18)
Net Present Values	76	109	-	185

Additional information on the right-of-use assets by class of assets is as follows:

31 December 2022

	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	14	6	-
Vehicles	27	12	-
Other Plant and Equipment	27	14	-
Total Right-of-Use Assets	68	32	-

30 June 2022

	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	58	15	-
Vehicles	40	33	-
Other Plant and Equipment	41	28	-
Total Right-of-Use Assets	139	76	-

31 December 2021

	Carrying Amount \$'000	Depreciation Expense \$'000	Impairment \$'000
Computer Equipment	66	7	-
Vehicles	58	14	-
Other Plant and Equipment	55	14	-
Total Right-of-Use Assets	179	35	-

Lease Payments Not Recognised as a Liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the Consolidated Statement of Financial Position at 31 December 2022:

Right-of-Use Asset	Number of Right-of-Use Assets Leased	Range of Remaining Terms	Weighted Average Remaining Lease Term	Number of Leases with Extension Options	Number of Leases with Options to Purchase	Number of Leases with Variable Payments Linked to an Index	Number of Leases with Termination Options
Computer Equipment	1	24 months 14 to 25	24 months	0	0	0	0
Vehicles	2	months	21 months	0	0	0	0
Other Plant and Equipment	3	7 to 21 months	16 months	0	0	0	0

23 FINANCIAL ASSETS AND LIABILITIES

Accounting Classifications and Fair Values

The table below sets out the Group's classification of each class of consolidated financial assets and liabilities, and their fair values (excluding accrued interest).

Group 31 December 2022	Fair Value Through Profit or Loss \$'000	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total Carrying Value \$'000
Trade and Other Receivables	-	2,757	-	2,757
Investments	2,939	580	-	3,519
Cash and Cash Equivalents	-	135	-	135
	2,939	3,472	-	6,411
Trade and Other Payables	-	-	2,051	2,051
Borrowings	-	-	3,918	3,918
	-	-	5,969	5,969
Group 30 June 2022	Fair Value Through Profit or Loss \$'000	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total Carrying Value \$'000
Trade and Other Receivables	-	2,319	-	2,319
Investments	2,939	850	-	3,789
Cash and Cash Equivalents	-	62	-	62
	2,939	3,231	-	6,170
Trade and Other Payables	-	-	2,077	2,077
Borrowings	-	-	3,392	3,392
	-	-	5,469	5,469
Group 31 December 2021	Fair Value Through Profit or Loss \$'000	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total Carrying Value \$'000
Trade and Other Receivables	-	2,279	-	2,279
Investments	2,761	660	-	3,421
Cash and Cash Equivalents	-	78	-	78
	2,761	3,017	-	5,778
Trade and Other Payables	-	-	2,126	2,126
Borrowings	-	-	3,242	3,242
	-	-	5,368	5,368

Determination of Fair Values

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

All Group financial assets at fair value through profit or loss are Level 3 financial assets.