

SPEIRS GROUP LIMITED
REPORT TO SHAREHOLDERS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2018

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Directors' Commentary

Overview

The first six months of the 2018/19 year produced an overall group loss of \$199,000 compared to a profit of \$179,000 for the previous corresponding period. The major contributions to this loss were a reduced profit from Speirs Foods and the one-off costs associated with the set-up of the new Speirs Foods limited partnership.

Profitability

The contributions to the overall loss after tax of \$199,000 can be summarised as:

	Six Months 31 December 2018 \$000	Six Months 31 December 2017 \$000	Improvement/ (Deterioration) %
Speirs Foods trading profit before interest, tax and setup costs of Speirs Foods (2018) LP	149	437	(65.9)
Associates' profit/(loss)			
- Rosa Foods Limited	-	61	N/A
- Speirs Nutritionals Partners LP	-	(1)	N/A
Setup costs of Speirs Foods (2018) LP	(109)	-	N/A
Net Corporate governance costs	(71)	(105)	32.3
Net financing costs	(168)	(213)	21.1
Overall profit/(loss)	(199)	179	(211.2)

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 financial performance.

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

Speirs Foods

On 30 July 2018 we announced that the group had entered into a conditional Heads of Agreement to sell 33% of the operating business of Speirs Foods Limited to interests associated with Ross Kane.

This transaction was completed on 1 November 2018 with the majority of the existing Speirs Foods Limited business excluding land and buildings, being transferred to a newly established Limited Partnership called Speirs Foods (2018) LP which will be the operating entity. Speirs Group owns 67% of the new entity and Kane Investments Limited 33%. All of the land and buildings have been retained within the Speirs group of companies and are leased to the new Speirs Foods (2018) LP. Ross Kane was appointed the Managing Director of Speirs Foods (2018) LP on 1 November 2018.

The directors are satisfied that a fair value has been obtained for the partial sale of the assets of Speirs Foods to Kane Investments. The amount received is at a modest premium to our most recently published accounts and in line with an independent market valuation using typical earnings multiples and parameters for a business of this nature. The accounts reflect the transaction and one month of trading under the new arrangement.

The Speirs Foods trading profit attributed to the group before interest and transaction costs for the set-up of the new limited partnership for the six month period was \$149,000 compared to \$437,000 in the corresponding period in the previous year. Trading revenue was \$7.918 million compared to \$7.982 million in the previous business. The reduction in profit was driven by sales not achieving budget, higher input costs and costs associated with introducing new product lines. Further new products under the "The Whole Mix" brand have been introduced which has diversified our product range and sets up for higher value product offerings going forward.

Rosa Foods

Speirs Group sold its 40% shareholding in Rosa Foods Limited in April 2018. The group continues to receive payments under the portion of deferred settlement as they fall due.

Equipment Leasing and Finance Holdings Limited (EL&F)

Speirs Group Limited) holds 1.99% of the equity plus 0.29% preference shares in the diversified finance, leasing, heavy equipment and truck business Equipment, Leasing & Finance Holdings Limited("EL&F").

The business continues to trade well and growth is in line with expectations.

No adjustment has been made to the Group carrying value for the six months ended 31 December 2018.

Financing

Cash received from the sale of our interest in Rosa Foods, the sale of a minority interest in Speirs Foods and repayment of subordinated debt from EL&F has allowed debt to be reduced. Further receipts due over the next two years from the deferred settlement portions of the Rosa and Speirs Foods sales will allow further debt reduction and result in strengthening of the group's balance sheet.

Dividend

The focus on capital management is to use profit and cash from any divestments to reduce debt within the Group as quickly as possible. The directors have thus decided to not pay an interim dividend for the period.

Outlook

The present focus of the Group is to maximise and grow the value of our remaining two core investments, Speirs Foods, and EL&F, and continuing to strengthen our balance sheet by reducing debt.

For and on behalf of the Directors,

Derek Walker

Chairman of Directors
Speirs Group Limited

19 February 2019

Consolidated Financial Statements

Throughout this 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 2018 are unaudited;
- The financial statements for the year ended, and as at, 30 June 2018 have been audited; and
- The six month period ended, and as at, 31 December 2017 are unaudited.

Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	<i>December</i> 2018 \$'000	<i>June</i> 2018 \$'000	<i>December</i> 2017 \$'000
Assets				
Current Assets				
Cash and Cash Equivalents	9	568	127	643
Prepayments		148	30	52
Loans, Advances and Investments	13	225	225	-
Trade and Other Receivables	10	2,065	1,454	2,297
Inventories	11	858	653	712
Total Current Assets		3,864	2,489	3,704
Non-Current Assets				
Investment in Associates	12	8	8	759
Loans, Advances and Investments	13	2,975	2,778	2,052
Deferred Income Tax Asset		409	409	315
Property, Plant & Equipment		2,261	2,310	2,251
Intangible Assets		117	111	22
Total Non-Current Assets		5,770	5,616	5,399
Total Assets		9,634	8,105	9,103
Liabilities				
Current Liabilities				
Borrowings	15	1,215	900	1,186
Trade and Other Payables	14	2,064	1,268	2,207
Total Current Liabilities		3,279	2,168	3,393
Non-Current Liabilities				
Borrowings	15	2,505	2,510	3,230
Total Non-Current Liabilities		2,505	2,510	3,230
Total Liabilities		5,784	4,678	6,623
Equity				
Contributed Capital	16	12,925	12,925	12,925
Accumulated Deficits		(9,472)	(9,498)	(10,445)
Equity Attributable to Owners of the Parent		3,453	3,427	2,480
Non-Controlling Interest		397	-	-
Total Equity		3,850	3,427	2,480
Total Equity and Liabilities		9,634	8,105	9,103

Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2018

		6 months	12 months	6 months
		31 December	30 June	31 December
		2018	2018	2017
	Notes	\$'000	\$'000	\$'000
Revenue		7,910	15,399	7,982
Purchases of Raw Materials		(3,323)	(6,326)	(3,477)
Employee Benefits Expense		(2,272)	(4,338)	(2,049)
Freight, Packaging & Other		(1,524)	(2,974)	(1,405)
Net Trading Income		791	1,761	1,051
Other Income	5	6	287	100
Total Net Income Earned from Operating Activities		797	2,048	1,151
Share of Gain/(Loss) of Associates	12	-	134	36
Fair Value Adjustment on Fair Value Through Profit and Loss Financial Assets	13	-	811	-
Impairment of Fair Value Through Profit and Loss Financial Assets	13	-	(112)	-
Other Expenses	6	(680)	(1,138)	(640)
Earnings Before Interest, Depreciation and Amortisation		117	1,743	547
Interest Income		39	79	38
Interest Expense		(207)	(453)	(251)
Net Interest Expense	7	(168)	(374)	(213)
Depreciation and Amortisation		(148)	(307)	(155)
Profit/(Loss) Before Income Tax		(199)	1,062	179
Income Tax (Expense)/ Benefit		-	94	-
Profit/(Loss) After Income Tax		(199)	1,156	179
Other Comprehensive Income		-	-	-
Total Comprehensive Income/(Loss)		(199)	1,156	179
Total Comprehensive Income/(Loss) for the Period				
Attributable to:				
Owners of Speirs Group Limited		(225)	1,156	179
Non-Controlling Interest		26	-	-
		(199)	1,156	179
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company:				
Basic Profit/(Loss) per Share (c/share)	8	(2.26)	9.66	1.30
Diluted Profit/(Loss) per Share (c/share)	8	(2.26)	9.66	1.30

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2018

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Attributable to Owners of the Parent \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 30 June 2018	12,925	(9,498)	3,427	-	3,427
Comprehensive Income					
Profit/(Loss) for the Period	-	(225)	(225)	26	(199)
Total Comprehensive Income/(Loss)	-	(225)	(225)	26	(199)
Transactions with Owners in Their Capacity as Owners					
Transactions with Non- Controlling Interests	-	282	282	371	653
Dividends on Perpetual Preference Shares	-	(31)	(31)	-	(31)
Distributions	-	-	-	-	-
Total Transactions with Owners	-	251	251	371	622
Balance at 31 December 2018	12,925	(9,472)	3,453	397	3,850

For the year ended 30 June 2018

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Equity \$'000
Balance at 1 July 2017	12,925	(10,593)	2,332
Comprehensive Income			
Profit/(Loss) for the Year	-	1,156	1,156
Total Comprehensive Income	-	1,156	1,156
Transactions with Owners in Their Capacity as Owners			
Dividends Paid on Perpetual Preference Shares	-	(61)	(61)
Total Transactions with Owners	-	(61)	(61)
Balance at 30 June 2018	12,925	(9,498)	3,427

For the six months ended 31 December 2017

	Contributed Capital \$'000	Accumulated Deficits \$'000	Total Equity \$'000
Balance at 30 June 2017	12,925	(10,593)	2,332
Comprehensive Income			
Profit/(Loss) for the Period	-	179	179
Total Comprehensive Income	-	179	179
Transactions with Owners in Their Capacity as Owners			
Dividends on Perpetual Preference Shares	-	(31)	(31)
Total Transactions with Owners	-	(31)	(31)
Balance at 31 December 2017	12,925	(10,445)	2,480

Consolidated Statement of Cash Flows

For the six months ended 31 December 2018

	<i>6 months</i> 31 December <i>2018</i> \$'000	<i>12 months</i> 30 June <i>2018</i> \$'000	<i>6 months</i> 31 December <i>2017</i> \$'000
	<i>Notes</i>		
Cash Flows from Operating Activities			
Interest Received	39	79	38
Dividends Received	-	174	24
Cash Receipts from Customers	7,299	15,573	7,382
Other Income	6	219	43
Dividends Paid on Redeemable Preference Shares	(112)	(255)	(143)
Interest Expense	(95)	(200)	(110)
Cash Paid to Suppliers and Employees	(7,327)	(15,260)	(7,307)
Net Cash from Operating Activities	17 (190)	330	(73)
Cash Flows from Investing Activities			
Proceeds from Sale of Property, Plant and Equipment	-	37	33
Proceeds from Redemption of Short Term Deposits	-	1,150	1,150
Limited Partnership Distributions Received	-	6	6
Proceeds from Partial Redemption of EL&F Subordinated Debt	-	595	-
Acquisition of Intangibles	(17)	(100)	-
Acquisition of Fair Value Through Profit and Loss Financial Assets	-	(172)	-
Acquisition of Property, Plant & Equipment	(87)	(293)	(83)
Net Cash Flows from Investing Activities	(104)	1,223	1,106
Cash Flows from Financing Activities			
Proceeds from borrowings	315	140	391
Cash Introduced by Non-Controlling Interest	456	-	-
Repayments of Borrowings	(5)	(782)	(27)
Repayment of 2017 Redeemable Preference Shares	-	(1,341)	(1,341)
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Net Cash Flows from Financing Activities	735	(2,044)	(1,008)
Net Increase / (Decrease) in Cash and Cash Equivalents	441	(491)	25
Cash and Cash Equivalents at Beginning of Period	127	618	618
Cash and Cash Equivalents at Period End	9 568	127	643

Notes to the Financial Statements

1. General Information

Speirs Group Limited operates as a holding company.

- Speirs Foods Limited is a wholly owned subsidiary of Speirs Group Limited and was involved (until 1 November 2018) in the production and distribution of fresh food products. On 1 November 2018 it sold its operating activities and assets (with the principal exception of land and buildings) to Speirs Foods (2018) LP. From 1 November 2018 the company principally operates as a landlord to Speirs Foods (2018) LP.
- Speirs Foods (2018) LP is a 67% majority owned subsidiary of Speirs Group Limited and is involved (from 1 November 2018) in the production and distribution of fresh food products. On 1 November 2018 it acquired the operating activities and assets (with the principal exception of land and buildings) from Speirs Foods Limited
- Speirs Investments LP is a wholly owned subsidiary of Speirs Group Limited which holds a 2.28% 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 equity securities listed the Unlisted Securities Exchange trading platform.

2. Significant Accounting Policies

With one exception the principal accounting policies applied in the preparation of these consolidated financial statements are the same as those applied for the year ended 30 June 2018. Please refer to the annual report for the year ended 30 June 2018 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.

The only change to the significant accounting policies relates to the implementation of NZ IFRS 9 Financial Instruments. The revised NZ IFRS 9 has changed the recognition of gains on financial assets which were previously classified as "Available for Sale Financial Assets", the classification into which the Group included the investment in Equipment Leasing and Finance Holding Limited shares. In the past any gains were treated as a component of "Other Comprehensive Income" with an associated separate reserve account in the Statement of Movements in Equity. The revised NZ IFRS 9 now categorises the Equipment Leasing and Finance Holding Limited shares as "Fair Value Through Profit and Loss Financial Assets" with any gains and losses being recognised in the ordinary trading profit in the Consolidated Statement of Comprehensive Income and in Retained Earnings/Accumulated Deficits in the Statement of Movements in Equity. The requirements of the revised NZ IFRS 9 have been incorporated into these interim financial statements and comparative disclosures have been adjusted where appropriate.

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

3. Estimates and Judgements

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 13.

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. This segment includes the trading operations of Speirs Foods Limited to 1 November 2018 and Speirs Foods (2018) LP from 1 November 2018. At 31 December 2018 the “Speirs Foods” segment assets and liabilities are those of Speirs Foods (2018) LP.
<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. From 1 November 2018 Speirs Foods Limited’s rental income from Speirs Foods (2018) LP has been included in “Corporate” income and as at 31 December 2018 the assets and liabilities of Speirs Foods Limited are now classified as “Corporate” assets and liabilities given that Speirs Foods future role is effectively that of landlord to Speirs Foods (2018) LP.

The Group operates predominantly within New Zealand.

Group 6 months 31 December 2018	<i>Speirs Foods</i> \$'000	<i>Corporate</i> \$'000	<i>Reconciliation</i> \$'000	<i>Consolidated</i> \$'000
External Revenue				
Interest Income	5	34	-	39
Revenue	7,910	-	-	7,910
Other Income	6	-	-	6
Intersegment Revenue/(Eliminations)	-	181	(181)	-
Total Segment Revenue/(Eliminations)	7,921	215	(181)	7,955
Overall Segment Result	(60)	42	(181)	(199)
Income Tax Expense				-
Loss for the 6 Month Period				(199)
Segment Assets	6,162	11,398	(7,926)	9,634
Segment Liabilities	3,450	2,883	(549)	5,784
Depreciation and Amortisation	148	-	-	148
Capital Expenditure	87	-	-	87

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

Group 12 months June 2018	<i>Speirs Foods</i> \$'000	<i>Corporate</i> \$'000	<i>Reconciliation</i> \$'000	<i>Consolidated</i> \$'000
External Revenue				
Interest Income	-	79	-	79
Revenue	15,399	-	-	15,399
Other Income	193	94	-	287
Intersegment Revenue / (Eliminations)	-	316	(316)	-
Total Segment Revenue	15,592	489	(316)	15,765
Overall Segment Result	631	747	(316)	1,062
Income Tax Benefit/(Expense)				94
Profit for the Year				1,156
Segment Assets	4,777	7,442	(4,114)	8,105
Segment Liabilities	2,264	2,528	(114)	4,678
Depreciation and Amortisation	307	-	-	307
Capital Expenditure	293	-	-	293

The Group receives Trading Income from two customers who account for 95% of total Trading Income

Group 6 months 31 December 2017

	<i>Speirs Foods</i> \$'000	<i>Corporate</i> \$'000	<i>Reconciliation</i> \$'000	<i>Consolidated</i> \$'000
External Revenue				
Interest Income	-	38	-	38
Revenue	7,982	-	-	7,982
Other Income	76	24	-	100
Intersegment Revenue/(Eliminations)	-	158	(158)	-
Total Segment Revenue/(Eliminations)	8,058	220	(158)	8,120
Overall Segment Result	329	8	(158)	179
Income Tax Expense				-
Profit for the 6 Month Period				179
Segment Assets	6,575	6,830	(4,302)	9,103
Segment Liabilities	4,096	2,527	-	6,623
Depreciation and Amortisation	155	-	-	155
Capital Expenditure	83	-	-	83

The Group receives Trading Income from two customers who account for 95% of total Trading Income

5. Other Income

	<i>6 months</i> <i>31 December</i> <i>2018</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2018</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2017</i> \$'000
Dividend on Ordinary Shares – Rosa Foods Limited	-	415	24
Impact of Reclassification of Rosa from Associate Company Status	-	(314)	-
Bad Debt Recoveries	6	-	-
Gain on Sale of Property, Plant and Equipment	-	27	33
Other Income	-	159	43
Total Other Income	6	287	100

6. Other Expenses

	<i>6 months</i> <i>31 December</i> <i>2018</i> \$'000	<i>12 months</i> <i>30 June</i> <i>2018</i> \$'000	<i>6 months</i> <i>31 December</i> <i>2017</i> \$'000
Fees Paid to Auditors			
Statutory Audit of Financial Statements	26	43	19
Other Assurance Services	4	-	-
Directors Fees - Parent	37	73	37
Directors Fees - Subsidiaries	13	26	13
Establishment Costs of Speirs Foods (2018) LP	109	-	-
Bad Debts Written Off	-	69	-
Insurance	62	140	90
Other Expenses	429	787	481
Total Other Expenses	680	1,138	640

7. Net Interest Expense

	<i>6 months</i> <i>31 December</i> <i>2018</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2018</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2017</i> <i>\$'000</i>
Interest Income			
Cash and Cash Equivalents	-	8	8
Loans and Advances	39	71	30
Total Interest Income	<u>39</u>	<u>79</u>	<u>38</u>
Interest Expense			
Borrowings			
2017 Redeemable Preference Shares - Dividend	-	66	66
2021 Redeemable Preference Shares - Dividend	112	189	77
Mortgage	2	56	29
Debtor Financing	90	133	74
On all other borrowings	3	9	5
Total Interest Expense	<u>(207)</u>	<u>(453)</u>	<u>(251)</u>
Net Interest Expense	<u>(168)</u>	<u>(374)</u>	<u>(213)</u>

8. Earnings/ (Loss) per Share

	<i>6 months</i> <i>31 December</i> <i>2018</i> <i>\$'000</i>	<i>12 months</i> <i>30 June</i> <i>2018</i> <i>\$'000</i>	<i>6 months</i> <i>31 December</i> <i>2017</i> <i>\$'000</i>
Basic and Diluted Profit/(Loss) per Share			
Profit/(Loss) Attributable to Ordinary Shareholders			
Profit/(Loss) for the Period	(225)	1,156	179
Dividends Paid on Perpetual Preference Shares	(31)	(61)	(31)
Profit/(Loss) for the Period Attributable to Ordinary Shareholders	<u>(256)</u>	<u>1,095</u>	<u>148</u>
	<i>6 months</i> <i>31 December</i> <i>2018</i> <i>'000</i>	<i>12 months</i> <i>30 June</i> <i>2018</i> <i>'000</i>	<i>6 months</i> <i>31 December</i> <i>2017</i> <i>'000</i>
Weighted Average Number of Ordinary Shares			
Issued Ordinary Shares at beginning of period	11,335	11,335	11,335
Issued Ordinary Shares at end of period	11,335	11,335	11,335
Weighted Average Number of Ordinary Shares at Period End	<u>11,335</u>	<u>11,335</u>	<u>11,335</u>
Total Earnings/(Loss) per Share Attributed to Equity Holders of the Company:			
Basic Profit/(Loss) per Share (c/share)	(2.26)	9.66	1.30
Diluted Profit/(Loss) per Share (c/share)	(2.26)	9.66	1.30

9. Cash and Cash Equivalents

	<i>31 December</i> <i>2018</i> <i>\$'000</i>	<i>30 June</i> <i>2018</i> <i>\$'000</i>	<i>31 December</i> <i>2017</i> <i>\$'000</i>
Cash at Bank	263	72	634
Short Term Deposits – Call	55	55	9
Short Term Deposits – 90 days	250	-	-
Total Cash & Cash Equivalents	<u>568</u>	<u>127</u>	<u>643</u>

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

10. Trade and Other Receivables

31 December 2018

	<i>Gross Amount \$'000</i>	<i>Impairment Allowance \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	2,065	-	2,065
Total Trade and Other Receivables	2,065	-	2,065

30 June 2018

	<i>Gross Amount \$'000</i>	<i>Impairment Allowance \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	1,523	(69)	1,454
Total Trade and Other Receivables	1,523	(69)	1,454

31 December 2017

	<i>Gross Amount \$'000</i>	<i>Impairment Allowance \$'000</i>	<i>Carrying Amount \$'000</i>
Trade and Other Receivables			
Trade Receivables	2,297	-	2,297
Total Trade and Other Receivables	2,297	-	2,297

11. Inventories

	<i>31 December 2018 \$'000</i>	<i>30 June 2018 \$'000</i>	<i>31 December 2017 \$'000</i>
Inventories			
Raw Materials and Consumables	739	564	584
Finished Goods	119	89	128
Total	858	653	712

No inventory is subject to retention of title clauses.

12. Investment in Associates

Overall Summary

Investments Equity Accounted	31 December	30 June	31 December
	2018	2018	2017
	\$'000	\$'000	\$'000
Share of Rosa Foods Limited	-	-	751
Share of Speirs Nutritionals Partners LP	8	8	8
	8	8	759

Share of Profit/(Loss)	6 months	12 months	6 months
	31 December	30 June	31 December
	2018	2018	2017
	\$'000	\$'000	\$'000
Share of Profit of Rosa Foods Limited	-	135	37
Share of Profit/(Loss) of Speirs Nutritionals Partners LP	-	(1)	(1)
	-	134	36

(a) Rosa Foods Limited

On 1 April 2008 Speirs Group Limited purchased 40% of the ordinary shares of Rosa Foods Limited ("Rosa"). Rosa is a Wellington based food manufacturer providing prepared meal products to the supermarket chains. Rosa has a reporting date of 31 March. Speirs Group Limited received a \$415,000 dividend on ordinary shares held in Rosa during the year ended 30 June 2018. On 6 April 2018 Speirs Group Limited sold its shares in Rosa and, as a result, Rosa ceased to be an associate entity from 6 April 2018.

	6 months	12 months	6 months
	31 December	30 June	31 December
	2018	2018	2017
	\$'000	\$'000	\$'000
Opening Balance	-	714	714
Less Dividends on Ordinary Shares	-	(415)	(24)
Share of surplus after tax of associate until disposal	-	68	61
Gain on disposal of ordinary shares	-	67	-
Transfer from Associate status to Amortised Cost Financial Asset status	-	(434)	-
Closing Balance	-	-	751

(b) Speirs Nutritionals Partners LP

Financial information for SNPLP has been extracted from management accounts. Speirs Nutritionals is not accounted for as a subsidiary as Speirs Group (under the terms of the underlying Partnership Agreement) does not have control of Speirs Nutritionals. It does, however, have significant influence.

	31 December	30 June	31 December
	2018	2018	2017
	\$'000	\$'000	\$'000
Share of surplus/(deficit) of associate	-	(1)	(1)
Less share of distributions received	-	(6)	(6)
Net addition/(deletion) to the investment carrying value	-	(7)	(7)
Share of associate's equity at the beginning of the period	8	15	15
Closing Balance	8	8	8

At period end the statement of financial position of SNPLP was as follows:

	31 December	30 June	31 December
	2018	2018	2017
	\$'000	\$'000	\$'000
Current Assets	13	13	13
Net Assets	13	13	13
Speirs Group Share (60.657%)	8	8	8

13. Loans, Advances and Investments

	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2017 \$'000
Debt Owning – Rosa Foods Limited	434	434	-
Dividend Owning – Rosa Foods Limited	241	241	-
Debt Owning – Kane Investments Limited	197	-	-
Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares	2,328	2,328	1,457
Investment in Equipment, Leasing & Finance Holdings Limited Preference Shares	344	344	233
Subordinated Debt in Leasing and Finance 2 LP	-	-	595
	3,544	3,347	2,285
Provision for Impairment	(344)	(344)	(233)
Carrying Value	3,200	3,003	2,052
Current	225	225	-
Non Current	2,975	2,778	2,052
Total	3,200	3,003	2,052

Debt Owning and Dividend Owning – Rosa Foods Limited

As a result of a transaction during the year ended 30 June 2018 Speirs Group Limited received \$434,000 of interest bearing debt and \$241,000 of unpaid ordinary dividends (totalling \$675,000). This debt and unpaid dividends carry an interest rate of 10.00% per annum with the interest payable in arrears on the last business day of each quarter. The debt and unpaid dividends have scheduled principal repayments of \$225,000 per annum (payable in March 2019, 2020 and 2021) although the borrower can partially or fully repay the amounts due early with no penalty being incurred. Both the debt and unpaid dividends are secured by a first ranking charge over all of the ordinary shares on issue in Rosa Foods Limited as well as personal guarantees from the ultimate owners of Rosa Foods Limited.

Debt Owning and Dividend Owning – Kane Investments Limited

As a result of a transaction during the period 31 December 2018 Speirs Foods (2018) LP received \$326,500 of interest bearing debt. This debt carries an interest rate of 8.50% per annum with the interest payable in arrears on the last business day of each quarter. On 21 December 2018 Kane Investments Limited made a voluntary early repayment of \$130,000 leaving a balance owing of \$196,500. After this repayment the debt has scheduled principal repayments of \$87,667 payable in October 2020 and \$108,333 payable in October 2021). The borrower can partially or fully repay the amounts due early with no penalty being incurred. The debt is secured by a first ranking charge over all of the assets of Speirs Foods (2018) LP.

Investment in Equipment, Leasing & Finance Holdings Limited Ordinary Shares

On 30 September 2016 a series of transactions saw Speirs Investments Limited Partnership's investment in Advaro convert to being a 2.38% ordinary shareholding in a new entity named Equipment, Leasing & Finance Holdings Limited ("EL&F"). As part of the 30 September 2016 transaction Speirs Investments LP lost the right to appoint a director to the Board of EL&F. For this reason and given the minority shareholding held by Speirs Investments LP, the investment in EL&F ceased to be an associate entity from 30 September 2016. After that date it is held as a "Fair Value Through Profit and Loss Financial Asset". Subsequent minor share issues by EL&F have seen the investment reduce to 1.99% ordinary shareholder of EL&F. The directors' assessment of the value for this investment is based upon the most recent market transaction and an issue of additional equity during the year ended 30 June 2018 as well as an assessment of actual and budgeted earnings multiples for EL&F. The directors consider this valuation approach to represent the fair value of Speirs' 1.99% shareholding in EL&F. Speirs Investments LP holds 1,551,872 (30 June 2018: 1,551,872; 31 December 2017: 1,437,308) ordinary shares in EL&F. The total number of shares on issue in EL&F are 77,989,666 (30 June 2018: 77,739,666; 31 December 2017: 72,739,666)

Investment in Equipment, Leasing & Finance Holdings Limited Preference Shares

On 30 September 2016, in addition to being issued ordinary shares in EL&F, Speirs Investments LP was issued 229,358 preference shares in EL&F. These preference shares can be clawed back by EL&F to cover any additional bad and doubtful debts incurred by EL&F in relation to the receivables ledger that EL&F acquired from Advaro Financial Services Limited as at 30 September 2016 beyond the bad and doubtful debts provisioning held by Advaro as at 30 September 2016. These preference shares are at risk until 30 September 2021. As these shares are at risk for such a period of time such that the recoverability of the carrying amount cannot be practicably assessed, the directors have decided to fully impair these preference shares as at 31 December 2018 (30 June 2018: Fully impaired; 31 December 2017: Fully impaired).

Reconciliation – Six Months Ended 31 December 2018

	<i>Ordinary Shares</i>	<i>Preference Shares</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2018	2,328	-	2,328
Fair Value Gains	-	-	-
Acquisition of Additional Ordinary Shares	-	-	-
Impairment of Available for Sale Financial Asset	-	-	-
Investment in Equipment, Leasing & Finance Holdings Limited at 31 December 2018	2,328	-	2,328

Reconciliation – Year Ended 30 June 2018

	<i>Ordinary Shares</i>	<i>Preference Shares</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2017	1,457	-	1,457
Fair Value Gains– Year Ended 30 June 2018	699	112	811
Acquisition of Additional Ordinary Shares	172	-	172
Impairment of Available for Sale Financial Asset– Year Ended 30 June 2018	-	(112)	(112)
Investment in Equipment, Leasing & Finance Holdings Limited at 30 June 2018	2,328	-	2,328

Reconciliation – Six Months Ended 31 December 2017

	<i>Ordinary Shares</i>	<i>Preference Shares</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Investment in Equipment, Leasing & Finance Holdings Limited at 1 July 2017	1,457	-	1,457
Fair Value Gains	-	-	-
Acquisition of Additional Ordinary Shares	-	-	-
Impairment of Available for Sale Financial Asset	-	-	-
Investment in Equipment, Leasing & Finance Holdings Limited at 31 December 2017	1,457	-	1,457

Subordinated Debt in Leasing and Finance LP

As part of the establishment of the business of Advaro Financial Services Limited, Speirs Group Limited invested the \$1million establishment fee it received in relation to this transaction into subordinated debt of a wholly owned subsidiary of Advaro Financial Services Limited, Advaro Funding 2 LP. With the establishment of the investment into Equipment, Leasing & Finance Holdings Limited on 30 September 2016, the subordinated debt investment was transferred to Leasing & Finance LP. The investment was subordinated to all other liabilities of Leasing & Finance LP, so long as Leasing & Finance LP was not in default and carried a minimum interest rate of 10.00% per annum, payable on a monthly basis. The interest rate had a reset mechanism which was tied to market interest rates. During the period ended 31 December 2017 \$405,000 of subordinated debt was repaid and during the period ended 30 June 2018 the remaining \$595,000 of subordinated debt was repaid

14. Trade and Other Payables

	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2018</i>	<i>2018</i>	<i>2017</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade and Other Payables			
Trade Payables	1,619	788	1,383
Non-Trade Payables and Accrued Expenses	445	480	824
	<u>2,064</u>	<u>1,268</u>	<u>2,207</u>

15. Borrowings

	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2017 \$'000
Borrowings			
Debtor Financing	1,215	900	1,151
Plant Financing	-	-	35
2021 Redeemable Preference Shares	2,500	2,500	2,500
Mortgage Facility	5	10	730
	<u>3,720</u>	<u>3,410</u>	<u>4,416</u>
Current	1,215	900	1,186
Non-Current	2,505	2,510	3,230
	<u>3,720</u>	<u>3,410</u>	<u>3,748</u>

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

	31 December 2018 %	30 June 2018 %	31 December 2017 %
Borrowings			
Debtor Financing	9.75%	9.75%	9.75%
Plant Financing	N/A	N/A	0.00%
2021 Redeemable Preference Shares	9.00%	9.00%	9.00%
Mortgage Facility	8.00%	8.00%	8.00%

Debtor Financing – After 1 November 2018

The financing is secured by a first ranking charge over the assets and undertakings of Speirs Foods (2018) LP and an unsecured guarantee from Speirs Group Limited. The facility was entered into on 1 November 2018 and has a minimum non-cancellable period of 270 days. After 270 days has elapsed: (i) Speirs Foods Limited has the right (after giving 90 days' notice to the financier) to terminate the facility; (ii) the financier has the right (after giving 90 days' notice to Speirs Foods Limited) to terminate the facility.

Debtor Financing – Prior to 1 November 2018

The financing was secured by a first ranking charge over the assets and undertakings of Speirs Foods Limited and an unsecured guarantee from Speirs Group Limited. The facility was entered into on 3 December 2013 and has a minimum non-cancellable period of 270 days. After 270 days has elapsed: (i) Speirs Foods Limited had the right (after giving 90 days' notice to the financier) to terminate the facility; (ii) the financier had the right (after giving 90 days' notice to Speirs Foods Limited) to terminate the facility. This facility was terminated when the trading business of Speirs Foods Limited was sold to Speirs Foods (2018) LP on 1 November 2018.

Plant Financing

During the period ended 31 December 2015 Speirs Foods Limited entered into a plant financing arrangement with the supplier for a specific item of plant acquired during the same period. The financing was secured by a first ranking charge over the item of plant. The facility was for a 36 month period and was interest free. The facility required the payment of \$4,424 per month. The debt was settled in full during the year ended 30 June 2018.

2021 Redeemable Preference Shares

As at 31 December 2018 there are 2,500,000 (30 June 2018: 2,500,000; 31 December 2017: 2,500,000) 2021 Redeemable Preference Shares on issue at \$1 each. The 2021 Redeemable Preference Shares have a scheduled redemption date of 30 September 2021, although Speirs Group Limited has the right to redeem at any time before the scheduled redemption date. The 2021 Redeemable Preference Shares rank 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 is 9.00% per annum.

Mortgage Facility

Speirs Foods Limited has a mortgage funding facility for up to \$500,000 (30 June 2018 and 31 December 2017: \$730,000). The facility has a maturity date of 10 July 2021. The facility is secured by a first mortgage over the properties owned by Speirs Foods Limited, along with a second ranking charge over the assets and undertakings of Speirs Foods Limited and an unsecured guarantee from Speirs Group Limited. The Company is required to respect a Loan to security ratio for which the principal sum should not exceed 49.66% of the value of the security at any time or it could be required to repay such an amount of the principal sum or provide an acceptable additional security to ensure the security margin is not exceeded. As at 31 December 2018, 30 June 2018 and 31 December 2017 the covenant was respected.

16. Contributed Capital

	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2017 \$'000
Balance at Beginning of Period	12,925	12,925	12,925
Balance at Period End	12,925	12,925	12,925

Ordinary Shares

	Ordinary Shares		
	31 December 2018 '000	30 June 2018 '000	31 December 2017 '000
Number of Shares on issue at Start of Period	11,335	11,335	11,335
Number of Shares on issue at Period End	11,335	11,335	11,335

The total authorised number of ordinary shares is 11,334,576 (30 June 2018: 11,334,576; 31 December 2017 11,334,576). All issued shares were fully paid. There are no preferences or restrictions attached to this class of share.

Perpetual Preference Shares

	Perpetual Preference Shares		
	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2017 \$'000
Number of Shares on issue at Start of Period	679	679	679
Number of Shares 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" (which is currently around 2.4%) plus 5%. 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 2017 and 2021 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 2022).
Redemption amount payable by the Company	\$1.00 plus any authorised but unpaid dividends.
When convertible	Convertible at the election of the holder between 5 and 10 years from the date of issue (i.e. between 2017 and 2022).
Rate of conversion	1 PPS converts into 8 ordinary shares in the Company.
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 2018 \$'000	30 June 2018 \$'000	31 December 2017 \$'000
0.0c per Ordinary Share (30 June 2018: 0.0c; 31 December 2017: 0.0c)	-	-	-
4.5c per Perpetual Preference Share (30 June 2018: 9.0c per share; 31 December 2017: 4.5c per share)	31	61	31

17. Reconciliation of Profit for the Period to Net Cash From Operating Activities

	6 months 31 December 2018 \$'000	12 months 30 June 2018 \$'000	6 months 31 December 2017 \$'000
Reconciliation of Profit/(Loss) for the Period to Net Cash from Operating Activities			
Profit/(Loss) for the Period	(225)	1,156	179
Adjustments for Non-Cash Items:			
Depreciation on Property, Plant and Equipment	136	292	151
Amortisation of Intangible Assets	11	15	4
Bad Debts Written Off	-	69	-
Profit Share Attributable to Non-Controlling Interest	26	-	-
Impact of Transfer of Rosa Foods from Associate Company Status	-	415	-
Loss/(Gain) on Disposal of Property, Plant and Equipment	-	(27)	(33)
Recognition of Future Income Tax Benefit	-	(94)	-
Share of Associates (Gains)/ Losses	-	(134)	(36)
Gain on Fair Value Through Profit and Loss Financial Asset	-	(811)	-
Impairment of Fair Value Through Profit and Loss Financial Asset	-	112	-
	(52)	993	265
Movement in Other Working Capital Items:			
Change in Inventories	(205)	(162)	(221)
Change in Dividend Owing – Rosa Foods Limited	-	(241)	-
Change in Trade and Other Receivables and Prepayments	(729)	167	(629)
Change in Trade and Other Payables	796	(427)	512
Net Cash From Operating Activities	(190)	330	(73)

18. 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 2018 \$'000	12 Months 30 June 2018 \$'000	6 Months 31 December 2017 \$'000
Directors' Fees	50	99	50
Consulting Fees Paid to Key Management Personnel	164	304	146
	214	403	196

At 31 December 2018 the amount of unpaid consulting fees payable to key management personnel was \$20,000 (30 June 2018: \$25,970; 31 December 2017: \$17,000))

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 Limited (a wholly owned subsidiary);
- Speirs Foods (2018) LP (a Limited Partnership in which Speirs Group has a 67% interest. This Limited Partnership began operating on 1 November 2018);
- Speirs Nutritionals Partners LP (a Limited Partnership in which Speirs Group has a 60.657% interest);
- Speirs Investments LP (a wholly owned subsidiary);
- EL&F Holdings Limited and its subsidiaries (a company in which Speirs Investments LP holds 2.30% of the ordinary shares on issue); and
- Rosa Foods Limited (a company in which Speirs Group Limited held a 40% interest until the shares were sold on 6 April 2018).

Transactions with related parties during the period ended 31 December 2018 are summarised below:

○ **Speirs Foods Limited**

- Speirs Group Limited received a dividend of \$120,000 (30 June 2018: \$250,000; 31 December 2017: \$125,000) from Speirs Foods Limited.
- Speirs Group Limited charged Speirs Foods Limited \$22,000 (30 June 2018: \$66,000; 31 December 2017: \$33,000) in respect of corporate services provided by Speirs Group Limited.
- At 31 December 2018 Speirs Group Limited owed \$180,000 (30 June 2018: \$Nil; 31 December 2017: \$302,167) to Speirs Foods Limited.
- At 31 December 2018 Speirs Foods Limited owed \$Nil (30 June 2018: \$113,778; 31 December 2017: \$Nil) to Speirs Group Limited.
- On 1 November 2018 Speirs Foods Limited sold its trading business to Speirs Foods (2018) LP and the majority of Speirs Foods Limited's assets and liabilities (with the principal exception of land and buildings, and the associated mortgage facility which were retained by Speirs Foods Limited). As part of this transaction:
 - Speirs Foods Limited recorded a gain on disposal of plant and equipment of \$1,551,262
 - Received a promissory note for \$1,868,000 issued by Speirs Group Limited from Speirs Foods (2018) LP in part payment for the value of the business and net assets sold to Speirs Foods (2018) LP;
 - Speirs Foods Limited forgave the requirement to repay the promissory note of \$1,868,000 issued by Speirs Group Limited;
 - A one-off loss on disposal of \$153,535 was recognised by Speirs Foods Limited.

○ **Speirs Foods (2018) LP (from 1 November 2018)**

- On 1 November 2018 Speirs Foods 2018(LP)acquired the business of Speirs Foods Limited and the majority of Speirs Foods Limited's assets and liabilities (with the principal exception of land and buildings, and the associated mortgage facility which were retained by Speirs Foods Limited). Immediately after this acquisition a 33% partnership interest in Speirs Foods (2018) LP was sold for \$653,000. As part of this transaction:
 - Speirs Group issued a promissory note in favour of Speirs Foods (2018) LP in the amount of \$1,868,000;
 - The \$1,868,000 promissory note was then transferred to Speirs Foods Limited in part payment for the value of the business and net assets acquired from Speirs Foods Limited;
 - A one-off bargain gain on acquisition of \$153,535 was recognised by Speirs Foods (2018) LP.
- Speirs Group Limited received a distribution of \$Nil (30 June 2018: \$Nil; 31 December 2017: \$Nil) from Speirs Foods (2018) LP
- Speirs Foods Limited charged rent on land and buildings leased by Speirs Foods (2018) LP of \$27,500 (30 June 2018: \$Nil; 31 December 2017: \$Nil)
- Speirs Group Limited charged Speirs Foods (2018) LP \$11,000 (30 June 2018: \$Nil; 31 December 2017: \$Nil) in respect of corporate services provided by Speirs Group Limited.
- At 31 December 2018 Speirs Foods (2018) LP owed \$196,500 (30 June 2018: \$Nil; 31 December 2017: \$Nil) to Speirs Foods Limited. During the period ended 31 December 2018

Speirs Foods Limited charged interest on this loan in the amount of \$4,638 (30 June 2018: \$Nil; 31 December 2017: \$Nil).

- **Rosa Foods Limited (the disclosures below represent the period until 6 April 2018 when Speirs Group Limited sold its minority shareholding in the company)**
 - Speirs Foods charged Rosa Foods Limited \$Nil (30 June 2018: \$191,958; 31 December 2017: \$77,366) for freight and marketing services provided. At 31 December 2018 Rosa Foods Limited owed Speirs Foods Limited \$Nil (30 June 2018: \$Nil; 31 December 2017: \$7,574).
 - Speirs Group Limited received a dividend on ordinary shares of \$Nil (30 June 2018: \$415,000; 31 December 2017: \$24,000).

- **Equipment, Leasing & Finance Holdings Limited and its subsidiaries**
 - Speirs Group Limited has invested \$Nil (30 June 2018: \$Nil; 31 December 2017: \$595,000) by way of subordinated debt into a wholly owned subsidiary of Equipment, Leasing & Finance Holdings Limited
 - Speirs Group Limited received \$Nil (30 June 2018: \$54,548; 31 December 2017: \$29,857) of interest on the subordinated debt.
 - Speirs Investments LP acquired an additional Nil ordinary shares (30 June 2018: 114,564 ordinary shares; 31 December 2017: Nil ordinary shares) in Equipment, Leasing and Finance Holdings Limited at \$1.50 per share (31 December 2018: \$ Nil; 30 June 2018: \$171,846; 31 December 2017: \$Nil).

- **Speirs Investments LP**
 - Speirs Group Limited provided an interest free loan to Speirs Investments LP in the amount of \$171,846. At 31 December 2018 the balance owed by Speirs Investments LP to Speirs Group Limited was \$171,846 (30 June 2018: \$171,846); 31 December 2017: \$Nil)

19. Capital Commitments and Contingencies

The Group was committed to the following at year end:

31 December 2018

	<i>Property Rentals \$'000</i>	<i>Capital Expenditure \$'000</i>	<i>Total \$'000</i>
Less than One Year	-	-	-
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	-	-

30 June 2018

	<i>Property Rentals \$'000</i>	<i>Capital Expenditure \$'000</i>	<i>Total \$'000</i>
Less than One Year	-	-	-
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	-	-

31 December 2017

	<i>Property Rentals \$'000</i>	<i>Capital Expenditure \$'000</i>	<i>Total \$'000</i>
Less than One Year	-	26	26
Between One and Five Years	-	-	-
More than Five Years	-	-	-
	-	26	26

Contingent Liabilities

The Group has no contingent liabilities (30 June 2018: Same; 31 December 2017: Same).

20. Events After the Reporting Period

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

21. Net Tangible Assets per Ordinary Share

	31 December 2018	30 June 2018	31 December 2017
	\$	\$	\$
Net Tangible Assets Per Ordinary Share	0.29	0.29	0.21